

Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. A brief description of major enterprise funds follows:

Housing Loan Fund accounts for contracts for the sale of properties to California veterans and California National Guard members, and program loans to finance the housing needs of persons and families of low and moderate income.

Water Resources Fund accounts for charges to local water districts and the sale of excess power to public utilities.

School Building Aid Fund accounts for loans to school districts for acquisition, construction, or rehabilitation of classroom facilities, and for income from the rental of portable classrooms to school districts.

Toll Facilities Fund accounts for fees collected for crossing state toll bridges, except for the fees administered by the Bay Area Toll Authority.

California State University Fund accounts for charges to students for housing and parking and student fees for campus unions, health centers, and self-supporting educational programs.

Leasing of Public Assets Fund accounts for rental charges from the lease of public assets.

State Lottery Fund accounts for the sale of lottery tickets.

Health Facilities Construction Loan Insurance Fund accounts for an insurance program for health facility construction loans.

Public Employees' Benefits Fund accounts for contributions and premiums for public employee long-term care plans and administration of a deferred compensation program.

Other Enterprise Funds account for all other goods or services provided to the general public on a continuing basis when all or most of the cost involved is to be financed by user charges, or when periodic measurement of the results of operations is appropriate for management control, accountability, capital maintenance, public policy, or other purposes.

Enterprise Funds Combining Balance Sheet

June 30, 2000

(Amounts in thousands)

| | Housing Loan | Water Resources | School Building Aid |
|---|---------------------|---------------------|---------------------------|
| ASSETS | | | |
| Cash and pooled investments | \$ 244,033 | \$ 393,736 | \$ 56,440 |
| Investments | 731,386 | 72,881 | — |
| Receivables (net) | 20,621 | 8,724 | — |
| Due from other funds | 15,200 | 71,640 | — |
| Due from other governments | — | 112,369 | 71 |
| Prepaid items | — | 6,119 | — |
| Inventories, at cost | — | 7,304 | — |
| Net investment in direct financing leases | — | — | — |
| Advances and loans receivable | 2,433,559 | 64,950 | 136,222 |
| Deferred charges | 25,034 | 811,396 | — |
| Fixed assets | 7,400 | 3,208,535 | 61,159 |
| Other assets | 14,647 | — | — |
| Total Assets | \$ 3,491,880 | \$ 4,757,654 | \$ 253,892 |
| LIABILITIES | | | |
| Accounts payable | \$ 1 | \$ 41,790 | \$ 845 |
| Due to other funds | 2,012 | 18,138 | — |
| Due to other governments | — | 59,404 | — |
| Advances from other funds | 32,258 | — | — |
| Benefits payable | 39,051 | — | — |
| Deposits | 51 | — | — |
| Lottery prizes and annuities | — | — | — |
| Compensated absences payable | — | 11,994 | — |
| Commercial paper | — | 28,117 | — |
| Advance collections | — | 213,252 | — |
| General obligation bonds payable | 2,528,330 | 944,230 | 1,250 |
| Revenue bonds payable | 505,815 | 2,412,642 | — |
| Interest payable | 71,785 | 23,931 | — |
| Other liabilities | 17,342 | 311 | — |
| Total Liabilities | 3,196,645 | 3,753,809 | 2,095 |
| FUND EQUITY | | | |
| Contributed capital | — | 181,654 | — |
| Retained earnings | | | |
| Reserved for regulatory requirements | — | — | — |
| Unreserved (Deficit) | 295,235 | 822,191 | 251,797 |
| Total Retained Earnings | 295,235 | 822,191 | 251,797 |
| Total Fund Equity | 295,235 | 1,003,845 | 251,797 |
| Total Liabilities and Fund Equity | \$ 3,491,880 | \$ 4,757,654 | \$ 253,892 |

| Toll Facilities | California State University | Leasing of Public Assets | State Lottery | Health Facilities Construction Loan Insurance | Public Employees' Benefits | Other Enterprise | Total |
|--------------------|-----------------------------------|--------------------------------|---------------------|---|----------------------------------|---------------------|----------------------|
| \$ 25,035 | \$ 508,472 | \$ 454,962 | \$ 259,201 | \$ 152,574 | \$ 2,178 | \$ 339,184 | \$ 2,435,815 |
| — | — | 161,768 | 2,829,227 | — | 548,743 | — | 4,344,005 |
| 2,679 | 7,699 | — | 113,580 | 12 | 443 | 3,031 | 156,789 |
| 4,081 | 25,628 | 131,733 | 12,451 | 4,510 | 69 | 20,281 | 285,593 |
| — | 2 | — | — | — | 711 | 10,311 | 123,464 |
| 1,050 | — | — | 369 | — | — | 16 | 7,554 |
| — | — | — | 4,376 | — | — | 2,771 | 14,451 |
| — | — | 4,900,655 | — | — | — | — | 4,900,655 |
| 2,887 | — | — | — | 80,197 | — | 246,709 | 2,964,524 |
| 1,157 | — | 53,250 | 3,935 | — | — | — | 894,772 |
| 588,501 | 840,152 | 98,398 | 37,390 | 7,527 | — | 960 | 4,850,022 |
| 276 | 37 | — | — | — | — | 365 | 15,325 |
| \$ 625,666 | \$ 1,381,990 | \$ 5,800,766 | \$ 3,260,529 | \$ 244,820 | \$ 552,144 | \$ 623,628 | \$ 20,992,969 |
| \$ 41 | \$ 19,253 | \$ 23,683 | \$ 21,922 | \$ 579 | \$ — | \$ 16,981 | \$ 125,095 |
| 9,067 | 18,718 | 15,534 | 223,998 | 159 | 1,030 | 6,446 | 295,102 |
| 2,063 | — | 979 | — | — | — | 104,102 | 166,548 |
| — | — | — | — | — | — | 2,500 | 34,758 |
| — | — | — | — | — | 528,249 | — | 567,300 |
| 1,627 | 878 | — | 113 | — | — | 365 | 3,034 |
| — | — | — | 2,828,358 | — | — | — | 2,828,358 |
| — | 14,852 | — | 5,336 | — | — | — | 32,182 |
| — | — | — | — | — | — | — | 28,117 |
| — | 30,908 | 32,452 | 1,857 | 45 | — | 247 | 278,761 |
| — | — | — | — | — | — | 39,590 | 3,513,400 |
| — | 582,933 | 5,491,892 | — | — | — | — | 8,993,282 |
| — | 5,972 | 59,643 | — | — | — | — | 161,331 |
| 472 | 423 | — | 178,945 | 187,360 | 5,450 | 186 | 390,489 |
| 13,270 | 673,937 | 5,624,183 | 3,260,529 | 188,143 | 534,729 | 170,417 | 17,417,757 |
| — | 17,202 | — | — | — | — | 97,628 | 296,484 |
| — | 242,531 | — | — | — | — | — | 242,531 |
| 612,396 | 448,320 | 176,583 | — | 56,677 | 17,415 | 355,583 | 3,036,197 |
| 612,396 | 690,851 | 176,583 | — | 56,677 | 17,415 | 355,583 | 3,278,728 |
| 612,396 | 708,053 | 176,583 | — | 56,677 | 17,415 | 453,211 | 3,575,212 |
| \$ 625,666 | \$ 1,381,990 | \$ 5,800,766 | \$ 3,260,529 | \$ 244,820 | \$ 552,144 | \$ 623,628 | \$ 20,992,969 |

Enterprise Funds

Combining Statement of Revenues, Expenses, and Changes in Retained Earnings

Year Ended June 30, 2000

(Amounts in thousands)

| | Housing Loan | Water Resources | School Building Aid |
|---|-------------------|--------------------|---------------------------|
| OPERATING REVENUES | | | |
| Lottery ticket sales | \$ — | \$ — | \$ — |
| Services and sales | 10,247 | 689,705 | — |
| Investment and interest | 228,703 | — | — |
| Rent | — | — | 25,099 |
| Other | 2,403 | — | — |
| Total Operating Revenues | 241,353 | 689,705 | 25,099 |
| OPERATING EXPENSES | | | |
| Lottery prizes | — | — | — |
| Personal services | 12,241 | 166,969 | 3,592 |
| Supplies | — | — | — |
| Services and charges | 22,026 | 202,774 | 6,600 |
| Depreciation | 1,094 | 75,352 | 3,720 |
| Interest expense | 193,495 | — | 225 |
| Amortization of deferred charges | — | 79,203 | — |
| Total Operating Expenses | 228,856 | 524,298 | 14,137 |
| Operating Income (Loss) | 12,497 | 165,407 | 10,962 |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Grants received | — | — | — |
| Grants provided | — | — | — |
| Investment and interest income | 1,477 | 7,491 | — |
| Interest expense and fiscal charges | — | (175,299) | — |
| Lottery payments for education | — | — | — |
| Other | (7,444) | (12,975) | — |
| Total Nonoperating Revenues (Expenses) | (5,967) | (180,783) | — |
| Income (Loss) Before Operating Transfers | 6,530 | (15,376) | 10,962 |
| OPERATING TRANSFERS | | | |
| Operating transfers in | 2,115 | — | — |
| Operating transfers out | (2,115) | — | (20,733) |
| Total Operating Transfers | — | — | (20,733) |
| Net Income (Loss) | 6,530 | (15,376) | (9,771) |
| Retained Earnings, July 1, 1999 | 288,705 | 837,567 | 261,568 |
| Retained Earnings, June 30, 2000 | \$ 295,235 | \$ 822,191 | \$ 251,797 |

| Toll Facilities | California State University | Leasing of Public Assets | State Lottery | Health Facilities Construction Loan Insurance | Public Employees' Benefits | Other Enterprise | Total |
|--------------------|-----------------------------------|--------------------------------|------------------|---|----------------------------------|---------------------|---------------------|
| \$ — | \$ — | \$ — | \$ 2,598,379 | \$ — | \$ — | \$ — | \$ 2,598,379 |
| 6,991 | 210,923 | — | — | 27,452 | 152,423 | 95,716 | 1,193,457 |
| — | 284 | 34,434 | — | — | — | 1,161 | 264,582 |
| — | — | 362,228 | — | — | — | — | 387,327 |
| — | 6,904 | 17,084 | — | — | 1,312 | 22,973 | 50,676 |
| 6,991 | 218,111 | 413,746 | 2,598,379 | 27,452 | 153,735 | 119,850 | 4,494,421 |
| — | — | — | 1,369,435 | — | — | — | 1,369,435 |
| 2,922 | 109,706 | — | 36,976 | 1,368 | — | 6,859 | 340,633 |
| 8 | — | — | 74,850 | — | — | — | 74,858 |
| 1,006 | 101,590 | 77,550 | 223,810 | 29,241 | 240,131 | 111,447 | 1,016,175 |
| 18,503 | — | — | 6,155 | 488 | — | 18 | 105,330 |
| — | — | 314,224 | — | — | — | 3,255 | 511,199 |
| 429 | — | 5,830 | 1,391 | — | — | — | 86,853 |
| 22,868 | 211,296 | 397,604 | 1,712,617 | 31,097 | 240,131 | 121,579 | 3,504,483 |
| (15,877) | 6,815 | 16,142 | 885,762 | (3,645) | (86,396) | (1,729) | 989,938 |
| — | 267 | — | — | — | — | — | 267 |
| (41,813) | — | — | — | — | — | — | (41,813) |
| 2,563 | 26,444 | — | 21,390 | 8,490 | 34,455 | 14,222 | 116,532 |
| — | (32,215) | — | — | — | — | (9) | (207,523) |
| — | — | — | (907,305) | — | — | — | (907,305) |
| — | — | — | 153 | — | — | — | (20,266) |
| (39,250) | (5,504) | — | (885,762) | 8,490 | 34,455 | 14,213 | (1,060,108) |
| (55,127) | 1,311 | 16,142 | — | 4,845 | (51,941) | 12,484 | (70,170) |
| 3,612 | 24,966 | 1,641 | — | — | — | — | 32,334 |
| — | (38,466) | (1,641) | — | — | — | (1,609) | (64,564) |
| 3,612 | (13,500) | — | — | — | — | (1,609) | (32,230) |
| (51,515) | (12,189) | 16,142 | — | 4,845 | (51,941) | 10,875 | (102,400) |
| 663,911 | 703,040 | 160,441 | — | 51,832 | 69,356 | 344,708 | 3,381,128 |
| \$ 612,396 | \$ 690,851 | \$ 176,583 | \$ — | \$ 56,677 | \$ 17,415 | \$ 355,583 | \$ 3,278,728 |

Enterprise Funds

Combining Statement of Cash Flows

Year Ended June 30, 2000

(Amounts in thousands)

| | Housing Loan | Water Resources | School Building Aid |
|--|------------------|--------------------|---------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Operating income (loss) | \$ 12,497 | \$ 165,407 | \$ 10,962 |
| ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATIONS | | | |
| Interest expense on operating debt | — | — | — |
| Depreciation | 1,094 | 75,352 | 3,720 |
| Accretion of capital appreciation bonds | — | — | — |
| Provisions and allowances | — | — | — |
| Accrual of deferred charges | — | — | — |
| Amortization of deferred credits | — | (3,798) | — |
| Amortization of discounts | — | — | — |
| Amortization of deferred charges | — | 79,203 | — |
| Collection of principal from program loans | (125) | — | — |
| Other | (7,260) | — | — |
| Change in assets and liabilities | | | |
| Receivables | (12,283) | (2,072) | — |
| Due from other funds | (4,475) | 147 | — |
| Due from other governments | — | (52,543) | (25) |
| Prepaid items | — | (648) | — |
| Inventories | — | 857 | — |
| Net investment in direct financing leases | — | — | — |
| Advances and loans receivable | (390,668) | — | 23,825 |
| Other assets | 6,384 | — | — |
| Accounts payable | 1 | 6,775 | 841 |
| Interest payable | 21,809 | — | — |
| Due to other funds | 1,606 | (16,560) | — |
| Due to other governments | — | (3,509) | — |
| Benefits payable | (4,102) | — | — |
| Deposits | 1 | — | — |
| Lottery prizes and annuities | — | — | — |
| Contracts and notes payable | — | — | — |
| Compensated absences payable | — | (616) | — |
| Advance collections | — | (2,894) | — |
| Other liabilities | 10,948 | (352) | — |
| Total Adjustments | (377,070) | 79,342 | 28,361 |
| Net Cash Provided by (Used In) Operating Activities | (364,573) | 244,749 | 39,323 |

| Toll Facilities | California State University | Leasing of Public Assets | State Lottery | Health Facilities Construction Loan Insurance | Public Employees' Benefits | Other Enterprise | Total |
|----------------------------|--|---|--------------------------|--|---|-----------------------------|-----------------|
| \$ (15,877) | \$ 6,815 | \$ 16,142 | \$ 885,762 | \$ (3,645) | \$ (86,396) | \$ (1,729) | \$ 989,938 |
| — | — | (1,654) | — | — | — | — | (1,654) |
| 18,503 | — | — | 6,155 | 488 | — | 18 | 105,330 |
| — | — | 10,344 | — | — | — | — | 10,344 |
| — | — | — | 5,573 | — | — | — | 5,573 |
| — | — | (3,631) | — | — | — | — | (3,631) |
| — | — | — | — | — | — | — | (3,798) |
| — | — | 1,604 | — | — | — | — | 1,604 |
| 429 | — | 5,830 | 1,391 | — | — | — | 86,853 |
| — | — | — | — | — | — | — | (125) |
| — | — | 4,791 | (1,139) | — | — | (1) | (3,609) |
| 337 | 3,018 | 402 | (13,218) | 242 | 16 | (707) | (24,265) |
| (2,918) | (2,659) | 2,875 | (910) | (623) | (31) | (8,580) | (17,174) |
| — | 113 | — | — | — | (276) | 4,519 | (48,212) |
| — | — | — | (66) | — | — | — | (714) |
| — | — | — | 431 | — | — | (92) | 1,196 |
| — | — | 185,528 | — | — | — | — | 185,528 |
| — | — | — | — | (13,120) | — | (12,287) | (392,250) |
| (8) | — | — | — | — | — | — | 6,376 |
| (175) | (2,879) | 17,044 | (3,406) | (4,145) | — | (5,561) | 8,495 |
| — | — | — | — | — | — | — | 21,809 |
| (8,188) | 1,207 | (86) | (2) | (59) | 155 | 1,666 | (20,261) |
| (3,523) | — | — | — | (3) | — | 24,134 | 17,099 |
| — | — | — | — | — | 215,614 | 1,870 | 213,382 |
| 190 | 65 | — | (944) | — | — | — | (688) |
| — | — | — | (234,108) | — | — | — | (234,108) |
| — | (585) | — | — | — | — | — | (585) |
| — | 4,101 | — | — | (160) | — | (437) | 2,888 |
| — | (1,647) | 7,713 | 577 | (238) | — | (60) | 3,451 |
| 24 | (154) | 5,434 | 1,805 | 5,854 | (138) | 30 | 23,451 |
| 4,671 | 580 | 236,194 | (237,861) | (11,764) | 215,340 | 4,512 | (57,695) |
| (11,206) | 7,395 | 252,336 | 647,901 | (15,409) | 128,944 | 2,783 | 932,243 |

(Continued)

Enterprise Funds

Combining Statement of Cash Flows

Year Ended June 30, 2000

(Amounts in thousands)

| | Housing Loan | Water Resources | School Building Aid |
|---|-------------------|--------------------|---------------------------|
| CASH FLOWS FROM NONCAPITAL FINANCING | | | |
| ACTIVITIES | | | |
| Advances from other funds | 10,186 | — | — |
| Collection of advances and loans | — | — | — |
| Return of advances from other funds | — | — | — |
| Proceeds from revenue bonds | 117,200 | — | — |
| Retirement of general obligation bonds | (159,060) | — | (1,250) |
| Retirement of revenue bonds | (15,600) | — | — |
| Operating transfers in | 2,115 | — | — |
| Operating transfers out | (2,115) | — | (20,733) |
| Grants provided | — | — | — |
| Lottery payments for education | — | — | — |
| Net Cash Provided by (Used In) Noncapital Financing Activities | (47,274) | — | (21,983) |
| CASH FLOWS FROM CAPITAL AND RELATED | | | |
| FINANCING ACTIVITIES | | | |
| Unamortized water project costs | — | 6,321 | — |
| Acquisition of fixed assets | (916) | (23,965) | — |
| Proceeds from sale of fixed assets | — | — | — |
| Advances from other funds | — | — | — |
| Advances and loans provided | — | — | — |
| Collection of advances and loans | — | 4,910 | — |
| Return of advances from other funds | — | — | — |
| Proceeds from notes payable and commercial paper | — | 13,753 | — |
| Retirement of general obligation bonds | — | (39,900) | — |
| Proceeds from revenue bonds | — | — | — |
| Retirement of revenue bonds | — | (42,030) | — |
| Interest paid | — | (177,246) | — |
| Contributed capital | — | — | — |
| Grants received | — | — | — |
| Operating transfers in | — | — | — |
| Operating transfers out | — | — | — |
| Net Cash Provided by (Used In) Capital and Related | | | |
| Financing Activities | (916) | (258,157) | — |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of investments | (9,995) | — | — |
| Proceeds from maturity and sale of investments | 407,413 | — | — |
| Earnings on investments | 1,476 | 9,837 | — |
| Net Cash Provided by (Used In) Investing Activities | 398,894 | 9,837 | — |
| Net Increase (Decrease) in Cash and Pooled Investments | (13,869) | (3,571) | 17,340 |
| Cash and Pooled Investments at July 1, 1999 | 257,902 | 397,307 | 39,100 |
| Cash and Pooled Investments at June 30, 2000 | \$ 244,033 | \$ 393,736 | \$ 56,440 |

| <u>Toll Facilities</u> | <u>California State University</u> | <u>Leasing of Public Assets</u> | <u>State Lottery</u> | <u>Health Facilities Construction Loan Insurance</u> | <u>Public Employees' Benefits</u> | <u>Other Enterprise</u> | <u>Total</u> |
|----------------------------|--|---|--------------------------|--|---|-----------------------------|---------------------|
| — | — | — | — | — | — | — | 10,186 |
| 13,915 | — | — | — | — | — | — | 13,915 |
| (6,160) | — | — | — | — | — | — | (6,160) |
| — | — | — | — | — | — | — | 117,200 |
| — | — | — | — | — | — | (2,505) | (162,815) |
| — | — | — | — | — | — | — | (15,600) |
| 3,612 | 22,320 | — | — | — | — | — | 28,047 |
| — | (29,801) | — | — | — | — | (1,609) | (54,258) |
| (41,813) | — | — | — | — | — | — | (41,813) |
| — | — | — | (975,825) | — | — | — | (975,825) |
| (30,446) | (7,481) | — | (975,825) | — | — | (4,114) | (1,087,123) |
| — | — | — | — | — | — | — | 6,321 |
| (14,307) | (58,116) | (136,296) | (2,069) | (6) | — | (10) | (235,685) |
| — | — | — | 63 | — | — | — | 63 |
| — | — | 372,605 | — | — | — | — | 372,605 |
| — | — | — | — | — | — | (9,580) | (9,580) |
| — | 239 | — | — | — | — | 6,793 | 11,942 |
| — | — | (366,522) | — | — | — | (1,732) | (368,254) |
| — | — | — | — | — | — | — | 13,753 |
| — | — | — | — | — | — | — | (39,900) |
| — | 62,072 | 234,190 | — | — | — | — | 296,262 |
| — | (24,224) | (267,083) | — | — | — | — | (333,337) |
| — | (30,484) | — | — | — | — | (9) | (207,739) |
| — | — | — | — | — | — | 48,827 | 48,827 |
| — | 267 | — | — | — | — | — | 267 |
| — | 2,666 | 1,641 | — | — | — | — | 4,307 |
| — | (8,441) | (1,641) | — | — | — | — | (10,082) |
| (14,307) | (56,021) | (163,106) | (2,006) | (6) | — | 44,289 | (450,230) |
| — | — | (135,448) | (50,186) | — | (162,164) | — | (357,793) |
| — | — | 82,800 | 342,205 | — | — | 6,242 | 838,660 |
| 2,563 | 24,827 | — | 18,956 | 8,490 | 34,455 | 14,223 | 114,827 |
| 2,563 | 24,827 | (52,648) | 310,975 | 8,490 | (127,709) | 20,465 | 595,694 |
| (53,396) | (31,280) | 36,582 | (18,955) | (6,925) | 1,235 | 63,423 | (9,416) |
| 78,431 | 539,752 | 418,380 | 278,156 | 159,499 | 943 | 275,761 | 2,445,231 |
| \$ 25,035 | \$ 508,472 | \$ 454,962 | \$ 259,201 | \$ 152,574 | \$ 2,178 | \$ 339,184 | \$ 2,435,815 |

(Concluded)

