

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 costs of providing goods or services to the general public on a continuing basis are intended to be financed or recovered primarily through user charges. Following are brief descriptions of major enterprise funds.

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

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

The **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.

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

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

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

The **State Lottery Fund** accounts for the sale of lottery tickets.

The **Electric Power Fund** accounts for the acquisition and resale of electric power to retail end-use customers.

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

Other Enterprise Funds account for all other goods and 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, 2001
(amounts in thousands)

	Housing Loan	Water Resources	School Building Aid
ASSETS			
Cash and pooled investments	\$ 348,157	\$ 431,856	\$ 61,178
Investments	375,489	55,924	—
Receivables (net)	20,446	31,861	—
Due from other funds	10,803	71,640	—
Due from other governments	—	102,832	127
Prepaid items	—	—	—
Inventories, at cost	—	9,960	—
Net investment in direct financing leases	—	—	—
Advances to other funds	—	19,877	—
Loans receivable	2,589,443	44,420	116,316
Recoverable power costs (net)	—	—	—
Deferred charges	26,237	1,014,974	—
Fixed assets	6,273	3,181,310	45,260
Other assets	16,478	—	—
Total Assets	\$ 3,393,326	\$ 4,964,654	\$ 222,881
LIABILITIES			
Accounts payable	\$ —	\$ 89,362	\$ 228
Due to other funds	358	50,391	—
Due to other governments	—	141,155	—
Advances from other funds	—	—	—
Benefits payable	33,666	—	—
Deposits	50	—	—
Contracts and notes payable	—	—	—
Lottery prizes and annuities	—	—	—
Compensated absences payable	—	18,746	—
Commercial paper and other borrowing	—	—	—
Advance collections	—	321,066	—
General obligation bonds payable	2,415,765	905,420	—
Revenue bonds payable	570,940	2,426,415	—
Interest payable	61,687	23,347	—
Other liabilities	—	4,408	—
Total Liabilities	3,082,466	3,980,310	228
FUND EQUITY			
Contributed capital	—	181,654	—
Retained earnings			
Reserved for regulatory requirements	—	—	—
Unreserved (deficit)	310,860	802,690	222,653
Total Retained Earnings (Deficit)	310,860	802,690	222,653
Total Fund Equity (Deficit)	310,860	984,344	222,653
Total Liabilities and Fund Equity	\$ 3,393,326	\$ 4,964,654	\$ 222,881

Toll Facilities	California State University	Leasing of Public Assets	State Lottery	Electric Power	Public Employees' Benefits	Other Enterprise	Total
\$ 26,972	\$ 434,815	\$ 359,162	\$ 420,542	\$ 4,427,000	\$ 599	\$ 580,132	\$ 7,090,413
—	—	62,373	2,827,119	—	650,367	—	3,971,272
4,405	6,172	—	130,530	1,591,000	105	8,137	1,792,656
1,250	17,329	135,728	13,448	17,000	18	38,712	305,928
—	1	—	—	—	651	13,516	117,127
3,330	—	—	427	—	—	16	3,773
—	—	—	4,562	—	—	2,849	17,371
—	—	4,793,991	—	—	—	—	4,793,991
—	—	—	—	—	—	—	19,877
—	—	—	—	—	—	378,628	3,128,807
—	—	—	—	6,127,000	—	—	6,127,000
727	—	49,297	2,433	—	—	—	1,093,668
570,664	910,009	334,432	33,871	—	—	11,443	5,093,262
271	39	—	—	—	—	360	17,148
\$ 607,619	\$ 1,368,365	\$ 5,734,983	\$ 3,432,932	\$ 12,162,000	\$ 651,740	\$ 1,033,793	\$ 33,572,293
\$ 623	\$ 15,755	\$ 24,539	\$ 32,250	\$ 1,577,000	\$ —	\$ 11,635	\$ 1,751,392
8,667	17,160	98,617	284,450	116,000	2,617	4,622	582,882
8,045	—	1,590	—	—	—	956	151,746
—	—	—	—	6,169,000	—	2,500	6,171,500
—	—	—	—	—	760,508	—	794,174
2,168	993	—	44	—	—	360	3,615
—	—	—	—	—	—	4,687	4,687
—	—	—	2,844,874	—	—	—	2,844,874
—	9,348	—	5,613	—	—	17	33,724
—	71,100	—	—	4,300,000	—	—	4,371,100
3,271	21,696	30,388	1,805	—	—	665	378,891
—	—	—	—	—	—	37,085	3,358,270
—	487,453	5,318,080	—	—	—	—	8,802,888
—	6,281	57,188	—	—	—	—	148,503
—	425	—	263,896	—	7,130	174,396	450,255
22,774	630,211	5,530,402	3,432,932	12,162,000	770,255	236,923	29,848,501
—	17,202	—	—	—	—	97,628	296,484
—	173,210	—	—	—	—	—	173,210
584,845	547,742	204,581	—	—	(118,515)	699,242	3,254,098
584,845	720,952	204,581	—	—	(118,515)	699,242	3,427,308
584,845	738,154	204,581	—	—	(118,515)	796,870	3,723,792
\$ 607,619	\$ 1,368,365	\$ 5,734,983	\$ 3,432,932	\$ 12,162,000	\$ 651,740	\$ 1,033,793	\$ 33,572,293

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

Year Ended June 30, 2001

(amounts in thousands)

	Housing Loan	Water Resources	School Building Aid
OPERATING REVENUES			
Lottery ticket sales	\$ —	\$ —	\$ —
Power sales	—	—	—
Services and sales	7,190	1,087,030	—
Investment and interest	231,778	—	—
Rent	—	—	25,324
Other	3,745	—	—
Total Operating Revenues	242,713	1,087,030	25,324
OPERATING EXPENSES			
Lottery prizes	—	—	—
Power purchases (net of recoverable power costs)	—	—	—
Personal services	12,682	169,152	11,427
Supplies	—	—	—
Services and charges	23,839	795,873	8,907
Depreciation	1,180	75,388	15,899
Interest expense	188,017	—	113
Amortization (recovery) of deferred charges	—	(98,291)	—
Total Operating Expenses	225,718	942,122	36,346
Operating Income (Loss)	16,995	144,908	(11,022)
NONOPERATING REVENUES (EXPENSES)			
Grants received	—	—	—
Grants provided	—	—	—
Investment and interest income	2,219	17,587	—
Interest expense and fiscal charges	—	(189,803)	—
Lottery payments for education	—	—	—
Other	(3,589)	7,807	—
Total Nonoperating Revenues (Expenses)	(1,370)	(164,409)	—
Income (Loss) Before Contributions and Transfers	15,625	(19,501)	(11,022)
Capital contributions	—	—	—
Operating transfers in	2,219	—	—
Operating transfers out	(2,219)	—	(18,122)
Total Contributions and Transfers	—	—	(18,122)
Net Income (Loss)	15,625	(19,501)	(29,144)
Retained Earnings, July 1, 2000	295,235	822,191	251,797
Retained Earnings, June 30, 2001	\$ 310,860	\$ 802,690	\$ 222,653

*Restated

<u>Toll Facilities</u>	<u>California State University</u>	<u>Leasing of Public Assets</u>	<u>State Lottery</u>	<u>Electric Power</u>	<u>Public Employees' Benefits</u>	<u>Other Enterprise</u>	<u>Total</u>
\$ —	\$ —	\$ —	\$ 2,894,842	\$ —	\$ —	\$ —	\$ 2,894,842
—	—	—	—	2,733,000	—	—	2,733,000
5,917	217,932	—	—	—	168,625	130,544	1,617,238
—	319	39,382	—	—	—	1,880	273,359
—	—	350,671	—	—	—	—	375,995
—	9,191	1,079	—	—	1,396	616	16,027
5,917	227,442	391,132	2,894,842	2,733,000	170,021	133,040	7,910,461
—	—	—	1,503,768	—	—	—	1,503,768
—	—	—	—	2,637,000	—	—	2,637,000
1,623	105,546	—	35,906	—	—	9,368	345,704
11	—	—	11,163	—	—	—	11,174
355	71,834	50,557	330,772	13,000	268,225	90,740	1,654,102
18,521	—	—	6,132	—	—	185	117,305
—	—	307,737	—	—	—	3,050	498,917
430	153	5,705	1,502	—	—	—	(90,501)
20,940	177,533	363,999	1,889,243	2,650,000	268,225	103,343	6,677,469
(15,023)	49,909	27,133	1,005,599	83,000	(98,204)	29,697	1,232,992
—	219	—	—	—	—	46,509	46,728
(15,786)	—	—	—	—	—	—	(15,786)
857	21,101	—	111,161	10,000	(37,726)	35,962	161,161
—	(31,213)	—	—	(93,000)	—	(1,450)	(315,466)
—	—	—	(1,031,986)	—	—	—	(1,031,986)
—	—	(5,141)	(84,774)	—	—	—	(85,697)
(14,929)	(9,893)	(5,141)	(1,005,599)	(83,000)	(37,726)	81,021	(1,241,046)
(29,952)	40,016	21,992	—	—	(135,930)	110,718	(8,054)
—	—	—	—	—	—	63,947	63,947
2,401	25,612	7,108	—	—	—	4,621	41,961
—	(35,527)	(1,799)	—	—	—	(595)	(58,262)
2,401	(9,915)	5,309	—	—	—	67,973	47,646
(27,551)	30,101	27,301	—	—	(135,930)	178,691	39,592
612,396	690,851	177,280 *	—	—	17,415	520,551	3,387,716
\$ 584,845	\$ 720,952	\$ 204,581	\$ —	\$ —	\$ (118,515)	\$ 699,242	\$ 3,427,308

Enterprise Funds

Combining Statement of Cash Flows

Year Ended June 30, 2001
(amounts in thousands)

	<u>Housing Loan</u>	<u>Water Resources</u>	<u>School Building Aid</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 16,995	\$ 144,908	\$ (11,022)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATIONS			
Depreciation	1,180	75,388	15,899
Accretion of capital appreciation bonds	—	—	—
Provisions and allowances	—	—	—
Accrual of deferred charges	—	—	—
Amortization of discounts	—	—	—
Amortization (recovery) of deferred charges	—	(95,764)	—
Collection of principal from program loans	115	—	—
Other	(4,680)	—	—
Change in assets and liabilities			
Receivables	175	(17,488)	—
Due from other funds	4,397	—	—
Due from other governments	—	8,037	(56)
Prepaid items	—	—	—
Inventories	—	(2,656)	—
Net investment in direct financing leases	—	—	—
Advances and loans receivable	(155,999)	—	19,906
Recoverable power costs (net)	—	—	—
Other assets	(1,831)	—	—
Accounts payable	(1)	47,572	(617)
Interest payable	(10,098)	—	—
Due to other funds	(1,655)	32,253	—
Due to other governments	—	81,751	—
Benefits payable	(5,385)	—	—
Deposits	(1)	—	—
Lottery prizes and annuities	—	—	—
Contracts and notes payable	—	—	—
Compensated absences payable	—	6,752	—
Advance collections	—	—	—
Other liabilities	(17,341)	4,097	—
Total Adjustments	(191,124)	139,942	35,132
Net Cash Provided by (Used in) Operating Activities	(174,129)	284,850	24,110

Toll Facilities	California State University	Leasing of Public Assets	State Lottery	Electric Power	Public Employees' Benefits	Other Enterprise	Total
\$ (15,023)	\$ 49,909	\$ 27,133	\$ 1,005,599	\$ 83,000	\$ (98,204)	\$ 29,697	\$ 1,232,992
18,521	—	—	6,132	—	—	185	117,305
—	—	9,753	—	—	—	—	9,753
—	—	—	5,579	—	—	—	5,579
—	—	(1,889)	—	—	—	—	(1,889)
—	—	1,391	—	—	—	—	1,391
430	—	5,705	1,502	—	—	—	(88,127)
—	—	—	—	—	—	—	115
—	125	50,143	53	—	—	1	45,642
(1,726)	1,645	935	(22,529)	(1,591,000)	338	(5,094)	(1,634,744)
2,831	9,805	(3,879)	623	(17,000)	—	(13,921)	(17,144)
—	1	—	—	—	60	(3,205)	4,837
(2,280)	—	—	(58)	—	—	—	(2,338)
—	—	—	(186)	—	—	(78)	(2,920)
—	—	169,675	—	—	—	—	169,675
—	37	—	—	—	—	(10,917)	(146,973)
—	—	—	—	(6,127,000)	—	—	(6,127,000)
5	(2)	—	—	—	—	5	(1,823)
582	2,357	(254)	10,328	1,577,000	—	(5,925)	1,631,042
—	(1,073)	(2,126)	—	—	—	—	(13,297)
(400)	(2,448)	238	33,922	116,000	1,587	(1,983)	177,514
5,982	—	611	—	—	—	5,145	93,489
—	—	—	—	—	232,259	—	226,874
541	115	—	(69)	—	—	(5)	581
—	—	—	(131,599)	—	—	—	(131,599)
—	—	—	—	—	—	4,687	4,687
—	(5,504)	—	—	—	—	17	1,265
3,271	(9,217)	(2,063)	(52)	—	—	373	(7,688)
(472)	2	—	277	—	1,680	(13,150)	(24,907)
27,285	(4,157)	228,240	(96,077)	(6,042,000)	235,924	(43,865)	(5,710,700)
12,262	45,752	255,373	909,522	(5,959,000)	137,720	(14,168)	(4,477,708)

(continued)

Enterprise Funds

Combining Statement of Cash Flows (continued)

Year Ended June 30, 2001
(amounts in thousands)

	Housing Loan	Water Resources	School Building Aid
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Advances from other funds	—	—	—
Collection of advances and loans	—	—	—
Return of advances from other funds	(32,258)	—	—
Proceeds from general obligation bonds	78,725	—	—
Proceeds from notes payable and commercial paper	—	—	—
Proceeds from revenue bonds	179,570	—	—
Retirement of general obligation bonds	(191,290)	—	(1,250)
Retirement of revenue bonds	(114,445)	—	—
Interest paid on debt	—	—	—
Operating transfers in	2,219	—	—
Operating transfers out	(2,219)	—	(18,122)
Grants provided	—	—	—
Lottery payments for education	—	—	—
Net Cash Provided by (Used in) Noncapital Financing Activities	(79,698)	—	(19,372)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of fixed assets	(165)	(45,726)	—
Proceeds from sale of fixed assets	—	—	—
Advances from other funds	—	—	—
Advances and loans provided	—	—	—
Collection of advances and loans	—	—	—
Return of advances from other funds	—	—	—
Proceeds from notes payable and commercial paper	—	—	—
Principal paid on notes payable and commercial paper	—	(28,117)	—
Retirement of general obligation bonds	—	(38,810)	—
Proceeds from revenue bonds	—	270,207	—
Retirement of revenue bonds	—	(259,560)	—
Interest paid	—	(189,698)	—
Contributed capital	—	—	—
Grants received	—	—	—
Payment to refunding escrow agent	—	—	—
Net Cash Provided by (Used in) Capital and Related Financing Activities	(165)	(291,704)	—
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(5,835)	—	—
Proceeds from maturity and sale of investments	361,732	20,270	—
Advances and loans provided	—	—	—
Earnings on investments	2,219	24,704	—
Net Cash Provided by (Used in) Investing Activities	358,116	44,974	—
Net Increase (Decrease) in Cash and Pooled Investments	104,124	38,120	4,738
Cash and Pooled Investments at July 1, 2000	244,033	393,736	56,440
Cash and Pooled Investments at June 30, 2001	\$ 348,157	\$ 431,856	\$ 61,178

<u>Toll Facilities</u>	<u>California State University</u>	<u>Leasing of Public Assets</u>	<u>State Lottery</u>	<u>Electric Power</u>	<u>Public Employees' Benefits</u>	<u>Other Enterprise</u>	<u>Total</u>
—	—	—	—	6,169,000	—	—	6,169,000
2,887	—	—	—	—	—	—	2,887
—	—	—	—	—	—	—	(32,258)
—	—	—	—	—	—	—	78,725
—	—	—	—	4,300,000	—	—	4,300,000
—	—	—	—	—	—	—	179,570
—	—	—	—	—	—	(2,505)	(195,045)
—	—	—	—	—	—	—	(114,445)
—	—	—	—	(93,000)	—	—	(93,000)
2,401	25,612	7,108	—	—	—	4,621	41,961
—	(35,528)	(1,799)	—	—	—	(595)	(58,263)
(15,786)	—	—	—	—	—	—	(15,786)
—	—	—	(1,051,136)	—	—	—	(1,051,136)
(10,498)	(9,916)	5,309	(1,051,136)	10,376,000	—	1,521	9,212,210
(684)	(75,825)	(288,249)	(2,612)	—	—	(3,142)	(416,403)
—	—	—	26	—	—	—	26
—	(37)	96,607	—	—	—	—	96,570
—	—	—	—	—	—	(4,455)	(4,455)
—	—	—	—	—	—	19,332	19,332
—	—	(23,779)	—	—	—	—	(23,779)
—	67,743	—	—	—	—	—	67,743
—	—	—	—	—	—	—	(28,117)
—	—	—	—	—	—	—	(38,810)
—	30,144	229,513	—	—	—	—	529,864
—	(122,486)	(297,776)	—	—	—	—	(679,822)
—	(30,332)	—	—	—	—	(1,450)	(221,480)
—	—	—	—	—	—	63,947	63,947
—	219	—	—	—	—	46,509	46,728
—	—	(174,967)	—	—	—	—	(174,967)
(684)	(130,574)	(458,651)	(2,586)	—	—	120,741	(763,623)
—	—	(15,478)	(99,315)	—	(140,276)	—	(260,904)
—	—	117,647	380,266	—	—	—	879,915
—	—	—	—	—	—	(55,682)	(55,682)
857	21,081	—	24,590	10,000	977	35,962	120,390
857	21,081	102,169	305,541	10,000	(139,299)	(19,720)	683,719
1,937	(73,657)	(95,800)	161,341	4,427,000	(1,579)	88,374	4,654,598
25,035	508,472	454,962	259,201	—	2,178	491,758	2,435,815
\$ 26,972	\$ 434,815	\$ 359,162	\$ 420,542	\$ 4,427,000	\$ 599	\$ 580,132	\$ 7,090,413

(concluded)