

Combined Balance Sheet

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

June 30, 1999

(Amounts in thousands)

	Governmental Fund Types			Proprietary Fund Types	
	General	Special Revenue	Capital Projects	Enterprise	Internal Service
ASSETS AND OTHER DEBITS					
Cash and pooled investments (Note 3).....	\$ 2,298,441	\$ 6,936,233	\$ 61,591	\$ 2,445,231	\$ 339,325
Investments (Note 3).....	—	9,142	8,445	4,653,100	187,876
Amount on deposit with U.S. Treasury.....	—	—	—	—	—
Receivables (net).....	177,165	434,699	292	137,843	4,315
Due from other funds (Note 4).....	5,498,027	3,508,755	146,093	259,833	315,368
Due from primary government.....	—	—	—	—	—
Due from other governments.....	412,016	4,981,312	6	75,252	10,523
Prepaid items.....	—	—	—	6,839	27,733
Food stamps (Note 1D).....	—	422,387	—	—	—
Inventories, at cost.....	—	—	—	15,647	87,887
Net investment in direct financing leases (Note 6).....	—	—	—	4,938,296	—
Advances and loans receivable.....	419,443	1,523,237	—	2,590,990	—
Deferred charges.....	—	—	—	1,066,908	—
Fixed assets (Note 7).....	—	—	—	4,885,504	514,660
Investment in UCSF Stanford Health Care.....	—	—	—	—	—
Other assets.....	918	33,633	2	21,699	11,958
Amount to be provided for retirement of long-term obligations.....	—	—	—	—	—
Total Assets and Other Debits.....	\$ 8,806,010	\$ 17,849,398	\$ 216,429	\$ 21,097,142	\$ 1,499,645

Fiduciary Fund Type	Account Groups		Total Primary Government (Memorandum Only)	Component Units		Total Reporting Entity (Memorandum Only)
	General Fixed Assets	General Long-Term Obligations		University of California	Special Purpose Authorities	
\$ 21,185,205	\$ —	\$ —	\$ 33,266,026	\$ 91,109	\$ 990,107	\$ 34,347,242
289,321,808	—	—	294,180,371	61,883,904	7,628,984	363,693,259
4,986,057	—	—	4,986,057	—	—	4,986,057
10,496,495	—	—	11,250,809	1,638,431	338,643	13,227,883
5,703,537	—	—	15,431,613	144,007	—	15,575,620
—	—	—	—	166,664	3,733	170,397
1,211,908	—	—	6,691,017	152,779	—	6,843,796
38,265	—	—	72,837	—	335	73,172
—	—	—	422,387	—	—	422,387
—	—	—	103,534	88,274	—	191,808
—	—	—	4,938,296	—	—	4,938,296
1,381,903	—	—	5,915,573	—	5,153,597	11,069,170
—	—	—	1,066,908	86,179	63,365	1,216,452
—	17,445,527	—	22,845,691	15,202,443	533,130	38,581,264
—	—	—	—	399,573	—	399,573
140,719	—	—	208,929	1,325	847,366	1,057,620
—	—	23,875,578	23,875,578	—	—	23,875,578
\$ 334,465,897	\$ 17,445,527	\$ 23,875,578	\$ 425,255,626	\$ 79,854,688	\$ 15,559,260	\$ 520,669,574

(Continued)

Combined Balance Sheet

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

June 30, 1999

(Amounts in thousands)

	Governmental Fund Types			Proprietary Fund Types	
	General	Special Revenue	Capital Projects	Enterprise	Internal Service
LIABILITIES					
Accounts payable.....	\$ 1,073,458	\$ 1,438,056	\$ 15,032	\$ 131,035	\$ 161,330
Due to other funds (Note 4).....	2,073,164	4,977,245	106,406	338,422	182,676
Due to component units (Note 4).....	69,804	96,019	—	—	—
Due to other governments.....	2,451,394	1,996,831	11,162	147,413	75,248
Dividends payable.....	—	—	—	—	—
Deferred revenue (Note 1D).....	—	422,448	—	—	—
Advances from other funds.....	483,893	61,649	—	35,273	95,951
Tax overpayments.....	—	9,919	—	—	—
Benefits payable.....	—	—	—	355,788	43,127
Deposits.....	5	18,247	—	3,723	702
Contracts and notes payable.....	—	—	—	585	21,049
Lottery prizes and annuities.....	—	—	—	2,903,192	—
Compensated absences payable (Note 9).....	130,219	—	—	27,334	37,988
Certificates of participation, commercial paper, and other borrowings (Notes 10, 11).....	—	—	—	14,364	—
Capital lease obligations (Note 12).....	—	—	—	—	74,374
Advance collections.....	24,637	324,257	2,668	348,564	153,071
General obligation bonds payable (Note 14).....	—	—	—	3,716,115	—
Revenue bonds payable (Note 15).....	—	—	—	8,907,522	—
Interest payable.....	4,706	1,988	25,338	140,359	—
Securities lending obligation.....	—	—	—	—	—
Other liabilities.....	163,471	140,363	—	398,668	21,603
Total Liabilities.....	6,474,751	9,487,022	160,606	17,468,357	867,119
FUND EQUITY AND OTHER CREDITS					
Contributed capital (Notes 1K, 17B).....	—	—	—	247,657	345,183
Investment in general fixed assets (Notes 1K, 7).....	—	—	—	—	—
Retained earnings					
Reserved for regulatory requirements (Note 1K).....	—	—	—	231,348	—
Unreserved (Note 1K).....	—	—	—	3,149,780	287,343
Total Retained Earnings.....	—	—	—	3,381,128	287,343
Fund balances					
Reserved for					
Encumbrances (Note 1K).....	591,947	2,817,946	235,092	—	—
Local agencies (Notes 1K, 3).....	—	—	—	—	—
Advances and loans (Note 1K).....	419,443	1,523,237	—	—	—
Employees' pension benefits (Note 1K).....	—	—	—	—	—
Continuing appropriations (Note 1K).....	697,593	2,894,465	36,622	—	—
Other specific purposes (Note 1K).....	—	—	—	—	—
Total Reserved.....	1,708,983	7,235,648	271,714	—	—
Unreserved					
Undesignated (Deficit) (Note 1K).....	622,276	1,126,728	(215,891)	—	—
Total Fund Equity and Other Credits (Note 1K).....	2,331,259	8,362,376	55,823	3,628,785	632,526
Total Liabilities, Fund Equity, and Other Credits....	\$ 8,806,010	\$ 17,849,398	\$ 216,429	\$ 21,097,142	\$ 1,499,645

Fiduciary Fund Type	Account Groups		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	
\$ 4,859,863	\$ —	\$ —	\$ 7,678,774	\$ 1,481,794	\$ 15,481	\$ 9,176,049
7,753,700	—	—	15,431,613	144,007	—	15,575,620
4,574	—	—	170,397	—	—	170,397
3,561,588	—	—	8,243,636	—	7,996	8,251,632
—	—	—	—	—	245,763	245,763
—	—	—	422,448	—	—	422,448
295,956	—	—	972,722	—	—	972,722
1,702,636	—	—	1,712,555	—	—	1,712,555
921,437	—	—	1,320,352	—	4,905,961	6,226,313
836,679	—	—	859,356	1,006,806	110,195	1,976,357
—	—	—	21,634	—	4,056	25,690
—	—	—	2,903,192	—	—	2,903,192
—	—	1,057,903	1,253,444	320,830	29,658	1,603,932
—	—	425,644	440,008	1,044,033	—	1,484,041
—	—	3,440,203	3,514,577	1,250,017	110	4,764,704
144,330	—	—	997,527	—	180,866	1,178,393
—	—	16,167,030	19,883,145	—	—	19,883,145
—	—	810,300	9,717,822	2,504,395	6,001,366	18,223,583
—	—	—	172,391	—	139,540	311,931
27,071,713	—	—	27,071,713	8,335,229	—	35,406,942
2,143,098	—	1,974,498	4,841,701	—	883,251	5,724,952
49,295,574	—	23,875,578	107,629,007	16,087,111	12,524,243	136,240,361
—	—	—	592,840	—	109	592,949
—	17,445,527	—	17,445,527	11,235,506	—	28,681,033
—	—	—	231,348	—	592,099	823,447
—	—	—	3,437,123	—	2,442,809	5,879,932
—	—	—	3,668,471	—	3,034,908	6,703,379
—	—	—	3,644,985	—	—	3,644,985
14,154,824	—	—	14,154,824	—	—	14,154,824
581,043	—	—	2,523,723	—	—	2,523,723
259,387,488	—	—	259,387,488	44,136,764	—	303,524,252
—	—	—	3,628,680	—	—	3,628,680
11,046,968	—	—	11,046,968	5,016,223	—	16,063,191
285,170,323	—	—	294,386,668	49,152,987	—	343,539,655
—	—	—	1,533,113	3,379,084	—	4,912,197
285,170,323	17,445,527	—	317,626,619	63,767,577	3,035,017	384,429,213
\$ 334,465,897	\$ 17,445,527	\$ 23,875,578	\$ 425,255,626	\$ 79,854,688	\$ 15,559,260	\$ 520,669,574

(Concluded)

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

All Governmental Fund Types and Expendable Trust Funds

Year Ended June 30, 1999

(Amounts in thousands)

	Governmental Fund Types			Fiduciary Fund Type	Total Primary Government (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
REVENUES					
Taxes.....	\$ 57,974,496	\$ 5,088,236	\$ —	\$ 4,212,854	\$ 67,275,586
Intergovernmental.....	4,463	29,663,519	—	658,247	30,326,229
Licenses and permits.....	57,615	3,277,248	—	—	3,334,863
Natural resources.....	9,794	6,156	—	—	15,950
Charges for services.....	112,592	699,744	—	10,124	822,460
Fees and penalties.....	86,012	1,771,086	—	520,295	2,377,393
Investment and interest.....	323,820	350,141	18,777	834,583	1,527,321
Escheat.....	—	—	—	166,186	166,186
Receipts from depositors.....	—	—	—	341,928	341,928
Other.....	93,185	292,797	21,107	572,338	979,427
Total Revenues.....	58,661,977	41,148,927	39,884	7,316,555	107,167,343
EXPENDITURES					
Current					
General government.....	1,790,940	3,465,668	80	71,115	5,327,803
Education.....	26,887,587	4,160,419	16	1,794,261	32,842,283
Health and welfare.....	15,867,239	25,330,603	—	4,611,234	45,809,076
Resources.....	939,827	1,408,541	3,428	16,302	2,368,098
State and consumer services.....	413,033	379,901	4,193	69	797,196
Business and transportation.....	475,031	6,277,698	30	21,396	6,774,155
Correctional programs.....	4,155,703	226,426	—	—	4,382,129
Property tax relief.....	599,004	—	—	—	599,004
Payments to depositors.....	—	—	—	218,753	218,753
Capital outlay.....	83,295	305,425	551,029	—	939,749
Debt service					
Principal retirement.....	1,017,939	8,777	19,834	—	1,046,550
Interest and fiscal charges.....	969,686	86,548	67,362	—	1,123,596
Total Expenditures.....	53,199,284	41,650,006	645,972	6,733,130	102,228,392
Excess (Deficiency) of Revenues Over (Under) Expenditures.....	5,462,693	(501,079)	(606,088)	583,425	4,938,951
OTHER FINANCING SOURCES (USES)					
Proceeds from general obligation bonds, commercial paper, and capital leases.....	83,295	2,799,396	1,016,079	—	3,898,770
Proceeds from refunding long-term debt.....	—	278,960	78,460	—	357,420
Operating transfers in.....	303,020	3,542,683	76,713	285,172	4,207,588
Operating transfers out.....	(1,275,529)	(2,720,960)	(16)	(224,853)	(4,221,358)
Transfers out - component unit.....	(2,789,601)	(30,840)	(2,547)	—	(2,822,988)
Payment to refunding escrow agent.....	—	(278,960)	(78,460)	—	(357,420)
Payment to refund commercial paper.....	—	(1,624,970)	(624,010)	—	(2,248,980)
Total Other Financing Sources (Uses).....	(3,678,815)	1,965,309	466,219	60,319	(1,186,968)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses.....	1,783,878	1,464,230	(139,869)	643,744	3,751,983
Fund Balances, July 1, 1998.....	547,381	6,898,146 *	195,692 *	10,984,267 *	18,625,486
Fund Balances, June 30, 1999.....	\$ 2,331,259	\$ 8,362,376	\$ 55,823	\$ 11,628,011	\$ 22,377,469

*Restated (see Note 1L)

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, 1999

(Amounts in thousands)

	Proprietary Fund Types		Total Primary	Component Units	Total Reporting
	Enterprise	Internal Service	Government (Memorandum Only)	Special Purpose Authorities	Entity (Memorandum Only)
OPERATING REVENUES					
Lottery ticket sales.....	\$ 2,498,298	\$ —	\$ 2,498,298	\$ —	\$ 2,498,298
Service and sales.....	1,175,712	2,387,158	3,562,870	128,765	3,691,635
Earned premiums (net).....	282	—	282	1,211,115	1,211,397
Investment and interest.....	252,095	—	252,095	361,063	613,158
Contributions.....	—	—	—	2,740	2,740
Rent.....	393,797	—	393,797	20,744	414,541
Other.....	24,881	8,228	33,109	108,405	141,514
Total Operating Revenues.....	4,345,065	2,395,386	6,740,451	1,832,832	8,573,283
OPERATING EXPENSES					
Lottery prizes.....	1,307,443	—	1,307,443	—	1,307,443
Personal services.....	260,034	341,604	601,638	64,914	666,552
Supplies.....	75,719	30,495	106,214	—	106,214
Services and charges.....	894,818	1,967,972	2,862,790	191,679	3,054,469
Depreciation.....	102,817	77,766	180,583	12,308	192,891
Benefit payments.....	—	—	—	1,444,727	1,444,727
Interest expense.....	527,023	3,366	530,389	360,715	891,104
Amortization of deferred charges.....	127,003	—	127,003	167,507	294,510
Total Operating Expenses.....	3,294,857	2,421,203	5,716,060	2,241,850	7,957,910
Operating Income (Loss).....	1,050,208	(25,817)	1,024,391	(409,018)	615,373
NONOPERATING REVENUES (EXPENSES)					
Grants received.....	277	—	277	70,291	70,568
Grants provided.....	(625,946)	—	(625,946)	(70,291)	(696,237)
Investment and interest income.....	121,027	14,312	135,339	670,149	805,488
Interest expense and fiscal charges.....	(209,554)	(7)	(209,561)	(3,127)	(212,688)
Dividends paid.....	—	—	—	(122,759)	(122,759)
Lottery payments for education.....	(868,084)	—	(868,084)	—	(868,084)
Other.....	(5,764)	(1,475)	(7,239)	(31,309)	(38,548)
Total Nonoperating Revenues (Expenses).....	(1,588,044)	12,830	(1,575,214)	512,954	(1,062,260)
Income (Loss) Before Operating Transfers.....	(537,836)	(12,987)	(550,823)	103,936	(446,887)
OPERATING TRANSFERS					
Operating transfers in.....	48,709	15,138	63,847	—	63,847
Operating transfers out.....	(49,827)	(250)	(50,077)	—	(50,077)
Total Operating Transfers.....	(1,118)	14,888	13,770	—	13,770
Net Income (Loss).....	(538,954)	1,901	(537,053)	103,936	(433,117)
Retained Earnings, July 1, 1998.....	3,920,082 *	285,442	4,205,524	2,930,972	7,136,496
Retained Earnings, June 30, 1999.....	\$ 3,381,128	\$ 287,343	\$ 3,668,471	\$ 3,034,908	\$ 6,703,379

*Restated (see Note 1L)

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

Non-GAAP Budgetary Basis – Budget and Actual

All Governmental Cost Funds

Year Ended June 30, 1999

(Amounts in thousands)

	General Fund		
	Budget	Actual	Variance
REVENUES			
Major taxes and licenses			
Bank and corporation taxes.....	—	\$ 5,724,002	—
Cigarette and tobacco tax.....	—	150,190	—
Inheritance, estate and gift taxes.....	—	890,488	—
Insurance gross premiums tax.....	—	1,253,972	—
Vehicle license fees.....	—	—	—
Motor vehicle fuel tax.....	—	—	—
Personal income tax.....	—	30,891,481	—
Retail sales and use taxes.....	—	18,957,484	—
Other major taxes and licenses.....	—	331,015	—
Total Major Taxes and Licenses.....	—	58,198,632	—
Minor revenues.....	—	736,512	—
Total Revenues.....	—	58,935,144	—
EXPENDITURES			
Legislative, judicial, executive.....	\$ 2,083,916	\$ 2,054,153	\$ 29,763
State and consumer services.....	424,462	421,870	2,592
Business, transportation and housing.....	25,092	25,041	51
Trade and commerce.....	109,188	107,265	1,923
Resources.....	894,915	869,370	25,545
Environmental protection.....	146,684	144,728	1,956
Health and welfare.....	16,470,056	16,015,209	454,847
Correctional programs.....	4,314,252	4,165,251	149,001
Education.....	29,924,670	29,887,471	37,199
General government			
Tax relief and shared revenues.....	621,275	604,988	16,287
Debt service.....	2,003,814	1,987,913	15,901
Other general government.....	1,063,042	988,624	74,418
Total Expenditures.....	\$ 58,081,366	\$ 57,271,883	\$ 809,483
OTHER FINANCING SOURCES (USES)			
Transfers from other funds.....	—	93,878	—
Transfers to other funds.....	—	(996,571)	—
Other additions and deductions.....	—	339,464	—
Total Other Financing Sources (Uses).....	—	(563,229)	—
Excess of Revenues and Other Sources Over Expenditures and Other Uses.....	—	1,100,032	—
FUND BALANCES			
Fund Balances, July 1, 1998, Restated (Note 2C).....	—	2,807,639	—
Fund Balances, June 30, 1999.....	—	\$ 3,907,671	—

Other Governmental Cost Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance
—	\$ 235	—	—	\$ 5,724,237	—
—	826,323	—	—	976,513	—
—	1	—	—	890,489	—
—	—	—	—	1,253,972	—
—	3,730,813	—	—	3,730,813	—
—	3,025,226	—	—	3,025,226	—
—	3,384	—	—	30,894,865	—
—	3,933,209	—	—	22,890,693	—
—	1,882,842	—	—	2,213,857	—
—	13,402,033	—	—	71,600,665	—
—	3,894,145	—	—	4,630,657	—
—	17,296,178	—	—	76,231,322	—
\$ 492,371	\$ 469,982	\$ 22,389	\$ 2,576,287	\$ 2,524,135	\$ 52,152
485,460	407,876	77,584	909,922	829,746	80,176
5,348,016	4,574,758	773,258	5,373,108	4,599,799	773,309
24,256	23,531	725	133,444	130,796	2,648
873,002	825,953	47,049	1,767,917	1,695,323	72,594
470,228	455,332	14,896	616,912	600,060	16,852
3,656,476	3,600,920	55,556	20,126,532	19,616,129	510,403
16,852	16,223	629	4,331,104	4,181,474	149,630
756,681	734,622	22,059	30,681,351	30,622,093	59,258
3,996,421	3,996,421	—	4,617,696	4,601,409	16,287
501	263	238	2,004,315	1,988,176	16,139
169,971	123,973	45,998	1,233,013	1,112,597	120,416
\$ 16,290,235	\$ 15,229,854	\$ 1,060,381	\$ 74,371,601	\$ 72,501,737	\$ 1,869,864
—	14,514,646	—	—	14,608,524	—
—	(15,419,418)	—	—	(16,415,989)	—
—	175,277	—	—	514,741	—
—	(729,495)	—	—	(1,292,724)	—
—	1,336,829	—	—	2,436,861	—
—	4,696,668	—	—	7,504,307	—
—	\$ 6,033,497	—	—	\$ 9,941,168	—

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, 1999

(Amounts in thousands)

	Proprietary Fund Types		Component Units
	Enterprise (1)	Internal Service (2)	Special Purpose Authorities
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss).....	\$ 1,050,208	\$ (25,817)	\$ (409,018)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATIONS			
Interest expense on operating debt.....	110	3,366	357,512
Depreciation.....	102,817	77,766	12,308
Accretion of capital appreciation bonds.....	10,871	—	8,896
Provisions and allowances.....	8,516	—	6,942
Accrual of deferred charges.....	(2,014)	—	(169,829)
Amortization of deferred credits.....	(3,747)	—	(5,471)
Amortization of discounts.....	3,975	—	6,852
Amortization of deferred charges.....	127,003	—	165,668
Purchase of program loans.....	(13)	—	(950,538)
Collection of principal from program loans.....	—	—	566,520
Other.....	13,813	(3,587)	(27,144)
Change in assets and liabilities			
Receivables.....	(18,412)	(583)	(20,125)
Due from other funds.....	(8,410)	134,314	—
Due from primary government.....	—	—	(1,169)
Due from other governments.....	(12,746)	(4,775)	—
Prepaid items.....	15,696	(10,435)	(71)
Inventories.....	(2,490)	(18,610)	—
Net investment in direct financing leases.....	129,596	—	—
Advances and loans receivable.....	17,835	—	—
Other assets.....	22,947	(2,868)	37,404
Accounts payable.....	12,423	20,379	(7,346)
Interest payable.....	(8,482)	—	—
Due to other funds.....	(48,398)	(39,167)	—
Due to other governments.....	(2,802)	5,760	(2,562)
Benefits payable.....	88,021	2,042	221,878
Deposits.....	(5,804)	(555)	60,926
Lottery prizes and annuities.....	(184,620)	—	—
Contracts and notes payable.....	(415)	(2,804)	128
Compensated absences payable.....	2,766	1,948	2,483
Capital lease obligations.....	—	(415)	110
Advance collections.....	(20,179)	(18,667)	533
Other liabilities.....	20,361	(11,707)	(26,841)
Total Adjustments.....	258,218	131,402	237,064
Net Cash Provided by (Used In) Operating Activities.....	1,308,426	105,585	(171,954)

(Continued)

Non-cash transactions are those portions of investing, financing, or capital activities that affected assets and liabilities but did not result in cash receipts or payments during the period.

- (1) Enterprise funds had the following non-cash transactions:
 - a. \$ 205 million on interest accreted on annuitized lottery prizes.
 - b. \$ 31 million on unclaimed lottery prizes directly transferred for educational purposes.
 - c. \$ 123 million unrealized loss on lottery investments.
- (2) Internal service funds made non-cash transactions for installment purchases totaling approximately \$16 million to acquire equipment and for capital lease obligations of \$54 million to acquire buildings.

	Proprietary Fund Types		Component
	Enterprise	Internal Service (1)	Special Purpose Authorities
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Dividends paid.....	—	—	(81,938)
Return of advances from other funds.....	—	—	—
Advances from other funds.....	9,818	3,000	—
Proceeds from revenue bonds.....	129,160	—	1,185,357
Retirement of general obligation bonds.....	(263,530)	—	—
Retirement of revenue bonds.....	—	—	(871,907)
Interest paid on operating debt.....	—	(7)	(356,303)
Operating transfers in.....	47,744	15,138	—
Operating transfers out.....	(52,830)	(250)	—
Grants provided.....	(625,946)	—	(70,291)
Lottery payments for education.....	(897,845)	—	—
Net Cash Provided by (Used In) Noncapital Financing Activities.....	(1,653,429)	17,881	(195,082)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Unamortized water project costs.....	89,585	—	—
Acquisition of intangible assets.....	—	(3,742)	—
Acquisition of fixed assets.....	(312,260)	(96,863)	(15,551)
Proceeds from sale of fixed assets.....	139	24,568	36,698
Advances from other funds.....	250,457	—	—
Return of advances from other funds.....	(250,829)	—	—
Proceeds from notes payable and commercial paper.....	14,364	—	—
Principal paid on notes payable and commercial paper.....	(29,277)	(15,784)	—
Payment of capital lease obligations.....	—	(2,392)	—
Retirement of general obligation bonds.....	(37,220)	—	—
Proceeds from revenue bonds.....	544,252	—	—
Retirement of revenue bonds.....	(398,894)	—	(2,391)
Interest paid.....	(214,578)	(3,366)	(3,017)
Contributed capital.....	48,801	1,007	10
Grants received.....	277	—	70,291
Operating transfers in.....	2,892	—	—
Payment to refunding bond escrow agent.....	(200,996)	—	—
Net Cash Provided by (Used In) Capital and Related Financing Activities.....	(493,287)	(96,572)	86,040
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments.....	(279,234)	(3,579)	(270,786)
Advances and loans provided.....	(12,616)	—	—
Collection of advances and loans.....	16,225	—	—
Proceeds from maturity and sale of investments.....	453,697	—	222,280
Interest on investments.....	120,498	14,446	669,989
Net Cash Provided by (Used in) Investing Activities.....	298,570	10,867	621,483
Net Increase (Decrease) in Cash and Pooled Investments.....	(539,720)	37,761	340,487
Cash and Pooled Investments at July 1, 1998.....	2,984,951	301,564	649,620
Cash and Pooled Investments at June 30, 1999.....	\$ 2,445,231	\$ 339,325	\$ 990,107

(Concluded)

Combined Statement of Changes in Plan Net Assets

Pension Trust Funds and Discretely Presented Component Unit – University of California

Year Ended June 30, 1999 (Amounts in thousands)	Primary Government Pension Trust Funds	Component Unit
		University of California Retirement System Funds
ADDITIONS		
Contributions		
Employer.....	\$ 3,532,657	\$ 472
Plan member.....	2,969,960	422,933
Total Contributions.....	6,502,617	423,405
Investment income		
Net appreciation in fair value of investments.....	21,999,163	3,412,380
Interest, dividends, and other investment income.....	9,069,073	1,723,734
Less: Investment expense.....	(1,625,909)	(311,953)
Net Investment Income.....	29,442,327	4,824,161
Other.....	5,273	—
Total Additions.....	35,950,217	5,247,566
DEDUCTIONS		
Benefits.....	8,209,788	629,664
Refunds of contributions.....	237,294	430,560
Administrative expense.....	192,225	28,211
Total Deductions.....	8,639,307	1,088,435
Net Increase in Fund Balance Reserved for Employees' Pension Benefits.....	27,310,910	4,159,131
Fund Balance Reserved for Employees' Pension Benefits, July 1, 1998.....	232,076,578 *	39,977,633
Fund Balance Reserved for Employees' Pension Benefits, June 30, 1999.....	\$ 259,387,488	\$ 44,136,764

* Restated (see Note 1L)

Statement of Changes in Net Assets

Investment Trust Fund – Local Agency Investment

Year Ended June 30, 1999
(Amounts in thousands)

CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	
Investment and interest income.....	\$ 752,759
Less: Operating expenditures and expenses.....	(1,651)
Net Increase in Net Assets Resulting From Operations.....	751,108
DISTRIBUTIONS TO PARTICIPANTS	
Distributions paid and payable.....	(751,108)
CHANGE IN NET ASSETS RESULTING FROM DEPOSITOR TRANSACTIONS	
Receipts from depositors.....	20,225,596
Less: Withdrawals by depositors.....	(17,803,299)
Net Increase in Net Assets Resulting from Depositor Transactions.....	2,422,297
Total Change in Net Assets.....	2,422,297
Net Assets Held in Trust for Pool Participants, July 1, 1998.....	11,732,527
Net Assets Held in Trust for Pool Participants, June 30, 1999.....	\$ 14,154,824

Combined Balance Sheet – Discretely Presented Component Unit – University of California

June 30, 1999

(Amounts in thousands)

	Current Funds	Loan Funds	Endowment and Similar Funds	Plant Funds	Agency Funds	Retirement System Funds	Total (Memorandum Only)
ASSETS							
Cash.....	\$ 88,777	\$ —	\$ —	\$ 2,332	\$ —	\$ —	\$ 91,109
Investments.....	4,196,167	68,837	5,071,910	1,507,756	754,339	50,284,895	61,883,904
Receivables (net).....	1,008,974	279,807	1,737	15,193	—	332,720	1,638,431
Due from other funds.....	104	—	21,015	1,316	—	121,572	144,007
Due from primary government.....	166,664	—	—	—	—	—	166,664
Due from other governments.....	151,541	1,238	—	—	—	—	152,779
Inventories, at cost.....	88,274	—	—	—	—	—	88,274
Deferred charges.....	86,179	—	—	—	—	—	86,179
Fixed assets.....	—	—	—	15,202,443	—	—	15,202,443
Investment in UCSF Stanford							
Health Care.....	—	—	—	399,573	—	—	399,573
Other assets.....	—	—	—	1,325	—	—	1,325
Total Assets.....	\$ 5,786,680	\$ 349,882	\$ 5,094,662	\$ 17,129,938	\$ 754,339	\$ 50,739,187	\$ 79,854,688
LIABILITIES AND FUND EQUITY							
Liabilities							
Accounts payable.....	\$ 1,389,027	\$ —	\$ 5,054	\$ 27,099	\$ —	\$ 60,614	\$ 1,481,794
Due to other funds.....	122,672	2,000	—	19,335	—	—	144,007
Deposits.....	252,467	—	—	—	754,339	—	1,006,806
Compensated absences.....	320,830	—	—	—	—	—	320,830
Commercial paper and other borrowings.....	53,037	—	—	990,996	—	—	1,044,033
Capital lease obligations.....	—	—	—	1,250,017	—	—	1,250,017
Revenue bonds payable.....	—	8,810	—	2,495,585	—	—	2,504,395
Securities lending obligation.....	873,331	14,904	602,538	302,647	—	6,541,809	8,335,229
Total Liabilities.....	3,011,364	25,714	607,592	5,085,679	754,339	6,602,423	16,087,111
Fund Equity							
Investment in general fixed assets.....	—	—	—	11,235,506	—	—	11,235,506
Fund balances							
Employees' pension benefits.....	—	—	—	—	—	44,136,764	44,136,764
Reserved for other specific purposes.....	849,821	290,872	3,520,669	354,861	—	—	5,016,223
Undesignated.....	1,925,495	33,296	966,401	453,892	—	—	3,379,084
Total Fund Equity.....	2,775,316	324,168	4,487,070	12,044,259	—	44,136,764	63,767,577
Total Liabilities and Fund Equity.....	\$ 5,786,680	\$ 349,882	\$ 5,094,662	\$ 17,129,938	\$ 754,339	\$ 50,739,187	\$ 79,854,688

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

Year Ended June 30, 1999

(Amounts in thousands)

	Current Funds	Loan Funds	Endowment and Similar Funds	Plant Funds
REVENUES AND OTHER ADDITIONS				
Student tuition and fees.....	\$ 1,082,322	\$ —	\$ —	\$ 16,596
U.S. government.....	4,616,363	3,396	—	32,998
Local government.....	110,651	—	—	—
Sales and services				
Educational activities.....	897,661	—	—	—
Medical centers.....	1,928,267	—	—	—
Auxiliary enterprises.....	615,366	—	—	—
Private gifts, grants, and contracts.....	716,513	239	48,676	87,984
Investment income				
Endowment activities.....	138,373	—	7,790	—
Securities lending.....	77,236	798	—	11,749
Other.....	184,574	9,320	—	60,345
Net appreciation (depreciation) in fair value of investments.....	(20,856)	(466)	496,303	(10,634)
Expended for plant facilities (including \$385,797 of current funds).....	—	—	—	878,000
Retirement of indebtedness.....	—	—	—	140,986
Other revenues.....	292,515	—	—	—
Transfers in — primary government.....	2,721,381	—	—	101,607
Other additions.....	49,276	8,681	1,324	27,470
Total Revenues and Other Additions.....	13,409,642	21,968	554,093	1,347,101
EXPENDITURES AND OTHER DEDUCTIONS				
Current fund expenditures				
Educational and general.....	7,028,269	—	—	—
Medical centers.....	1,858,055	—	—	—
Auxiliary enterprises.....	495,714	—	—	—
Department of Energy laboratories.....	2,997,073	—	—	—
Securities lending fees and rebates.....	73,525	760	—	11,184
Plant fund expenditures (including noncapitalized expenditures of \$25,409).....	—	—	—	517,612
Debt service				
Principal retirement.....	—	—	—	140,986
Interest.....	—	—	—	219,567
Disposal of plant assets.....	—	—	—	265,283
Debt extinguishment.....	—	—	—	(685)
Other.....	45,095	7,407	1,105	—
Total Expenditures and Other Deductions.....	12,497,731	8,167	1,105	1,153,947
TRANSFERS AMONG FUNDS				
Mandatory contractual arrangements				
Loan funds matching grants.....	(962)	962	—	—
Principal and interest.....	(286,459)	—	—	286,459
Nonmandatory (discretionary allocations).....	(310,085)	(683)	45,851	264,917
Total Transfers Among Funds.....	(597,506)	279	45,851	551,376
Change in Capitalization Threshold (Note 1H).....	—	—	—	(272,912)
Net Increase in Fund Balances.....	314,405	14,080	598,839	471,618
Fund Balances, July 1, 1998.....	2,460,911	310,088	3,888,231	11,572,641
Fund Balances, June 30, 1999.....	\$ 2,775,316	\$ 324,168	\$ 4,487,070	\$ 12,044,259

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

Year Ended June 30, 1999

(Amounts in thousands)

	Current Funds		Total
	Unrestricted	Restricted	(Memorandum Only)
REVENUES			
Student tuition and fees.....	\$ 1,082,322	\$ —	\$ 1,082,322
U.S. government appropriations, grants and contracts.....	301,877	1,266,978	1,568,855
Local government grants and contracts.....	1,674	98,382	100,056
Sales and services			
Education activities.....	897,661	—	897,661
Medical centers.....	1,928,267	—	1,928,267
Auxiliary enterprises.....	615,366	—	615,366
Private gifts, grants and contracts.....	70,404	580,478	650,882
Investment income			
Endowment and similar funds.....	30,401	75,933	106,334
Securities lending.....	40,739	34,743	75,482
Other.....	145,654	—	145,654
Net appreciation (depreciation) in fair value of investments.....	(15,904)	—	(15,904)
Department of Energy laboratories.....	28,750	2,997,073	3,025,823
Other revenues.....	292,515	—	292,515
Transfers in — primary government.....	2,327,298	273,816	2,601,114
Total Revenues.....	7,747,024	5,327,403	13,074,427
EXPENDITURES AND MANDATORY TRANSFERS			
Educational and general			
Instructional.....	2,115,979	144,209	2,260,188
Research.....	291,029	1,573,872	1,864,901
Public service.....	132,506	106,922	239,428
Academic support.....	949,002	122,795	1,071,797
Student services.....	272,441	10,912	283,353
Institutional support.....	501,121	35,212	536,333
Operation and maintenance of plant.....	303,203	2,213	305,416
Student financial aid.....	179,946	286,907	466,853
Mandatory transfers			
Loan fund matching grant.....	723	239	962
Debt service.....	98,339	106,157	204,496
Total Educational and General Expenditures, and Mandatory Transfers.....	4,844,289	2,389,438	7,233,727
Medical centers			
Expenditures.....	1,852,961	5,094	1,858,055
Mandatory transfers.....	32,477	—	32,477
Total Medical Centers.....	1,885,438	5,094	1,890,532
Auxiliary enterprises			
Expenditures.....	488,263	7,451	495,714
Mandatory transfers.....	49,486	—	49,486
Total Auxiliary Enterprises.....	537,749	7,451	545,200
Department of Energy laboratories.....	—	2,997,073	2,997,073
Securities lending fees and rebates.....	38,782	34,743	73,525
Total Expenditures and Mandatory Transfers.....	7,306,258	5,433,799	12,740,057
OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS)			
Restricted receipts in excess of restricted expenditures.....	—	285,939	285,939
Nonmandatory transfers.....	(247,129)	(62,956)	(310,085)
Other.....	10,125	(5,944)	4,181
Total Other Transfers and Additions (Deductions).....	(237,004)	217,039	(19,965)
Net Increase in Fund Balances.....	\$ 203,762	\$ 110,643	\$ 314,405

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