



Report of Independent Auditors
and Consolidated Financial Statements
with Supplementary Information for

California Lutheran University and Affiliate

May 31, 2016 and 2015

CONTENTS

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REPORT OF INDEPENDENT AUDITORS

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Report on the Consolidated

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CALIFORNIA LUTHERAN UNIVERSITY AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Organization

The consolidated financial statements include the accounts of the University and its wholly owned subsidiaries. The University is a not-for-profit organization and its financial statements are prepared in accordance with generally accepted accounting principles for not-for-profit organizations. The University's financial statements are prepared on a calendar year basis.

The University is a public benefit corporation and its financial statements are prepared in accordance with generally accepted accounting principles for public benefit corporations. The University's financial statements are prepared on a calendar year basis.

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Principles of consolidation The consolidated financial statements include the accounts of the University and its wholly owned subsidiaries. The University is a not-for-profit organization and its financial statements are prepared in accordance with generally accepted accounting principles for not-for-profit organizations. The University's financial statements are prepared on a calendar year basis.

Note 2 – Summary of Significant Accounting Policies

Basis of presentation The consolidated financial statements include the accounts of the University and its wholly owned subsidiaries. The University is a not-for-profit organization and its financial statements are prepared in accordance with generally accepted accounting principles for not-for-profit organizations. The University's financial statements are prepared on a calendar year basis.

Permanently restricted net assets The consolidated financial statements include the accounts of the University and its wholly owned subsidiaries. The University is a not-for-profit organization and its financial statements are prepared in accordance with generally accepted accounting principles for not-for-profit organizations. The University's financial statements are prepared on a calendar year basis.

Temporarily restricted net assets The consolidated financial statements include the accounts of the University and its wholly owned subsidiaries. The University is a not-for-profit organization and its financial statements are prepared in accordance with generally accepted accounting principles for not-for-profit organizations. The University's financial statements are prepared on a calendar year basis.

Unrestricted net assets The consolidated financial statements include the accounts of the University and its wholly owned subsidiaries. The University is a not-for-profit organization and its financial statements are prepared in accordance with generally accepted accounting principles for not-for-profit organizations. The University's financial statements are prepared on a calendar year basis.

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CALIFORNIA LUTHERAN UNIVERSITY AND AFFILIATE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2 – Summary of Significant Accounting Policies (continued)

The Company's accounting policies are consistent with the accounting policies of the University of California, Berkeley, and the Company's financial statements are prepared on the same basis as the financial statements of the University of California, Berkeley. The Company's accounting policies are consistent with the accounting policies of the University of California, Berkeley, and the Company's financial statements are prepared on the same basis as the financial statements of the University of California, Berkeley.

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NOTESTO CONSOLIDATEDFINANCIAL

CALIFORNIALUTHERANUNIVERSITYAND AFFILIATE
NOTESTO CONSOLIDATEDFINANCIALSTATEMENTS

CALIFORNIALUTHERANUNIVERSITYAND AFFILIATE
NOTESTO CONSOLIDATED

CALIFORNIALUTHERANUNIVERSITY

CALIFORNIA LUTHERAN UNIVERSITY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 6 – Fair Value Measurements (continued)

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CALIFORNIALUTHERANUNIVERSITYAND AFFILIATE
NOTESTO CONSOLIDATEDFINANCIALSTATEMENTS

Note 6 – Fair Value Measurements (continued)

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CALIFORNIA LUTHERAN UNIVERSITY AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 6 – Fair Value Measurements (continued)

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CALIFORNIALUTHERANUNIVERSITYAND AFFILIATE
NOTESTO CONSOLIDATEDFINANCIALSTATEMENTS

CALIFORNIALUTHERANUNIVERSITYAND AFFILIATE
NOTESTO CONSOLIDATEDFINANCIALSTATEMENTS

Note 9 – Derivative Instruments

CALIFORNIA LUTHERAN UNIVERSITY AND AFFILIATE
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 10 – Long Term Debt

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CALIFORNIA LUTHERAN UNIVERSITY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 12 – Restrictions and Limitations on Net Asset Balances (continued)

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 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 14 – Endowment (continued)

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CALIFORNIALUTHERANUNIVERSITYAND AFFILIATE
NOTESTO CONSOLIDATEDFINANCIALSTATEMENTS

Note 14 – Endowment (continued)

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SUPPLEMENTARY INFORMATION

CALIFORNIALUTHERANUNIVERSITYAND AFFILIATE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
AS OF MAY 31, 2016

CALIFORNIA LUTHERAN UNIVERSITY AND AFFILIATE
 CONSOLIDATING STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED MAY 31, 2016

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