



UNIVERSITY OF CALIFORNIA, BERKELEY

Annual Financial Statements
2021-22

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UNIVERSITY OF CALIFORNIA, BERKELEY

STATEMENTS OF NET POSITION

(unaudited)

At June 30, 2022 and 2021 (In Thousands of Dollars)

	CAMPUS*		FOUNDATION	
	2022	2021	2022	2021
ASSETS				
Cash and cash equivalents	\$ 411,869	\$ 673,528	\$ 168,791	\$ 107,256
Accounts receivable, net	231,722	297,462		
Pledges receivable, net	13,764	9,610	277,848	33,894
Notes and mortgages receivable, net	3,245	4,636		
Inventories	5,713	5,184		
Other current assets	9,168	7,244	760	2,051
Current assets	675,481	997,664	447,399	143,201
Investments	5,300,784	5,260,459	2,802,329	3,108,692
Investments held by trustees	5,334	10,765		
Pledges receivable, net	8,912	17,671	145,370	117,191
Notes and mortgages receivables, net	14,386	14,804		
Capital assets, net	3,881,211	3,917,650		
Other noncurrent assets	137,077	125,190	4,527	4,567
Noncurrent assets	9,347,704	9,346,539	2,952,226	3,230,450
Total assets	10,023,185	10,344,203	3,399,625	3,373,651
DEFERRED OUTFLOWS OF RESOURCES	793,381	720,507		
LIABILITIES				
Accounts payable	67,164	43,368	4,037	3,577
Accrued salaries & benefits	77,005	77,336		
Unearned revenue	281,003	264,707	8,500	5,000
Commercial paper	104,773	56,501		
Current portion of long-term debt	136,585	71,063		
Other current liabilities	50,651	44,556	6,948	8,599
Current liabilities	717,181	557,531	19,485	17,176
Federal refundable loans	8,707	10,830		
Long-term debt	2,488,513	2,623,022		
Net pension liability	1,440,938	491,834		
Pension payable to University	435,638	379,698		
Net retiree health benefits liability	1,431,068	1,793,388		
Other noncurrent liabilities	66,263	83,896	73,728	88,570
Noncurrent liabilities	5,871,127	5,382,668	73,728	88,570
Total liabilities	6,588,308	5,940,199	93,213	105,746
DEFERRED INFLOWS OF RESOURCES	1,301,028	1,690,108	53,271	75,321
NET POSITION				
Net investment in capital assets	1,125,318	1,190,266		
Restricted:				
Nonexpendable: Endowments and gifts	421,215	414,219	1,650,764	1,486,812
Expendable: Endowments and gifts	4,650,834	4,151,637	1,599,345	1,704,503
capital projects and appropriations	176,758	304,148		
Unrestricted	(3,446,895)	(2,625,867)	3,032	1,269
Total net position	\$ 2,927,230	\$ 3,434,403	\$ 3,253,141	\$ 3,192,584

* For footnote disclosures, please see the Systemwide Annual Financial Report for FY2021-22 located at <https://www.ucop.edu/uc-controller/financial-reports/annual-financial-reports.html>

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (unaudited)

At June 30, 2022 and 2021 (In Thousands of Dollars)

	CAMPUS*		FOUNDATION	
	2022	2021	2022	2021
OPERATING REVENUES				
Student tuition and fees, net	\$ 1,003,668	\$ 936,302		
Grants and contracts, net:				
Federal	429,573	392,270		
State	83,039	85,277		
Private	225,498	205,239		
Local	8,061	6,811		
Educational activities, net	111,267	63,311		
Auxiliary enterprises, net	180,188	77,149		
Campus foundation private gifts			\$ 587,289	\$ 294,165
Other operating revenues, net	118,179	68,327		2
Total operating revenues	2,159,473	1,834,686	587,289	294,167
OPERATING EXPENSES				
Salaries and wages	1,449,043	1,375,130		
Pension benefits	276,612	97,782		
Retiree health benefits	49,083	101,325		
Other employee benefits	354,393	315,251		
Supplies and materials	180,483	149,196		
Depreciation and amortization	255,798	258,647		
Scholarships and fellowships	160,461	183,062		
Utilities	45,721	36,956		
Campus foundation grants			346,592	331,235
Other operating expenses	528,101	348,726	15,180	11,651
Total operating expenses	3,299,695	2,866,075	361,772	342,886
Operating (loss) income	(1,140,222)	(1,031,389)	225,517	(48,719)
NONOPERATING REVENUES (EXPENSES)				
State educational appropriations	491,949	354,446		
State financing appropriations	24,741	35,702		
Build America Bonds federal interest subsidies	9,138	9,176		
Direct Government Grants	66,545	67,290		
Federal Pell Grants	48,180	46,672		
Private gifts, net	391,642	375,133		
Investment income:				
Short-Term Investment Pool and other, net	46,209	97,484		
Endowment, net	107,893	99,644		
Campus foundation			10,749	5,642
Net (depreciation)/ appreciation in fair value of investments	(613,501)	1,039,127	(345,258)	787,452
Interest expense	(109,134)	(106,362)		
Other nonoperating revenues, net	39,124	57,414		
Net nonoperating revenues (loss)	502,786	2,075,726	(334,509)	793,094
(Loss) income before other changes in net position	(637,436)	1,044,337	(108,992)	744,375
OTHER CHANGES IN NET POSITION				
Capital gifts and grants, net	130,263	54,880		
Permanent endowments			169,549	113,556
(Decrease)/Increase in net position	(507,173)	1,099,217	60,557	857,931
NET POSITION				
Beginning of year	3,434,403	2,329,650	3,192,584	2,334,653
Cumulative effect of accounting change		5,536		
End of year	\$ 2,927,230	\$ 3,434,403	\$ 3,253,141	\$ 3,192,584

* For footnote disclosures, please see the Systemwide Annual Financial Report for FY2021-22 located at <https://www.ucop.edu/uc-controller/financial-reports/annual-financial-reports.html>

UNIVERSITY OF CALIFORNIA, BERKELEY

STATEMENTS OF CASH FLOWS (unaudited)

Years Ended June 30, 2022 and 2021 (In Thousands of Dollars)	CAMPUS		FOUNDATION	
	2022	2021	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Student tuition and fees	\$ 1,004,683	\$ 934,243		
Grants and contracts	832,322	645,365		
Educational activities	104,025	62,635		
Auxiliary enterprises	197,134	65,889		
Collection of loans from students and employees	(431)	5,845		
Campus foundation private gifts			\$ 269,848	\$ 209,418
Payments to employees	(1,448,402)	(1,379,373)		
Payments for other employee benefits	(526,742)	(518,353)		
Payments to suppliers and utilities	(706,651)	(523,140)	(14,681)	(11,971)
Payments for scholarships and fellowships	(160,461)	(183,062)		
Loans issued to students and employees	2,240	(4,095)		
Payments to campus and beneficiaries			(353,868)	(338,632)
Other receipts	(86,075)	72,554	2,201	2,084
Net cash used by operating activities	(788,358)	(821,492)	(96,500)	(139,101)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State educational appropriations	492,264	354,087		
Federal Pell grants	48,821	47,474		
Government direct grants	66,545	67,290		
Borrowing from line-of-credit			80,000	5,000
Repayment of line-of-credit			(80,000)	(5,000)
Gifts received for other than capital purposes:				
Private gifts for permanent endowments			135,136	89,615
Other private gifts	396,247	371,746		
Student direct lending receipts	157,079	137,706		
Student direct lending payments	(157,079)	(137,706)		
Proceeds from debt issuance	-	222,000		
Commercial paper financing:				
Payments of principal	(3,675)	(3,675)		
Other receipts	33,703	40,686		
Net cash provided by noncapital financing activities	1,033,905	1,099,608	135,136	89,615
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Commercial paper financing:				
Proceeds from issuance	51,948	9,621		
Payments of principal	-	(275,455)		
State financing appropriations	24,741	35,702		
Build America Bonds federal interest subsidies	4,569	11,931		
Capital gifts and grants	67,476	48,061		
Proceeds from debt issuance	87,636	324,347		
Proceeds from the sale of capital assets	154	29,982		
Purchase of capital assets	(90,111)	(219,747)		
Repayment of other borrowings	(114)	(42)		
Scheduled principal paid on debt and capital leases	(67,791)	(60,979)		
Interest paid on debt and capital leases	(106,097)	(110,264)		
Other receipts	20,108	14,065		
Net cash used by capital and related financing activities	(7,481)	(192,778)		
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale & maturities of investments			539,097	373,822
Other investments	107,893	99,644		
Purchases of investments	(653,827)	(200,000)	(565,618)	(329,015)
Investment income, net of investment expenses	46,209	21,748	10,749	5,642
Net cash provided (used in) by investing activities	(499,725)	(78,608)	(15,772)	50,449
Net (decrease) increase in cash and cash equivalents	(261,659)	6,730	22,864	963
Cash and cash equivalents, beginning of year	673,528	666,798	7,133	6,170
Cash and cash equivalents, end of year	\$ 411,869	\$ 673,528	\$ 29,997	\$ 7,133

UNIVERSITY OF CALIFORNIA, BERKELEY
STATEMENTS OF CASH FLOWS (continued)

Years Ended June 30, 2022 and 2021 (In Thousands of Dollars)

	CAMPUS		FOUNDATION	
	2022	2021	2022	2021
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES				
Operating loss	\$ (1,140,222)	(1,031,389)	\$ 225,517	\$ (48,719)
Adjustments to reconcile operating loss to net cash used by operating activities:				
Depreciation and amortization expense	255,798	258,647		
Noncash gifts			(41,475)	(37,111)
Allowance for uncollectible accounts	2,805	2,334	6,431	2,432
Loss on impairment of capital assets	4,401	2,070		
Change in assets and liabilities:				
Accounts and pledges receivables	55,226	(63,351)	(278,563)	(58,199)
Inventories	(530)	312		
Other assets	(130,868)	(9,474)	1,238	(1,342)
Accounts payable	19,807	(7,111)	(3,484)	5,476
Accrued salaries	535	(4,030)		
Employee benefits	15,273	(514)		
Unearned revenue	16,007	11,961	3,500	4,400
Net pension liability	128,967	(81,154)		
Net retiree health benefits liability	14,742	66,906		
Other liabilities	(30,299)	33,301	(9,664)	(6,038)
Net cash used by operating activities	\$ (788,358)	\$ (821,492)	\$ (96,500)	\$ (139,101)
SUPPLEMENTAL NONCASH ACTIVITIES INFORMATION				
Capital assets acquired through capital leases	\$ 9,725	-		
Capital assets purchased	5,920	\$ 1,931		
Gifts of capital assets	62,787	6,820		
Other noncash gifts			\$ 66,653	\$ 57,160

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Adoption of Accounting Pronouncement

In June 2017, the GASB issued Statement No. 87, Leases (GASB 87), effective for the University's fiscal year beginning July 1, 2021. This Statement establishes a single approach to accounting for and reporting leases based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Limited exceptions to the single-approach guidance are provided for short-term leases, defined as those leases lasting a maximum of twelve months at inception, including any options to extend, financed purchases, leases of assets that are investments and certain regulated leases.

The effects of adopting GASB 87 in Berkeley's financial statements for the year ended June 30, 2021, were as follows:

<i>At June 30, 2021 (In Thousands of Dollars)</i>	AS PREVIOUSLY REPORTED	EFFECT OF ADOPTION OF GASB 87	AS RESTATED
STATEMENT OF NET POSITION (unaudited)			
ASSETS			
Accounts receivable, net	286,139	11,323	297,462
Current assets	986,341	11,323	997,664
Capital assets, net	3,844,020	73,630	3,917,650
Other noncurrent assets	1,426	123,764	125,190
Noncurrent assets	9,149,145	197,394	9,346,539
Total assets	10,135,486	208,717	10,344,203
LIABILITIES			
Unearned revenue	264,995	(288)	264,707
Current portion of long-term debt	57,509	13,554	71,063
Other current liabilities	44,338	218	44,556
Current liabilities	544,047	13,484	557,531
Long-term debt	2,558,665	64,357	2,623,022
Other noncurrent liabilities	85,044	(1,148)	83,896
Noncurrent liabilities	5,319,459	63,209	5,382,668
Total liabilities	5,863,506	76,693	5,940,199
DEFERRED INFLOWS OF RESOURCES	1,564,818	125,290	1,690,108
NET POSITION			
Net investment in capital assets	1,193,328	(3,062)	1,190,266
Unrestricted net position	(2,635,663)	9,796	(2,625,867)
Total net position	3,427,669	6,734	3,434,403

<i>At June 30, 2021 (In Thousands of Dollars)</i>	AS PREVIOUSLY REPORTED	EFFECT OF ADOPTION OF GASB 87	AS RESTATED
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (unaudited)			
OPERATING REVENUES			
Other operating revenues, net	82,392	(14,065)	68,327
Total operating revenues	1,848,751	(14,065)	1,834,686
OPERATING EXPENSES			
Depreciation and amortization	240,210	18,437	258,647
Other operating expenses	368,069	(19,343)	348,726
Total operating expenses	2,866,981	(906)	2,866,075
Operating loss	(1,018,230)	(13,159)	(1,031,389)
NONOPERATING REVENUES (EXPENSES)			
Interest expense	(103,756)	(2,606)	(106,362)
Other nonoperating revenues, net	40,451	16,963	57,414
Net nonoperating revenues	2,061,369	14,357	2,075,726
Income before other changes in net position	1,043,139	1,198	1,044,337

<i>At June 30, 2021 (In Thousands of Dollars)</i>	AS PREVIOUSLY REPORTED	EFFECT OF ADOPTION OF GASB 87	AS RESTATED
STATEMENT OF CASH FLOWS (unaudited)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and utilities	(542,771)	19,631	(523,140)
Other receipts	86,619	(14,065)	72,554
Net cash used by operating activities	(827,058)	5,566	(821,492)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from debt issuance	277,030	47,317	324,347
Purchases of capital assets	(172,430)	(47,317)	(219,747)
Scheduled principal paid on debt and capital leases	(43,867)	(17,112)	(60,979)
Interest paid on debt and capital leases	(107,745)	(2,519)	(110,264)
Other receipts		14,065	14,065
Net cash used by capital and related financing activities	(187,212)	(5,566)	(192,778)
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES			
Operating loss	(1,018,230)	(13,159)	(1,031,389)
Depreciation and amortization expense	240,210	18,437	258,647
Unearned revenue	11,673	288	11,961
Net cash used by operating activities	(827,058)	5,566	(821,492)