# General Purpose Financial Statements

# Combined Balance Sheet

## All Fund Types, Account Groups, and Discretely Presented Component Units

**June 30, 1996**
(Amounts in thousands)

| | Governmental Fund Types | | | Proprietary Fund Types | |
|---|---|---|---|---|---|
| | General | Special Revenue | Capital Projects | Enterprise | Internal Service |
| **ASSETS:** | | | | | |
| Cash and pooled investments (Note 3) | $ 141,230 | $ 3,321,793 | $ 56,245 | $ 3,148,359 | $ 181,425 |
| Investments (Note 3) | — | — | 2,955 | 3,682,138 | — |
| Amount on deposit with U.S. Treasury | — | — | — | — | — |
| Receivables (net) | 78,026 | 352,842 | 1,278 | 98,252 | 2,299 |
| Due from other funds (Note 4) | 4,824,173 | 2,815,372 | 72,542 | 241,647 | 276,089 |
| Due from primary government | — | — | — | — | — |
| Due from other governments | 161,494 | 4,507,110 | 13 | 66,419 | 17,022 |
| Prepaid items | — | — | — | 26,018 | 13,380 |
| Food stamps (Note 1B) | — | 504,262 | — | — | — |
| Inventories, at cost | — | — | — | 22,471 | 79,667 |
| Net investment in direct financing leases (Note 6) | — | — | — | 4,153,448 | — |
| Advances and loans receivable | 762,497 | 1,300,670 | — | 2,858,580 | — |
| Deferred charges | — | — | — | 1,069,593 | — |
| Fixed assets (Note 7) | — | — | — | 5,460,420 | 248,354 |
| Other assets | 1,041 | 227,164 | 148 | 59,327 | 9,147 |
| Amount to be provided for retirement of long-term obligations | — | — | — | — | — |
| **Total Assets** | **$ 5,968,461** | **$ 13,029,213** | **$ 133,181** | **$ 20,886,672** | **$ 827,383** |



*The notes to the financial statements are an integral part of this statement.*

| Fiduciary Fund Type | | | Total Primary Government (Memorandum Only) | Component Units | | Total Reporting Entity (Memorandum Only) |
|---|---|---|---|---|---|---|
| Trust and Agency | General Fixed Assets | General Long-Term Obligations | | University of California | Special Purpose Authorities | |
| $ 16,956,574 | $ — | $ — | **$ 23,805,626** | $ 51,603 | $ 614,114 | **$ 24,471,343** |
| 165,533,261 | — | — | **169,218,354** | 32,299,038 | 6,893,781 | **208,411,173** |
| 2,914,135 | — | — | **2,914,135** | — | — | **2,914,135** |
| 11,257,385 | — | — | **11,790,082** | 1,426,708 | 216,999 | **13,433,789** |
| 6,982,839 | — | — | **15,212,662** | 138,250 | 739 | **15,351,651** |
| — | — | — | **--** | 111,249 | 13,511 | **124,760** |
| 656,530 | — | — | **5,408,588** | 107,531 | — | **5,516,119** |
| 22,862 | — | — | **62,260** | — | — | **62,260** |
| — | — | — | **504,262** | — | — | **504,262** |
| — | — | — | **102,138** | 98,123 | — | **200,261** |
| — | — | — | **4,153,448** | — | — | **4,153,448** |
| 1,405,426 | — | — | **6,327,173** | — | 3,736,134 | **10,063,307** |
| — | — | — | **1,069,593** | 57,535 | 3,934 | **1,131,062** |
| — | 15,027,958 | — | **20,736,732** | 13,447,986 | 531,456 | **34,716,174** |
| 124,960 | — | — | **421,787** | 3,675 | 813,305 | **1,238,767** |
| — | — | 20,471,193 | **20,471,193** | — | — | **20,471,193** |
| **$ 205,853,972** | **$ 15,027,958** | **$ 20,471,193** | **$ 282,198,033** | **$ 47,741,698** | **$ 12,823,973** | **$ 342,763,704** |

(Continued)

# Combined Balance Sheet

## All Fund Types, Account Groups, and Discretely Presented Component Units

**June 30, 1996**
(Amounts in thousands)

| | Governmental Fund Types | | | Proprietary Fund Types | |
|---|---|---|---|---|---|
| | General | Special Revenue | Capital Projects | Enterprise | Internal Service |
| **LIABILITIES:** | | | | | |
| Accounts payable | $ 824,242 | $ 956,297 | $ 20,309 | $ 217,093 | $ 90,638 |
| Due to other funds (Note 4) | 4,205,258 | 4,161,421 | 35,553 | 335,898 | 117,910 |
| Due to component units (Note 4) | 182,122 | 85,955 | — | 2,579 | 18,884 |
| Due to other governments | 1,035,121 | 1,521,657 | 5,493 | 106,405 | 51 |
| Dividends payable | — | — | — | — | — |
| Deferred revenue (Note 1B) | — | 504,262 | — | — | — |
| Advances from other funds | 343,378 | 42,664 | 1,138 | 199,777 | 94,886 |
| Tax overpayments | — | 5,818 | — | — | — |
| Benefits payable | — | — | — | 83,059 | — |
| Deposits | 6 | 13,358 | — | 6,438 | 1,796 |
| Contracts and notes payable | — | — | — | 653 | 57,437 |
| Lottery prizes and annuities | — | — | — | 2,526,650 | — |
| Compensated absences payable (Note 9) | 94,633 | — | — | 32,448 | 36,694 |
| Certificates of participation, commercial paper, and other borrowings (Note 10,11) | — | — | — | 21,000 | — |
| Net assets available for benefits | — | — | — | — | — |
| Capital lease obligations (Note 12) | — | — | — | 313 | 32,334 |
| Advance collections | 22,761 | 86,721 | 196 | 347,857 | 144,222 |
| General obligation bonds payable (Note 14) | — | — | — | 3,982,285 | — |
| Revenue bonds payable (Note 15) | — | — | — | 8,418,904 | — |
| Interest payable | — | — | 19,882 | 175,071 | — |
| Other liabilities | 29,720 | 45,873 | — | 14,753 | 4,991 |
| **Total Liabilities** | **6,737,241** | **7,424,026** | **82,571** | **16,471,183** | **599,843** |
| **FUND EQUITY AND OTHER CREDITS:** | | | | | |
| Contributed capital (Note 1K,17C) | — | — | — | 216,247 | 112,239 |
| Investment in general fixed assets (Notes 1K,7) | — | — | — | — | — |
| Retained earnings: | | | | | |
| Reserved for regulatory requirements (Note 1K) | — | — | — | 142,492 | — |
| Unreserved (Note 1K) | — | — | — | 4,056,750 | 115,301 |
| **Total Retained Earnings** | **––** | **––** | **––** | **4,199,242** | **115,301** |
| Fund balances: | | | | | |
| Reserved for: | | | | | |
| Encumbrances (Note 1K) | 450,821 | 1,623,118 | 116,074 | — | — |
| Advances and loans (Note 1K) | 762,497 | 1,300,670 | — | — | — |
| Employees' Pension Benefits (Note 1K) | — | — | — | — | — |
| Continuing appropriations (Note 1K) | 123,036 | 3,233,571 | 28,442 | — | — |
| Other specific purposes (Notes 1K,17A) | — | — | — | — | — |
| **Total Reserved** | **1,336,354** | **6,157,359** | **144,516** | **––** | **––** |
| Unreserved: | | | | | |
| **Undesignated (Deficit) (Note 1K)** | **(2,105,134)** | **(552,172)** | **(93,906)** | **––** | **––** |
| **Total Fund Equity and Other Credits (Deficit) (Notes 1K,17B)** | **(768,780)** | **5,605,187** | **50,610** | **4,415,489** | **227,540** |
| **Total Liabilities, Fund Equity, and Other Credits** | **$ 5,968,461** | **$13,029,213** | **$ 133,181** | **$20,886,672** | **$ 827,383** |



*The notes to the financial statements are an integral part of this statement.*

| Fiduciary Fund Type | | | Total Primary Government (Memorandum Only) | Component Units | | Total Reporting Entity (Memorandum Only) |
|---|---|---|---|---|---|---|
| Trust and Agency | General Fixed Assets | General Long-Term Obligations | | University of California | Special Purpose Authorities | |
| $ 6,716,800 | $ — | $ — | $ 8,825,379 | $ 1,390,451 | $ 115,242 | $ 10,331,072 |
| 6,356,618 | — | — | 15,212,658 | 138,250 | 743 | 15,351,651 |
| 2,519 | — | — | 292,059 | — | — | 292,059 |
| 14,182,635 | — | — | 16,851,362 | — | — | 16,851,362 |
| — | — | — | — | — | 60,000 | 60,000 |
| — | — | — | 504,262 | — | — | 504,262 |
| 644,760 | — | — | 1,326,603 | — | — | 1,326,603 |
| 1,249,041 | — | — | 1,254,859 | — | — | 1,254,859 |
| 774,002 | — | — | 857,061 | — | 4,619,802 | 5,476,863 |
| 3,262,546 | — | — | 3,284,144 | 493,096 | 833 | 3,778,073 |
| — | — | — | 58,090 | — | 48,853 | 106,943 |
| — | — | — | 2,526,650 | — | — | 2,526,650 |
| — | — | 1,156,073 | 1,319,848 | 277,121 | 24,439 | 1,621,408 |
| — | — | 260,395 | 281,395 | 856,742 | — | 1,138,137 |
| — | — | — | — | 27,509,751 | — | 27,509,751 |
| — | — | 2,993,592 | 3,026,239 | 1,180,593 | — | 4,206,832 |
| 83,371 | — | — | 685,128 | — | 230,098 | 915,226 |
| — | — | 14,224,172 | 18,206,457 | — | — | 18,206,457 |
| — | — | 239,395 | 8,658,299 | 1,866,750 | 4,337,755 | 14,862,804 |
| — | — | — | 194,953 | — | 114,804 | 309,757 |
| 1,160,267 | — | 1,597,566 | 2,853,170 | — | 822,284 | 3,675,454 |
| **34,432,559** | — | **20,471,193** | 86,218,616 | **33,712,754** | **10,374,853** | 130,306,223 |
| — | — | — | 328,486 | — | — | 328,486 |
| — | 15,027,958 | — | 15,027,958 | 9,712,306 | — | 24,740,264 |
| — | — | — | 142,492 | — | 516,893 | 659,385 |
| — | — | — | 4,172,051 | — | 1,932,227 | 6,104,278 |
| — | — | — | 4,314,543 | — | **2,449,120** | 6,763,663 |
| 3 | — | — | 2,190,016 | — | — | 2,190,016 |
| 505,864 | — | — | 2,569,031 | — | — | 2,569,031 |
| 165,272,217 | — | — | 165,272,217 | — | — | 165,272,217 |
| — | — | — | 3,385,049 | — | — | 3,385,049 |
| 5,643,329 | — | — | 5,643,329 | 2,163,865 | — | 7,807,194 |
| **171,421,413** | — | — | 179,059,642 | **2,163,865** | — | 181,223,507 |
| — | — | — | (2,751,212) | **2,152,773** | — | (598,439) |
| **171,421,413** | **15,027,958** | — | 195,979,417 | **14,028,944** | **2,449,120** | 212,457,481 |
| **$ 205,853,972** | **$ 15,027,958** | **$ 20,471,193** | $ 282,198,033 | **$ 47,741,698** | **$ 12,823,973** | $ 342,763,704 |

(Concluded)

*The notes to the financial statements are an integral part of this statement.*

# Combined Statement of Revenues, Expenditures, and Changes in Fund Balances

## All Governmental Fund Types and Expendable Trust Funds

**Year Ended June 30, 1996**
(Amounts in thousands)

| | Governmental Fund Types | | | Fiduciary Fund Types | Total Primary Government (Memorandum Only) |
|---|---|---|---|---|---|
| | General | Special Revenue | Capital Projects | Expendable Trust | |
| **REVENUES:** | | | | | |
| Taxes | $ 44,658,962 | $ 4,147,202 | $ — | $ 5,448,653 | $ 54,254,817 |
| Intergovernmental | — | 24,337,762 | — | — | 24,337,762 |
| Licenses and permits | 110,128 | 2,828,411 | — | — | 2,938,539 |
| Natural resources | 72,985 | 53 | — | — | 73,038 |
| Insurance premiums | — | — | — | 756,138 | 756,138 |
| Charges for services | 136,735 | 251,965 | — | 9,138 | 397,838 |
| Fees | 265,358 | 1,234,463 | — | 43,449 | 1,543,270 |
| Penalties | 155,012 | 247,433 | — | 24,129 | 426,574 |
| Interest | 341,521 | 150,351 | 4,015 | 298,997 | 794,884 |
| Other | 96,442 | 875,219 | 2,766 | 1,104,266 | 2,078,693 |
| **Total Revenues** | **45,837,143** | **34,072,859** | **6,781** | **7,684,770** | **87,601,553** |
| **EXPENDITURES:** | | | | | |
| Current: | | | | | |
| General government | 1,597,179 | 1,589,767 | 13 | 888,608 | 4,075,567 |
| Education | 20,895,700 | 3,079,246 | 3,547 | 855,633 | 24,834,126 |
| Health and welfare | 14,084,938 | 21,916,424 | — | 4,950,440 | 40,951,802 |
| Resources | 501,778 | 1,314,585 | 7,006 | 45,571 | 1,868,940 |
| State and consumer services | 345,791 | 330,121 | — | 22,660 | 698,572 |
| Business and transportation | 40,209 | 5,559,326 | 26 | 12,834 | 5,612,395 |
| Correctional programs | 3,616,969 | 75,727 | — | — | 3,692,696 |
| Property tax relief | 467,127 | 3,000 | — | — | 470,127 |
| Capital outlay | 839,717 | 44,933 | 275,711 | — | 1,160,361 |
| Debt service: | | | | | |
| Principal retirement | 1,015,416 | 5,064 | 20,090 | — | 1,040,570 |
| Interest and fiscal charges | 1,126,469 | 29,253 | 21,981 | — | 1,177,703 |
| **Total Expenditures** | **44,531,293** | **33,947,446** | **328,374** | **6,775,746** | **85,582,859** |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | **1,305,850** | **125,413** | **(321,593)** | **909,024** | **2,018,694** |
| **OTHER FINANCING SOURCES (USES):** | | | | | |
| Proceeds from general obligation bonds, commercial paper, and capital leases | 839,717 | 355,514 | 154,984 | — | 1,350,215 |
| Proceeds from refunding bonds | — | 113,585 | 206,891 | — | 320,476 |
| Operating transfers in | 479,466 | 1,913,104 | 50,501 | 334,312 | 2,777,383 |
| Operating transfers out | (217,440) | (2,239,842) | (11,041) | (310,824) | (2,779,147) |
| Transfers out - component unit | (2,040,406) | (19,136) | (51,971) | — | (2,111,513) |
| Payment to refunding bond escrow agent | — | (113,585) | (206,891) | — | (320,476) |
| **Total Other Financing Sources (Uses)** | **(938,663)** | **9,640** | **142,473** | **23,488** | **(763,062)** |
| **Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses** | **367,187** | **135,053** | **(179,120)** | **932,512** | **1,255,632** |
| **Fund Balances (Deficit), July 1, 1995** | **(1,135,967)** | **5,470,134** | **229,730** | **5,216,684** | **9,780,581** |
| **Fund Balances (Deficit), June 30, 1996** | **$ (768,780)** | **$ 5,605,187** | **$ 50,610** | **$ 6,149,196** | **$ 11,036,213** |

*The notes to the financial statements are an integral part of this statement.*

# Combined Statement of Revenues, Expenditures, and Changes in Fund Balances Budgetary Basis - Budget and Actual

## All Governmental Fund Types

**Year Ended June 30, 1996**
(Amounts in thousands)

| | General | | | Special Revenue | | |
|---|---|---|---|---|---|---|
| | Budget (Note 2A) | Actual | Variance Favorable (Unfavorable) | Budget (Note 2A) | Actual | Variance Favorable (Unfavorable) |
| **REVENUES:** | | | | | | |
| Taxes | — | $ 44,756,337 | — | — | $ 153,341 | — |
| Intergovernmental | — | — | — | — | 21,659,268 | — |
| Licenses and permits | — | 106,576 | — | — | 2,828,411 | — |
| Natural resources | — | 71,483 | — | — | 53 | — |
| Charges for services | — | 50,963 | — | — | 251,965 | — |
| Fees | — | 260,610 | — | — | 1,234,047 | — |
| Penalties | — | 170,139 | — | — | 248,039 | — |
| Interest | — | 326,823 | — | — | 150,319 | — |
| Other | — | 339,159 | — | — | 1,107,579 | — |
| **Total Revenues** | **––** | **46,082,090** | **––** | **––** | **27,633,022** | **––** |
| **EXPENDITURES:** | | | | | | |
| Current: | | | | | | |
| General government | $ 1,615,739 | 1,562,051 | $ 53,688 | $ 1,640,692 | 1,581,226 | $ 59,466 |
| Education | 21,987,707 | 21,921,078 | 66,629 | 3,005,475 | 2,961,970 | 43,505 |
| Health and welfare | 14,629,658 | 14,249,518 | 380,140 | 20,826,512 | 19,303,167 | 1,523,345 |
| Resources | 499,748 | 495,707 | 4,041 | 1,589,741 | 1,411,965 | 177,776 |
| State and consumer services | 362,600 | 345,504 | 17,096 | 371,427 | 330,029 | 41,398 |
| Business and transportation | 44,550 | 41,448 | 3,102 | 6,345,390 | 5,641,500 | 703,890 |
| Correctional programs | 3,618,944 | 3,606,296 | 12,648 | 78,567 | 75,727 | 2,840 |
| Property tax relief | 482,208 | 474,179 | 8,029 | 15,800 | 3,000 | 12,800 |
| Capital outlay | — | — | — | 51,969 | 44,933 | 7,036 |
| Debt service: | | | | | | |
| Principal retirement | 1,255,605 | 1,255,605 | — | 168,153 | 168,153 | — |
| Interest and fiscal charges | 923,084 | 897,765 | 25,319 | 100,562 | 100,374 | 188 |
| **Total Expenditures** | **$ 45,419,843** | **44,849,151** | **$ 570,692** | **$ 34,194,288** | **31,622,044** | **$ 2,572,244** |
| **OTHER FINANCING SOURCES (USES):** | | | | | | |
| Operating transfers in | — | 4,602,244 | — | — | 13,477,917 | — |
| Operating transfers out | — | (4,481,123) | — | — | (9,665,167) | — |
| Bonds authorized | — | — | — | — | 2,025,000 | — |
| **Net Other Financing Sources (Uses)** | **––** | **121,121** | **––** | **––** | **5,837,750** | **––** |
| **Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses** | **––** | **1,354,060** | **––** | **––** | **1,848,728** | **––** |
| **Fund Balances (Deficit), July 1, 1995** | **––** | **(280,209) *** | **––** | **––** | **6,229,564** | **––** |
| **Fund Balances (Deficit), June 30, 1996** | **––** | **$ 1,073,851** | **––** | **––** | **$ 8,078,292** | **––** |

* Restated (see Note 2)

(Continued)

*The notes to the financial statements are an integral part of this statement.*

# Combined Statement of Revenues, Expenditures, and Changes in Fund Balances Budgetary Basis - Budget and Actual

## All Governmental Fund Types

**Year Ended June 30, 1996**
(Amounts in thousands)

| | Capital Projects | | |
|---|---|---|---|
| | Budget (Note 2A) | Actual | Variance Favorable (Unfavorable) |
| **REVENUES:** | | | |
| Interest | — | $ 1,371 | — |
| Other | — | 49,226 | — |
| **Total Revenues** | **––** | **50,597** | **––** |
| **EXPENDITURES:** | | | |
| Current: | | | |
| Education | $ 8,404 | 4,692 | $ 3,712 |
| Resources | 14,628 | 7,005 | 7,623 |
| State and consumer services | 46,526 | 16,249 | 30,277 |
| Capital outlay | 331,877 | 312,454 | 19,423 |
| Debt service: | | | |
| Principal retirement | 17,795 | 17,795 | — |
| Interest and fiscal charges | 4,604 | 4,604 | — |
| **Total Expenditures** | **$ 423,834** | **362,799** | **$ 61,035** |
| **OTHER FINANCING SOURCES (USES):** | | | |
| Operating transfers in | — | 154,973 | — |
| Operating transfers out | — | (137,081) | — |
| Bonds authorized | — | 2,975,000 | — |
| **Net Other Financing Sources (Uses)** | **––** | **2,992,892** | **––** |
| **Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses** | **––** | **2,680,690** | **––** |
| **Fund Balances (Deficit), July 1, 1995** | **––** | **911,076** | **––** |
| **Fund Balances (Deficit), June 30, 1996** | **––** | **$ 3,591,766** | **––** |

(Concluded)



*The notes to the financial statements are an integral part of this statement.*

# Combined Statement of Revenues, Expenses, and Changes in Retained Earnings

## All Proprietary Fund Types and Discretely Presented Component Units – Special Purpose Authorities

**Year Ended June 30, 1996**
(Amounts in thousands)

| | Proprietary Fund Types | | Total Primary Government (Memorandum Only) | Component Units | Total Reporting Entity (Memorandum Only) |
|---|---|---|---|---|---|
| | Enterprise | Internal Service | | Special Purpose Authorities | |
| **OPERATING REVENUES:** | | | | | |
| Lottery ticket sales | $ 2,292,325 | $ — | $ 2,292,325 | $ — | $ 2,292,325 |
| Service and sales | 971,506 | 1,135,979 | 2,107,485 | 105,951 | 2,213,436 |
| Earned premiums (net) | 21,159 | — | 21,159 | 1,077,384 | 1,098,543 |
| Investment and interest | 302,221 | — | 302,221 | 342,740 | 644,961 |
| Contributions | — | — | –– | 2,071 | 2,071 |
| Rent | 319,816 | — | 319,816 | 17,683 | 337,499 |
| Other | 2,109 | — | 2,109 | 7,801 | 9,910 |
| **Total Operating Revenues** | **3,909,136** | **1,135,979** | **5,045,115** | **1,553,630** | **6,598,745** |
| **OPERATING EXPENSES:** | | | | | |
| Lottery prizes | 1,128,453 | — | 1,128,453 | — | 1,128,453 |
| Personal services | 278,129 | 306,771 | 584,900 | 112,219 | 697,119 |
| Supplies | 76,156 | 18,224 | 94,380 | 2,719 | 97,099 |
| Services and charges | 691,298 | 782,830 | 1,474,128 | 221,348 | 1,695,476 |
| Depreciation | 75,186 | 50,675 | 125,861 | 11,552 | 137,413 |
| Benefit payments | 29,372 | — | 29,372 | 953,491 | 982,863 |
| Interest expense | 511,174 | 4,708 | 515,882 | 274,501 | 790,383 |
| Amortization (recovery) of deferred charges | (17,978) | — | (17,978) | 2,238 | (15,740) |
| **Total Operating Expenses** | **2,771,790** | **1,163,208** | **3,934,998** | **1,578,068** | **5,513,066** |
| **Operating Income (Loss)** | **1,137,346** | **(27,229)** | **1,110,117** | **(24,438)** | **1,085,679** |
| **NONOPERATING REVENUES (EXPENSES):** | | | | | |
| Grants received | 481 | — | 481 | 72,470 | 72,951 |
| Grants provided | (13,276) | — | (13,276) | (72,470) | (85,746) |
| Interest revenue | 143,012 | 1,589 | 144,601 | 490,165 | 634,766 |
| Interest expense and fiscal charges | (188,130) | (2,583) | (190,713) | (2,722) | (193,435) |
| Dividends paid | — | — | –– | (281,513) | (281,513) |
| Lottery payments for education | (815,189) | — | (815,189) | — | (815,189) |
| Other | (13,946) | (1,229) | (15,175) | (3,514) | (18,689) |
| Payment to refunded bond escrow agent | (2,211) | — | (2,211) | — | (2,211) |
| **Total Nonoperating Revenues (Expenses)** | **(889,259)** | **(2,223)** | **(891,482)** | **202,416** | **(689,066)** |
| **Income (Loss) Before Operating Transfers** | **248,087** | **(29,452)** | **218,635** | **177,978** | **396,613** |
| **OPERATING TRANSFERS:** | | | | | |
| Operating transfers in | 80,829 | 13,011 | 93,840 | — | 93,840 |
| Operating transfers out | (88,656) | (3,420) | (92,076) | — | (92,076) |
| **Total Operating Transfers** | **(7,827)** | **9,591** | **1,764** | **––** | **1,764** |
| **Net Income (Loss)** | **240,260** | **(19,861)** | **220,399** | **177,978** | **398,377** |
| **Retained Earnings, July 1, 1995** | **3,958,982 *** | **135,162** | **4,094,144** | **2,271,142** | **6,365,286** |
| **Retained Earnings, June 30, 1996** | **$ 4,199,242** | **$ 115,301** | **$ 4,314,543** | **$ 2,449,120** | **$ 6,763,663** |

* Restated (see Note 1L)

*The notes to the financial statements are an integral part of this statement.*

# Combined Statement of Cash Flows

## All Proprietary Fund Types and Discretely Presented Component Units – Special Purpose Authorities

**Year Ended June 30, 1996**
(Amounts in thousands)

| | Proprietary Fund Types | | Component Units |
|---|---|---|---|
| | Enterprise | Internal Service (1) | Special Purpose Authorities |
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | | |
| Operating income (loss) | $ 1,137,346 | $ (27,229) | $ (24,438) |
| **ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATIONS:** | | | |
| Interest expense on operating debt | (713) | 767 | 274,501 |
| Interest on investments | — | — | (73,607) |
| Depreciation | 75,186 | 50,675 | 11,552 |
| Accretion of capital appreciation bonds | 10,000 | — | 9,807 |
| Provisions and allowances | 2,514 | — | 3,067 |
| Accrual of deferred charges | (6,392) | — | (3,934) |
| Amortization of deferred credits | (3,575) | — | (4,948) |
| Amortization of discounts | (4,658) | — | 6,760 |
| Amortization (recovery) of deferred charges | (32,187) | — | — |
| Other | 9,579 | 8,191 | 20,176 |
| Change in assets and liabilities: | | | |
| Receivables | (184) | (89) | 12,440 |
| Due from other funds | (27,136) | (12,356) | (113) |
| Due from primary government | — | — | (6,730) |
| Due from other governments | (19,658) | (14,137) | 7 |
| Prepaid items | (4,096) | 1,574 | (4) |
| Inventories | (2,563) | (12,630) | — |
| Net investment in direct financing leases | (432,904) | — | — |
| Advances and loans receivable | 251 | — | — |
| Other assets | (21,400) | 283 | (456,032) |
| Accounts payable | 42,498 | 12,502 | 4,720 |
| Interest payable | (4,364) | — | — |
| Due to other funds | (82,154) | 31,187 | 408 |
| Due to component units | 1,177 | (5,832) | — |
| Due to other governments | 9,102 | 9 | — |
| Benefits payable | (3,533) | — | (271,489) |
| Deposits | 83 | 329 | 833 |
| Lottery prizes and annuities | 87,627 | — | — |
| Contract and notes payable | (745) | — | — |
| Compensated absences payable | (171) | 1,441 | 4,486 |
| Capital lease obligation | 313 | — | — |
| Advance collections | (12,547) | 16,762 | (27,583) |
| Other liabilities | 12,735 | 2,140 | 443,675 |
| **Total Adjustments** | **(407,915)** | **80,816** | **(52,008)** |
| **Net Cash Provided by (Used In) Operating Activities** | **729,431** | **53,587** | **(76,446)** |

(Continued)

(1) **Noncash Transactions** are those portions of investing and financing activities that affected assets and liabilities but did not result in cash receipts or payments during the period. Internal service funds made non–cash transactions for installment purchases totaling $17 million to acquire equipment.



*The notes to the financial statements are an integral part of this statement.*

| | Proprietary Fund Types | | Component Units |
|---|---|---|---|
| | Enterprise | Internal Service (1) | Special Purpose Authorities |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:** | | | |
| Dividends paid | — | — | (327,013) |
| Advances from other funds | 347 | 10,000 | — |
| Return of advances from other funds | — | (2,100) | — |
| Proceeds from revenue bonds | — | — | 1,002,452 |
| Retirement of general obligation bonds | (214,365) | — | — |
| Retirement of revenue bonds | (65,463) | — | (427,560) |
| Interest paid on operating debt | (1,917) | — | (257,071) |
| Operating transfers in | 67,992 | 13,011 | — |
| Operating transfers out | (82,326) | — | — |
| Grants provided | (13,276) | — | — |
| Other expenses | — | (344) | (160) |
| Lottery payments for education | (847,922) | — | — |
| **Net Cash Provided by (Used In) Non-capital Financing Activities** | **(1,156,930)** | **20,567** | **(9,352)** |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:** | | | |
| Unamortized water project costs | 1,384 | — | — |
| Acquisition of intangible assets | — | (1,787) | — |
| Acquisition of fixed assets | (377,730) | (48,442) | (28,680) |
| Proceeds from sale of fixed assets | 262 | 3,208 | 2,810 |
| Advances from other funds | 288,669 | 946 | — |
| Return of advances from other funds | (314,931) | — | — |
| Proceeds from notes payable and commercial paper | 244,454 | — | 3,928 |
| Principal paid on notes payable and commercial paper | (277,509) | (18,164) | — |
| Payment of capital lease obligations | — | (1,915) | — |
| Retirement of general obligation bonds | (36,840) | — | — |
| Proceeds from revenue bonds | 1,303,216 | — | — |
| Retirement of revenue bonds | (431,195) | — | — |
| Interest paid | (195,508) | (3,350) | (2,722) |
| Contributed capital | 1,455 | 1,936 | — |
| Grants received | 481 | — | — |
| Operating transfers in | 1,066 | — | — |
| Operating transfers out | (1,064) | — | — |
| Payment of deferred costs | 6,070 | — | — |
| Payment to refunding bond escrow agent | (162,202) | — | — |
| Other costs | (1,512) | (299) | — |
| **Net Cash Provided by (Used In) Capital and Related Financing Activities** | **48,566** | **(67,867)** | **(24,664)** |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | | |
| Purchase of investments | (324,738) | — | (109,110) |
| Advances and loans provided | (12,169) | (45,000) | (709,861) |
| Collection of advances and loans | 171,109 | — | 224,504 |
| Proceeds from maturity and sale of investments | 409,892 | — | 136,396 |
| Interest and gains on investments | 135,000 | 2,382 | 563,772 |
| **Net Cash Provided by (Used In) Investing Activities** | **379,094** | **(42,618)** | **105,701** |
| **Net Increase (Decrease) in Cash and Pooled Investments** | **161** | **(36,331)** | **(4,761)** |
| **Cash and Pooled Investments at July 1, 1995** | **3,148,198** | **217,756** | **618,875** |
| **Cash and Pooled Investments at June 30, 1996** | **$ 3,148,359** | **$ 181,425** | **$ 614,114** |

(Concluded)

*The notes to the financial statements are an integral part of this statement.*

# Combined Statement of Changes in Plan Net Assets

## Pension Trust Funds

**Year Ended June 30, 1996**
(Amounts in thousands)

| | |
|---|---|
| **ADDITIONS:** | |
| Contributions: | |
| Employer | $ 3,808,818 |
| Plan member | 2,440,895 |
| **Total Contributions** | **6,249,713** |
| Investment income: | |
| Net appreciation (depreciation) in fair value of investments | 13,815,933 |
| Interest, dividends, and other investment income | 7,164,292 |
| Less: Investment expense | (366,099) |
| **Net Investment Income** | **20,614,126** |
| Other | 1,850 |
| **Total Additions** | **26,865,689** |
| **DEDUCTIONS:** | |
| Benefits | 6,503,718 |
| Refunds of contributions | 207,606 |
| Administrative expense | 287,216 |
| **Total Deductions** | **6,998,540** |
| **Net Increase (Decrease) in Fund Balance Reserved for Employees' Pension Benefits** | **19,867,149** |
| **Fund Balance Reserved for Employees' Pension Benefits, July 1, 1995** | **145,405,068** |
| **Fund Balance Reserved for Employees' Pension Benefits, June 30, 1996** | **$ 165,272,217** |



*The notes to the financial statements are an integral part of this statement.*

# Combined Balance Sheet
# Component Unit – University of California

**June 30, 1996**
(Amounts in thousands)

| | Current Funds | Loan Funds | Endowment and Similar Funds | Plant Funds | Retirement System Funds | Total (Memorandum Only) |
|---|---|---|---|---|---|---|
| **ASSETS:** | | | | | | |
| Cash | $ 48,310 | $ — | $ — | $ 3,293 | $ — | **$ 51,603** |
| Investments | 2,458,180 | 41,652 | 1,634,270 | 901,248 | 27,263,688 | **32,299,038** |
| Receivables (net) | 966,014 | 262,011 | 5,500 | 542 | 192,641 | **1,426,708** |
| Due from other funds | 1,107 | — | 12,896 | 745 | 123,502 | **138,250** |
| Due from primary government | 111,249 | — | — | — | — | **111,249** |
| Due from other governments | 96,510 | — | — | 11,021 | — | **107,531** |
| Inventories, at cost | 98,123 | — | — | — | — | **98,123** |
| Deferred charges | 57,535 | — | — | — | — | **57,535** |
| Fixed assets | — | — | — | 13,447,986 | — | **13,447,986** |
| Other assets | — | — | — | 3,675 | — | **3,675** |
| **Total Assets** | **$ 3,837,028** | **$ 303,663** | **$ 1,652,666** | **$ 14,368,510** | **$ 27,579,831** | **$ 47,741,698** |
| **LIABILITIES AND FUND EQUITY:** | | | | | | |
| **Liabilities:** | | | | | | |
| Accounts payable | $ 1,275,229 | $ — | $ 6,932 | $ 38,210 | $ 70,080 | **$ 1,390,451** |
| Due to other funds | 123,502 | 2,000 | — | 12,748 | — | **138,250** |
| Deposits | 182,824 | — | 310,272 | — | — | **493,096** |
| Compensated absences | 277,121 | — | — | — | — | **277,121** |
| Mortgages and other borrowings | — | — | — | 856,742 | — | **856,742** |
| Net assets available for benefits | — | — | — | — | 27,509,751 | **27,509,751** |
| Capital lease obligations | — | — | — | 1,180,593 | — | **1,180,593** |
| Revenue bonds payable | — | 13,995 | — | 1,852,755 | — | **1,866,750** |
| **Total Liabilities** | **1,858,676** | **15,995** | **317,204** | **3,941,048** | **27,579,831** | **33,712,754** |
| **Fund Equity:** | | | | | | |
| Investment in general fixed assets | — | — | — | 9,712,306 | — | **9,712,306** |
| Fund balances: | | | | | | |
| Reserved for other specific purposes | 595,593 | 262,823 | 991,443 | 314,006 | — | **2,163,865** |
| Undesignated | 1,382,759 | 24,845 | 344,019 | 401,150 | — | **2,152,773** |
| **Total Fund Equity** | **1,978,352** | **287,668** | **1,335,462** | **10,427,462** | **–-** | **14,028,944** |
| **Total Liabilities and Fund Equity** | **$ 3,837,028** | **$ 303,663** | **$ 1,652,666** | **$ 14,368,510** | **$ 27,579,831** | **$ 47,741,698** |

*The notes to the financial statements are an integral part of this statement.*

# Combined Statement of Changes in Fund Balances Component Unit – University of California

**Year Ended June 30, 1996**
(Amounts in thousands)

| | Current Funds | Loan Funds | Endowment and Similar Funds | Plant Funds |
|---|---|---|---|---|
| **REVENUES AND OTHER ADDITIONS:** | | | | |
| Student tuition and fees | $ 955,202 | $ — | $ — | $ 10,803 |
| U.S. Government | 3,630,328 | 3,871 | — | 12,957 |
| Local Government | 109,461 | — | — | — |
| Private gifts, grants, and contracts | 527,814 | 637 | 11,632 | 99,490 |
| Investment income: | | | | |
| Endowment activities | 91,943 | — | 667 | — |
| Other | 144,194 | 8,258 | — | 47,636 |
| Realized gains on investments | 830 | — | 52,467 | 6,009 |
| Sales and services: | | | | |
| Educational activities | 647,323 | — | — | — |
| Teaching hospitals | 1,932,239 | — | — | — |
| Auxiliary enterprises | 541,001 | — | — | — |
| Expended for plant facilities (including $374,918 of current funds) | — | — | — | 563,893 |
| Retirement of indebtedness | — | — | — | 139,556 |
| Other revenues | 214,895 | — | — | — |
| Transfers in - primary government | 2,060,109 | — | — | 51,404 |
| Other additions | 62,156 | 2,115 | 2,537 | 8,587 |
| **Total Revenues and Other Additions** | **10,917,495** | **14,881** | **67,303** | **940,335** |
| **EXPENDITURES AND OTHER DEDUCTIONS:** | | | | |
| Current fund expenditures: | | | | |
| Educational and general | 5,750,311 | — | — | — |
| Teaching hospitals | 1,865,924 | — | — | — |
| Auxiliary enterprises | 461,029 | — | — | — |
| Department of Energy Laboratories | 2,253,663 | — | — | — |
| Plant fund expenditures: | | | | |
| (including noncapitalized expenditures of $32,546) | — | — | — | 221,521 |
| Debt service: | | | | |
| Principal retirement | — | — | — | 139,556 |
| Interest | — | — | — | 168,653 |
| Disposal of plant assets | — | — | — | 217,221 |
| Other | 60,920 | 5,959 | 8,836 | 354 |
| **Total Expenditures and Other Deductions** | **10,391,847** | **5,959** | **8,836** | **747,305** |
| **TRANSFERS AMONG FUNDS:** | | | | |
| Mandatory contractual arrangements: | | | | |
| Net revenues of auxiliary enterprises | (43,407) | — | — | 43,407 |
| Loan funds matching grants | (1,291) | 1,291 | — | — |
| Principal and interest | (223,852) | — | — | 223,852 |
| Nonmandatory (discretionary allocations) | (237,074) | (4,023) | 48,041 | 193,056 |
| **Total Transfers Among Funds** | **(505,624)** | **(2,732)** | **48,041** | **460,315** |
| **Net Increase (Decrease) in Fund Balances** | **20,024** | **6,190** | **106,508** | **653,345** |
| **Fund Balances, July 1, 1995** | 1,958,328 | 281,478 | 1,228,954 | 9,774,117 |
| **Fund Balances, June 30, 1996** | **$ 1,978,352** | **$ 287,668** | **$ 1,335,462** | **$ 10,427,462** |



*The notes to the financial statements are an integral part of this statement.*

# Combined Statement of Current Funds Revenues, Expenditures, and Other Changes Component Unit – University of California

| Year Ended June 30, 1996 (Amounts in thousands) | Current Funds Unrestricted | Current Funds Restricted | Total (Memorandum Only) |
|---|---|---|---|
| **REVENUES:** | | | |
| Student tuition and fees | $ 955,202 | $ — | $ 955,202 |
| U.S. Government appropriations, grants and contracts | 260,306 | 1,098,553 | 1,358,859 |
| Local government grants and contracts | 1,483 | 98,437 | 99,920 |
| Private gifts, grants and contracts | 39,975 | 413,876 | 453,851 |
| Investment income: | | | |
| Endowment and similar funds | 23,455 | 58,409 | 81,864 |
| Other | 113,952 | — | 113,952 |
| Realized gains (losses) on investments | 280 | — | 280 |
| Sales and services: | | | |
| Education activities | 647,323 | — | 647,323 |
| Teaching hospitals | 1,932,239 | — | 1,932,239 |
| Auxiliary enterprises | 541,001 | — | 541,001 |
| Department of Energy Laboratories | 29,167 | 2,253,663 | 2,282,830 |
| Other revenues | 214,895 | — | 214,895 |
| Transfers in - primary government | 1,768,288 | 195,191 | 1,963,479 |
| **Total Revenues** | **6,527,566** | **4,118,129** | **10,645,695** |
| **EXPENDITURES AND MANDATORY TRANSFERS:** | | | |
| Educational and general: | | | |
| Instructional | 1,709,475 | 110,934 | 1,820,409 |
| Research | 248,228 | 1,269,510 | 1,517,738 |
| Public service | 93,121 | 97,747 | 190,868 |
| Academic support | 723,166 | 97,549 | 820,715 |
| Student services | 238,814 | 9,067 | 247,881 |
| Institutional support | 451,509 | 22,093 | 473,602 |
| Operation and maintenance of plant | 275,984 | 674 | 276,658 |
| Student financial aid | 153,202 | 249,238 | 402,440 |
| **Total Educational and General** | **3,893,499** | **1,856,812** | **5,750,311** |
| Mandatory transfers: | | | |
| Loan fund matching grant | 538 | 753 | 1,291 |
| Debt service | 90,032 | 82,314 | 172,346 |
| **Total Mandatory Transfers** | **90,570** | **83,067** | **173,637** |
| Teaching Hospitals: | | | |
| Expenditures | 1,862,927 | 2,997 | 1,865,924 |
| Mandatory transfers | 20,603 | — | 20,603 |
| **Total Teaching Hospitals** | **1,883,530** | **2,997** | **1,886,527** |
| Auxiliary enterprises: | | | |
| Expenditures | 456,372 | 4,657 | 461,029 |
| Mandatory transfers | 74,310 | — | 74,310 |
| **Total Auxiliary Enterprises** | **530,682** | **4,657** | **535,339** |
| Department of Energy Laboratories | — | 2,253,663 | 2,253,663 |
| **Total Expenditures and Mandatory Transfers** | **6,398,281** | **4,201,196** | **10,599,477** |
| **OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):** | | | |
| Restricted receipts in excess of restricted expenditures | — | 209,644 | 209,644 |
| Nonmandatory transfers | (159,455) | (77,619) | (237,074) |
| Other | 1,637 | (401) | 1,236 |
| **Total Other Transfers and Additions (Deductions)** | **(157,818)** | **131,624** | **(26,194)** |
| **Net Increase (Decrease) in Fund Balances** | **$ (28,533)** | **$ 48,557** | **$ 20,024** |

*The notes to the financial statements are an integral part of this statement.*