

# California State University, Long Beach



**2008-2009**

## **Annual Management Report**

A Supplement to the  
Annual Audited Financial Report

# Foreword

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September 18, 2009

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. In addition, the California State University Foundation, the Associated Students, Inc., and the Forty-Niner Shops, Inc., operate as separate corporate entities under the auspices of the University.

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**

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# General Fund Budget

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As of June 30, 2009, the University reported a total adjusted General Fund budget of \$355,057,606 representing an increase of \$17,901,869 from the Initial Base Budget Allocation of \$337,155,737. This increase consists of increased revenues and adjustments of \$2,716,370, budget adjustments from the System Office of \$722,013, and prior year reserves of \$14,463,486. Changes in the General Fund budget are summarized below:

## Initial Base Budget Allocation

General Fund State Appropriation	\$ 204,868,758	
Mid-Year, One-Time Budget Reduction	(2,279,700)	
Base Budget Reduction	(4,713,000)	
Adjusted State Appropriation		197,876,058
Revenues and Reimbursements		133,679,679
Campus Temporary Resources		5,600,000
		<u>\$ 337,155,737</u>

**Increased Revenues and Reimbursements** 2,716,370

## Budget Adjustments Received from System Office:

Annual funding for faculty research, scholarship and creative activities	\$ 210,661	
MSTI-Math & Science Teachers Initiative	150,000	
Engineering Academies Outreach Initiative	75,000	
2008/09 CalPERS Retirement adjustment	(111,180)	
Miscellaneous allocations from the System Office	397,532	722,013
		<u>3,438,383</u>

**Prior Year Reserves** 14,463,486

**Total Adjusted Budget at June 30, 2009** \$ 355,057,606

**General Fund: Source of Funds  
For the Year Ended June 30, 2009**

	<b>Original Internal Budget</b>	<b>Prior Year Reserves Distributed</b>	<b>Additional Budget Adjustments</b>	<b>Total Revised Budget</b>
<b>Revenues</b>				
State university fee	\$ 110,831,691	-	848,096	111,679,787
Non-resident tuition	11,470,000	-	148,300	11,618,300
Student health fee	3,520,648	-	96,907	3,617,555
Application fee	2,688,490	-	(92,241)	2,596,249
Interest income	912,750	-	(912,750)	-
Miscellaneous revenue	2,114,050	-	4,074,724	6,188,774
<b>Total Revenues</b>	<b>131,537,629</b>	<b>-</b>	<b>4,163,037</b>	<b>135,700,666</b>
<b>Reimbursements</b>				
Federal financial aid overhead	247,685	-	(9,113)	238,572
Federal work-study	970,000	-	188,424	1,158,424
Miscellaneous reimbursement	924,365	-	(903,965)	20,400
Total Reimbursements	2,142,050	-	(724,654)	1,417,396
<b>Total Revenues and Reimbursements</b>	<b>133,679,679</b>	<b>-</b>	<b>3,438,383</b>	<b>137,118,062</b>
<b>State appropriation</b>	<b>197,876,058</b>	<b>-</b>	<b>-</b>	<b>197,876,058</b>
<b>Campus temporary resources</b>	<b>5,600,000</b>	<b>-</b>	<b>-</b>	<b>5,600,000</b>
<b>Prior Year Reserves</b>	<b>-</b>	<b>14,463,486</b>	<b>-</b>	<b>14,463,486</b>
<b>Total Source of Funds</b>	<b>\$ 337,155,737</b>	<b>14,463,486</b>	<b>3,438,383</b>	<b>355,057,606</b>

**General Fund: Application of Funds  
For the Year Ended June 30, 2009**

	<b>Revised Budget</b>	<b>Personal Services</b>	<b>Operating Expenses</b>	<b>Total Expenses</b>	<b>Budget Balance Available</b>
President's Office	2,120,209	1,751,575	306,843	2,058,418	61,791
Academic Affairs	207,669,448	189,021,415	12,945,991	201,967,406	5,702,042
Student Services	17,824,294	15,953,453	1,495,239	17,448,692	375,602
Administration and Finance	63,424,565	47,488,465	11,963,785	59,452,250	3,972,315
University Relations & Development	7,653,175	6,381,107	1,029,216	7,410,323	242,852
Athletics	5,889,377	5,604,814	284,563	5,889,377	-
<b>Total for Divisions</b>	<b>304,581,068</b>	<b>266,200,829</b>	<b>28,025,637</b>	<b>294,226,466</b>	<b>10,354,602</b>
University Wide	50,476,538	414,669	42,096,391	42,511,060	7,965,478
<b>Total Uses of Funds</b>	<b>355,057,606</b>	<b>266,615,499</b>	<b>70,122,028</b>	<b>336,737,527</b>	<b>18,320,080</b>

**General Fund: Planned Use of Reserves  
As of June 30, 2009**

Current Year Budget Balance Available at June 30, 2009-Adjusted	18,320,080
Cumulative Contingency Reserve at July 1, 2008	12,398,691
<b>General Fund Cumulative Reserve balance at June 30, 2009</b>	<b>30,718,771</b>
Budget Balance Allocated to Divisions in FY09/10	(10,354,602)
Designated reserves for Campus Wide use in FY09/10	(1) (6,488,488)
<b>Cumulative Contingency Funds at July 1, 2009</b>	<b>13,875,681</b>
Designated FY09/10 one-time Budget reduction	(2) (5,574,700)
<b>Cumulative Contingency Funds for future commitment</b>	<b>8,300,981</b>

(1) Earmarked for CMS and energy saving projects.

(2) The negative \$5,574,700 is CSULB's portion of the one-time CSU budget reduction of \$77.5 million.

**Statement of Funds  
For the Year Ended June 30, 2009**

	<b>General Fund</b>	<b>College of Continuing and Professional Education</b>	<b>Housing</b>	<b>Parking</b>
<b>SOURCE</b>				
<b>Revenues</b>				
State appropriation	197,876,058	-	-	-
Operations revenue	129,871,160	17,140,467	14,611,588	7,913,231
Miscellaneous revenue	5,936,735	867,706	1,020,593	586,843
Interest income	-	257,578	481,689	235,099
Reimbursements/Transfers in	1,309,667	8,625,945	3,010,247	1,671,523
<b>Total revenues</b>	<b>334,993,620</b>	<b>26,891,696</b>	<b>19,124,117</b>	<b>10,406,695</b>
<b>Reserves from prior year</b>	<b>20,063,987</b>	<b>7,053,533</b>	<b>15,126,691</b>	<b>9,565,897</b>
<b>Total source of funds</b>	<b>355,057,606</b>	<b>33,945,229</b>	<b>34,250,808</b>	<b>19,972,592</b>
<b>APPLICATION</b>				
<b>Salaries</b>				
Salaries & wages - mgmt	21,207,203	786,594	370,321	150,625
Salaries & wages - staff	62,603,616	2,820,682	1,543,185	1,368,770
Student assistants	2,922,477	619,711	248,045	227,390
Other salaries & wages	79,636	29,810	76,204	59,977
Salaries & wages - faculty	63,971,053	734	-	-
Department chairs	5,257,485	43,639	-	-
Other faculty salaries & wages	40,383,560	4,801,640	315	-
Instructional student assistants	455,433	-	-	-
Work study	1,675,783	-	-	-
<b>Total salaries</b>	<b>198,556,246</b>	<b>9,102,810</b>	<b>2,238,071</b>	<b>1,806,763</b>
<b>Benefits</b>	<b>68,059,253</b>	<b>2,103,764</b>	<b>1,011,743</b>	<b>704,439</b>
<b>Total salaries and benefits</b>	<b>266,615,499</b>	<b>11,206,574</b>	<b>3,249,815</b>	<b>2,511,201</b>
<b>Operating expenditures</b>	<b>70,122,028</b>	<b>15,457,864</b>	<b>13,165,719</b>	<b>6,432,667</b>
<b>Total application of funds</b>	<b>336,737,527</b>	<b>26,664,439</b>	<b>16,415,534</b>	<b>8,943,868</b>
<b>Reserve balance, end of year</b>	<b>18,320,080</b>	<b>7,280,791</b>	<b>17,835,274</b>	<b>11,028,723</b>

**Statement of Funds**  
**For the Year Ended June 30, 2009**

	<b>Parking Fines and Forfeitures</b>	<b>State Lottery</b>	<b>Other Trusts Funds</b>	<b>Total Operations (Pages 4 &amp; 5)</b>
<b>SOURCE</b>				
<b>Revenues</b>				
State appropriation	-	-	-	197,876,058
Operations revenue	1,233,546	-	-	170,769,991
Miscellaneous revenue	-	2,161	81,087,020	89,501,058
Interest income	61,399	28,453	2,578,589	3,642,806
Reimbursements/Transfers in	-	3,007,389	37,459,974	55,084,744
<b>Total revenues</b>	<b>1,294,944</b>	<b>3,038,002</b>	<b>121,125,584</b>	<b>516,874,658</b>
Reserves from prior year	<b>1,468,516</b>	<b>1,469,540</b>	<b>24,539,762</b>	<b>79,287,926</b>
<b>Total source of funds</b>	<b>2,763,461</b>	<b>4,507,542</b>	<b>145,665,346</b>	<b>596,162,583</b>
<b>APPLICATION</b>				
<b>Salaries</b>				
Salaries & wages - mgmt	-	-	524,603	23,039,347
Salaries & wages - staff	-	50,975	1,442,478	69,829,705
Student assistants	-	315,563	1,095,846	5,429,033
Other salaries & wages	-	664	1,440,939	1,687,230
Salaries & wages - faculty	-	-	-	63,971,787
Department chairs	-	-	27,984	5,329,108
Other faculty salaries & wages	-	126,487	1,624,492	46,936,495
Instructional student assistants	-	26,182	22,929	504,544
Work study	-	-	-	1,675,783
<b>Total salaries</b>	<b>-</b>	<b>519,871</b>	<b>6,179,271</b>	<b>218,403,033</b>
<b>Benefits</b>	<b>-</b>	<b>27,855</b>	<b>916,543</b>	<b>72,823,597</b>
<b>Total salaries and benefits</b>	<b>-</b>	<b>547,727</b>	<b>7,095,814</b>	<b>291,226,630</b>
<b>Operating expenditures</b>	<b>1,188,309</b>	<b>2,264,093</b>	<b>109,316,523</b>	<b>217,947,204</b>
<b>Total application of funds</b>	<b>1,188,309</b>	<b>2,811,820</b>	<b>116,412,337</b>	<b>509,173,834</b>
<b>Reserve balance, end of year</b>	<b>1,575,152</b>	<b>1,695,722</b>	<b>29,253,008</b>	<b>86,988,750</b>



# ***Description of Funds***

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## **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 student 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.

**Statement of Revenues and Expenditures - Auxiliary Organizations  
For the Year Ended June 30, 2009**

	<b>CSULB Foundation</b>	<b>Associated Students, Inc.</b>	<b>University Student Union</b>	<b>Forty- Niner Shops, Inc.</b>	<b>Total</b>
<b>Operating Revenues</b>					
Operations Revenue	\$38,086,785	3,517,480	2,772,408	31,725,852	76,102,525
Miscellaneous Revenue	10,906,777	1,844,542	1,572,309	1,016,846	15,340,474
<b>Total Operating Revenues</b>	<b>48,993,562</b>	<b>5,362,022</b>	<b>4,344,717</b>	<b>32,742,698</b>	<b>91,442,999</b>
<b>Operating Expenditures</b>					
Salaries and Benefits	26,127,836	3,033,167	2,890,240	8,732,557	40,783,800
Operating Expenditures	31,985,039	2,398,629	1,614,360	22,987,919	58,985,947
Depreciation	542,623	111,672	82,541	1,107,916	1,844,752
<b>Total Operating Expenditures</b>	<b>58,655,498</b>	<b>5,543,468</b>	<b>4,587,141</b>	<b>32,828,392</b>	<b>101,614,499</b>
<b>Operating Income/(Loss)</b>	<b>(9,661,936)</b>	<b>(181,446)</b>	<b>(242,424)</b>	<b>(85,694)</b>	<b>(10,171,500)</b>
<b>Net Non-Operating Revenues</b>	<b>3,571,696</b>	<b>82,254</b>	<b>48,423</b>	<b>(788,807)</b>	<b>2,913,566</b>
<b>Increase (Decrease) in Fund Balance</b>	<b>\$(6,090,240)</b>	<b>(99,192)</b>	<b>(194,001)</b>	<b>(874,501)</b>	<b>(7,257,934)</b>

# ***Description of Auxiliary Organizations***

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**A. California State University, Long Beach Foundation (the “Foundation”)**

The Foundation was created to administer grants from governmental and private agencies for research and other activities related to the programs of the University, and to accept donations, gifts, and bequests for any University-related use.

**B. Associated Students, Inc.**

The Associated Students, Inc. was created to administer various student programs and activities. Student fees and other revenue are collected for the support of student-related programs and for the acquisition of assets that benefit the student body.

**C. University Student Union**

The University Student Union (the “Union”) is operated by the Board of Directors of the Associated Students, Inc. The Union operates the Student Union Building. The operations include a candy counter, recreation center, information/ticket booth, and graphics department.

**D. Forty-Niner Shops, Inc.**

The Forty-Niner Shops, Inc. was created to operate food services and bookstore activities at the University for the benefit of the campus. Its customer base consists primarily of students enrolled at the University.

# ***Glossary of Terms***

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**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.