

**HUMBOLDT STATE UNIVERSITY
SPONSORED PROGRAMS FOUNDATION**

**BASIC FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION,
AND
SINGLE AUDIT REPORTS**

**Including Schedules Prepared for
Inclusion in the Financial Statements of the
California State University**

Years Ended June 30, 2021 and 2020

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Report of Independent Auditors

Board of Directors
Humboldt State University Sponsored Programs Foundation
Arcata, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Humboldt State University Sponsored Programs Foundation (the Foundation), a component unit of Humboldt State University, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Foundation as of June 30, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis as listed in the table of contents on pages 4 through 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Foundation's basic financial statements. The schedule of net position, schedule of revenues, expenses, and changes in net position, other information, note to supplementary information as listed in the table of contents on pages 33 through 41, and the schedule of expenditures of federal awards and related notes on pages 46 through 55, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (collectively, supplementary information), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2021 on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Moss Adams LLP

Medford, Oregon
September 20, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Management's Discussion and Analysis

June 30, 2021, 2020 and 2019

This section of Humboldt State University Sponsored Programs Foundation (the Foundation) annual financial report presents the Foundation's discussion and analysis of the financial performance of the Foundation for the fiscal years ended June 30, 2021 and 2020. This discussion has been prepared by management and should be read in conjunction with the financial statements and notes.

Introduction to the Financial Statements

This report consists of a series of financial statements prepared in accordance with Government Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. This standard is applicable to the Foundation as it is a component unit of Humboldt State University (the University). Consistent with the University, the Foundation has adopted the business-type activity (BTA) reporting model to represent its activities.

The financial statements include the statements of net position; the statements of revenues, expenses, and changes in net position; and the statements of cash flows. These statements are supported by the notes to the financial statements and this section. All sections must be considered together to obtain a complete understanding of the financial picture of the Foundation.

Statements of Net Position – The statements of net position include all assets and liabilities. Assets and liabilities are generally reported on an accrual basis, as of the statement date. It also identifies major categories of restrictions on the net position of the Foundation.

Statements of Revenues, Expenses, and Changes in Net Position – The statements of revenues, expenses, and changes in net position present the revenues earned and expenses incurred during the years on an accrual basis.

Statements of Cash Flows – The statements of cash flows present the inflows and outflows of cash for the years and are summarized by operating, noncapital financing, capital and related financing, and investing activities. The statements are prepared using the direct method of cash flows and, therefore, present gross rather than net amounts for the year's activities.

Analytical Overview

Summary

The following discussion highlights management's understanding of the key financial aspects of the Foundation's financial activities. Included are comparative analyses of current year and prior years' activities and balances and a discussion of restrictions of the Foundation's net position.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Management's Discussion and Analysis

June 30, 2021, 2020 and 2019

The Foundation's condensed summary of net position as of June 30 is as follows:

	2021	2020	2019
Assets:			
Current assets	\$ 15,136,640	\$ 17,726,275	\$ 13,422,920
Capital assets, net	854,394	958,561	561,688
Other noncurrent assets	300	300	300
Total assets	15,991,334	18,685,136	13,984,908
Liabilities:			
Current liabilities	6,642,593	9,262,384	5,415,214
Other noncurrent liabilities	511,906	726,686	175,528
Total liabilities	7,154,499	9,989,070	5,590,742
Net position:			
Investment in capital assets	854,394	958,561	561,688
Unrestricted	7,982,441	7,737,505	7,832,478
Total net position	\$ 8,836,835	\$ 8,696,066	\$ 8,394,166

Assets

Total assets decreased \$2.7 million from FY 2020 to FY 2021 due to a \$2.6 million decrease in current assets and a \$0.1 million decrease in capital assets, net of accumulated depreciation due to transferring capital assets in the current year. Total assets increased \$4.7 million from FY 2019 to FY 2020 due to a \$4.3 million increase in current assets and a \$0.4 million increase in capital assets, net of accumulated depreciation due to purchasing capital assets in the current year.

Current assets decreased \$2.6 million from FY 2020 to FY 2021 due to a decrease in cash and cash equivalents of \$2.9 million, decrease in short-term investments of \$1.0 million, increase in accounts receivable, net of \$1.3 million. Current assets increased \$4.3 million from FY 2019 to FY 2020 due to an increase in cash and cash equivalents of \$3.0 million, increase in short-term investments of \$0.7 million and increase in accounts receivable, net of \$0.7 million and a decrease in prepaid expenses and other assets of \$0.1 million.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Management's Discussion and Analysis

June 30, 2021, 2020 and 2019

Capital Assets

Capital assets, net of accumulated depreciation, are shown below:

	June 30		
	2021	2020	2019
Works of art and historical treasures	\$ —	\$ —	\$ 25,000
Construction work in progress	—	42,297	71,604
Buildings	166,360	182,702	115,679
Equipment - net	688,034	729,912	344,295
Computer Software	—	3,650	5,110
Total capital assets, net of accumulated depreciation	<u>\$ 854,394</u>	<u>\$ 958,561</u>	<u>\$ 561,688</u>

Capital assets decreased by \$0.1 million from FY 2020 to FY 2021 primarily due to \$0.04 million decrease in construction work in progress, \$0.12 million in equipment transferred to Humboldt State University and \$0.17 million of equipment additions, offset by \$0.11 million in depreciation expense. Capital assets increased by \$0.4 million from FY 2019 to FY 2020 primarily due to \$0.07 million construction work in progress being completed and transferring \$0.08 million to buildings, \$0.05 million in works of art and historical treasures and equipment were transferred to Humboldt State University, \$0.54 million construction work in progress and equipment additions, offset by \$0.1 million in depreciation expense.

Liabilities

Total liabilities decreased \$2.8 million from FY 2020 to FY 2021 due to a \$2.9 million decrease in accounts payable and unearned revenue and a \$0.1 million increase in accrued salaries and benefits payable and accrued compensated absences. Total liabilities increased \$4.4 million from FY 2019 to FY 2020 due to a \$4.2 million increase in accounts payable and unearned revenue and a \$0.2 million increase in accrued salaries and benefits payable and accrued compensated absences. Significant increases in payables are due to a large grant that was awarded in FY 2020.

The Foundation renewed a line of credit with a bank on October 15, 2019. The loan is secured by all accounts receivable. The loan agreement is available for short-term cash needs, with a maximum amount available of \$2.0 million. The agreement requires monthly interest-only payments at a variable interest rate of 0.75% above the bank's reference rate. The loan agreement expires on October 15, 2022. There were no amounts outstanding on the loan as of June 30, 2021 and 2020, respectively.

Net Position

Total net position increased \$0.1 million from FY 2020 to FY 2021 and increased \$0.3 million from FY 2019 to FY 2020 due to the net income generated for the year ended June 30, 2021 and 2020, respectively.

Unrestricted net position represents all other net resources available to the Foundation for general institutional and research-related obligations.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Management's Discussion and Analysis

June 30, 2021, 2020 and 2019

Operating Results

The Foundation's condensed summary of revenues, expenses, and changes in net position for the years ended June 30 is as follows:

Condensed Summary of Revenues, Expenses, and Changes in Net Position

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating revenues:			
Grants and contracts, noncapital	\$ 34,377,720	\$ 32,143,595	\$ 27,671,457
Indirect cost revenue	3,077,749	2,650,508	2,594,610
Other operating revenues	<u>311,103</u>	<u>130,409</u>	<u>226,433</u>
Total operating revenues	37,766,572	34,924,512	30,492,500
Operating expenses	<u>(37,486,049)</u>	<u>(34,587,707)</u>	<u>(30,156,976)</u>
Operating income (loss)	<u>280,523</u>	<u>336,805</u>	<u>335,524</u>
Nonoperating revenues (expenses):			
Investment income, net	6,453	10,406	46,950
Other nonoperating revenues (expenses), net	<u>(6,452)</u>	<u>-</u>	<u>(9,440)</u>
Net nonoperating revenues (expenses)	<u>1</u>	<u>10,406</u>	<u>37,510</u>
Income before other additions	280,524	347,211	373,034
Transfers to other campus entities	<u>(139,755)</u>	<u>(45,311)</u>	<u>(1,698,952)</u>
Increase (decrease) in net position	140,769	301,900	(1,325,918)
Net position at beginning of year	<u>8,696,066</u>	<u>8,394,166</u>	<u>9,720,084</u>
Net position at end of year	<u>\$ 8,836,835</u>	<u>\$ 8,696,066</u>	<u>\$ 8,394,166</u>

Operating Revenues and Expenses

Operating revenues and expenses come from sources that are connected directly to the Foundation's primary business function. This includes revenues from categories such as certain grants and contracts that will be used for noncapital purposes and sales and services of auxiliary enterprises. Expenses include categories such as salaries, benefits, supplies and other services, scholarships and fellowships, and depreciation. In this discussion and analysis, expenses are reported by functional programs such as instruction, research, public service, academic support, student services, institutional support, operation and maintenance of plant, scholarships and fellowships, auxiliary enterprise, and depreciation.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Management's Discussion and Analysis

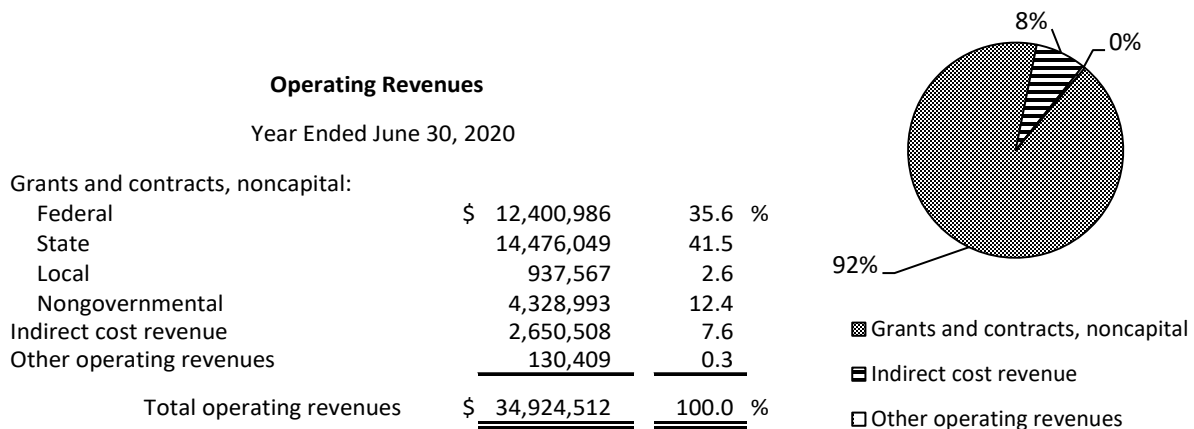
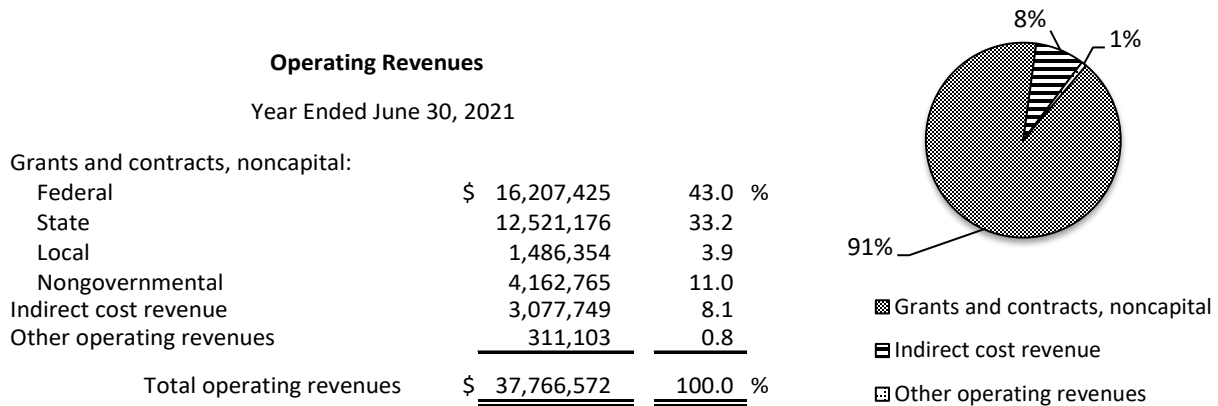
June 30, 2021, 2020 and 2019

Operating Revenues

Total operating revenues increased \$2.8 million, or 8%, from FY 2020 to FY 2021 due to a \$2.2 million increase in grants and contracts, noncapital, a \$0.4 million increase in indirect cost revenue and a \$0.2 million increase in other operating revenues. The increase in grants and contracts, noncapital is due to an increase in federal and local grants and a decrease in the state and nongovernmental grants project activity. The increase in other operating revenues is the result of an increase in administrative fees income.

Total operating revenues increased \$4.4 million, or 14%, from FY 2019 to FY 2020 due to a \$4.5 million increase in grants and contracts, noncapital and a \$0.1 million decrease in other operating revenues. The increase in grants and contracts, noncapital is due to an increase in federal and state grants and a decrease in the local and nongovernmental grants project activity. The decrease in other operating revenues is the result of a decrease in administrative fees and rental income.

The following charts present the proportional share that each category of operating revenues contributed to the total for fiscal years 2021, 2020 and 2019:



HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

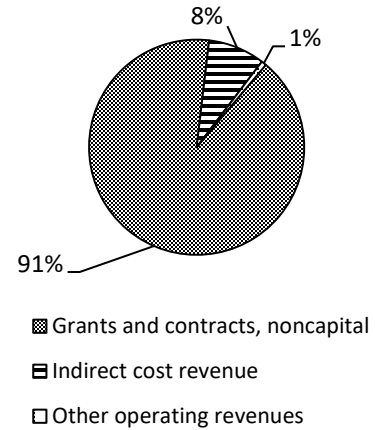
Management’s Discussion and Analysis

June 30, 2021, 2020 and 2019

Operating Revenues

Year Ended June 30, 2019

Grants and contracts, noncapital:		
Federal	\$ 10,491,785	34.5 %
State	11,589,130	38.0
Local	1,063,753	3.5
Nongovernmental	4,526,789	14.8
Indirect cost revenue	2,594,610	8.5
Other operating revenues	<u>226,433</u>	<u>0.7</u>
 Total operating revenues	 <u>\$ 30,492,500</u>	 <u>100.0 %</u>



Operating Expenses

Total operating expenses increased by \$2.9 million, or 8%, from FY 2020 to FY 2021 primarily due to a \$5.7 million aggregated increase in public service, institutional support, operation and maintenance of plant, scholarships and fellowships, auxiliary enterprises and depreciation, offset by a \$2.9 million aggregated decrease in research, student services and academic support. The \$2.9 million increase is primarily related to increase spending in the FY 2021 on grants and contracts.

Total operating expenses increased by \$4.4 million, or 14%, from FY 2019 to FY 2020 primarily due to a \$5.2 million aggregated increase in public service, student services and auxiliary enterprises, offset by a \$0.8 million aggregated decrease in instruction, research, academic support, institutional support, scholarships and fellowships and depreciation. The \$4.4 million increase is primarily related to increase spending in the FY 2020 on grants and contracts.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Management's Discussion and Analysis

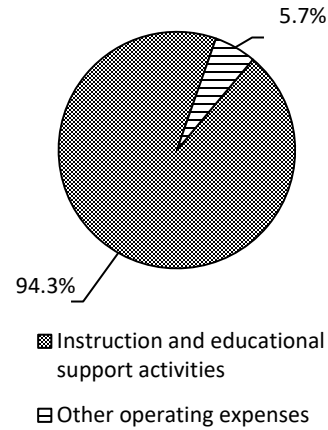
June 30, 2021, 2020 and 2019

The following charts present the distribution of resources in support of the Foundation's mission for fiscal years 2021, 2020 and 2019:

Operating Expenses

Year ended June 30, 2021

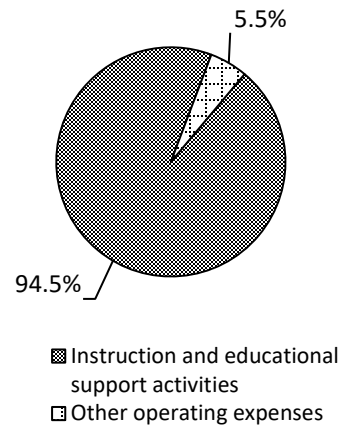
Instruction	\$ —	0.0 %
Research	11,300,843	30.1
Public service	22,838,820	61.0
Academic support	425,507	1.1
Student services	610,043	1.7
Scholarships and fellowships	<u>157,573</u>	<u>0.4</u>
Total instruction and educational support activities	<u>35,332,786</u>	<u>94.3</u>
Institutional support	31,690	0.1
Auxiliary enterprises	1,975,550	5.3
Operation and maintenance of plant	37,018	0.1
Depreciation	<u>109,005</u>	<u>0.2</u>
Total other operating expenses	<u>2,153,263</u>	<u>5.7</u>
Total operating expenses	<u>\$ 37,486,049</u>	<u>100.0 %</u>



Operating Expenses

Year ended June 30, 2020

Instruction	\$ —	0.0 %
Research	13,917,171	40.2
Public service	17,429,943	50.4
Academic support	430,232	1.3
Student services	760,200	2.1
Scholarships and fellowships	<u>147,416</u>	<u>0.5</u>
Total instruction and educational support activities	<u>32,684,962</u>	<u>94.5</u>
Institutional support	—	0.0
Auxiliary enterprises	1,814,094	5.2
Operation and maintenance of plant	—	0.0
Depreciation	<u>88,651</u>	<u>0.3</u>
Total other operating expenses	<u>1,902,745</u>	<u>5.5</u>
Total operating expenses	<u>\$ 34,587,707</u>	<u>100.0 %</u>



HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

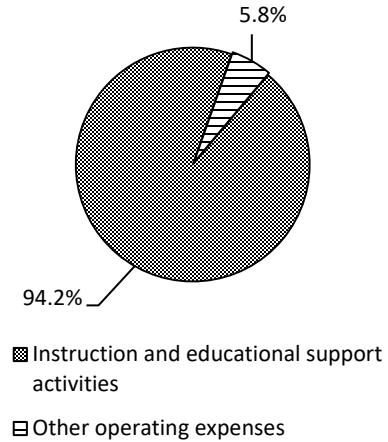
Management’s Discussion and Analysis

June 30, 2021, 2020 and 2019

Operating Expenses

Year Ended June 30, 2019

Instruction	\$ 895	0.1 %
Research	14,407,231	47.7
Public service	12,514,103	41.4
Academic support	456,456	1.5
Student services	656,020	2.2
Scholarships and fellowships	<u>399,312</u>	<u>1.3</u>
Total instruction and educational support activities	<u>28,434,017</u>	<u>94.2</u>
Institutional support	1,159	0.1
Auxiliary enterprises	1,617,665	5.4
Operation and maintenance of plant	—	0.0
Depreciation	<u>104,135</u>	<u>0.3</u>
Total other operating expenses	<u>1,722,959</u>	<u>5.8</u>
Total operating expenses	<u>\$ 30,156,976</u>	<u>100.0 %</u>



Nonoperating Revenues (Expenses)

Nonoperating revenues (expenses) come from sources that are not part of the Foundation’s primary business functions. Included in this classification are categories such as gifts, noncapital, investment income, net, and other nonoperating revenue (expenses), net.

Total nonoperating revenues (expenses) decreased \$0.01 million from the FY 2020 to FY 2021 primarily due to returning equipment to a vendor and a decrease in investment income, net.

Total nonoperating revenues (expenses) decreased \$0.03 million from the FY 2019 to FY 2020 primarily due to a decrease in investment income, net.

Transfers to other campus entities

Transfers to other campus entities increased \$0.1 million from FY 2020 to FY 2021 primarily related to an increase in equipment of \$0.1 million transferred to Humboldt State University.

Transfers to other campus entities decreased \$1.7 million from FY 2019 to FY 2020 primarily related to a decrease in land and buildings of \$1.0 million transferred to Humboldt State University Real Estate Holdings and building improvements of \$0.4 and equipment of \$0.3 million transferred to Humboldt State University.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Management's Discussion and Analysis

June 30, 2021, 2020 and 2019

Factors That Will Affect the Future

Indirect Cost Revenue

Indirect cost revenue is a factor that greatly affects the Foundation's ability to build and maintain a reserve adequate enough for supporting the grant and contract activity of the Foundation. Indirect cost revenue is earned as a percentage of spending on awarded grant and contracts. Indirect cost rates are generally dictated by the grant funder and are contractually agreed upon on all grants and contracts. Indirect cost revenue increased \$0.4 million, or 16.1%, from FY 2020 to FY 2021 and \$0.06 million, or 2.2%, from FY 2019 to FY 2020 due to an increase in grants and contracts activity.

Continued University Support

The pre-award and compliance functionality of the Foundation is financially supported by the University as a state function. Volatility in state-supported funding could potentially affect the level of support provided by the state in future periods, which in turn could affect the pre-award and compliance functions of the Foundation. Management does not believe that level of support to the Foundation will decrease in the next fiscal period.

Contact Information

This financial report is designed to provide a general overview of the auxiliary's finances. If you have questions about this report or need additional financial information, contact the Sponsored Programs Foundation of Humboldt State University, 1 Harpst Street, Arcata, CA 95521.

BASIC FINANCIAL STATEMENTS

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Statements of Net Position
June 30, 2021 and 2020

Assets	2021	2020
Current assets		
Cash and cash equivalents	\$ 1,535,505	\$ 4,383,073
Short-term investments	36,217	1,033,257
Accounts receivable, net	13,522,789	12,261,943
Prepaid expenses and other assets	42,129	48,002
Total current assets	<u>15,136,640</u>	<u>17,726,275</u>
Noncurrent assets		
Long-term investments	300	300
Capital assets, net	854,394	958,561
Total noncurrent assets	<u>854,694</u>	<u>958,861</u>
Total assets	<u>15,991,334</u>	<u>18,685,136</u>
Liabilities		
Current liabilities		
Accounts payable	2,561,552	4,501,318
Accrued salaries and benefits payable	727,279	713,638
Accrued compensated absences – current portion	207,224	199,454
Unearned revenue – current portion	3,131,843	3,833,145
Other liabilities	14,695	14,829
Total current liabilities	<u>6,642,593</u>	<u>9,262,384</u>
Noncurrent liabilities		
Accrued compensated absences, net of current portion	176,301	127,771
Unearned revenue, net of current portion	335,605	598,915
Total noncurrent liabilities	<u>511,906</u>	<u>726,686</u>
Total liabilities	<u>7,154,499</u>	<u>9,989,070</u>
Net position		
Investment in capital assets	854,394	958,561
Unrestricted	7,982,441	7,737,505
Total net position	<u>\$ 8,836,835</u>	<u>\$ 8,696,066</u>

See accompanying notes.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

**Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2021 and 2020**

Revenues:	<u>2021</u>	<u>2020</u>
Operating revenues:		
Grants and contracts, noncapital:		
Federal	\$ 16,207,425	\$ 12,400,986
State	12,521,176	14,476,049
Local	1,486,354	937,567
Nongovernmental	4,162,765	4,328,993
Indirect cost revenue	3,077,749	2,650,508
Other operating revenues	311,103	130,409
Total operating revenues	<u>37,766,572</u>	<u>34,924,512</u>
Expenses:		
Operating expenses:		
Research	11,300,843	13,917,171
Public service	22,838,820	17,429,943
Academic support	425,507	430,232
Student services	610,043	760,200
Institutional support	31,690	-
Operation and maintenance of plant	37,018	-
Scholarships and fellowships	157,573	147,416
Auxiliary enterprises	1,975,550	1,814,094
Depreciation	109,005	88,651
Total operating expenses	<u>37,486,049</u>	<u>34,587,707</u>
Operating income	<u>280,523</u>	<u>336,805</u>
Nonoperating revenues (expenses):		
Investment income, net	6,453	10,406
Other nonoperating revenues (expenses), net	(6,452)	-
Net nonoperating revenues	<u>1</u>	<u>10,406</u>
Income before other additions	280,524	347,211
Transfers to other campus entities	<u>(139,755)</u>	<u>(45,311)</u>
Increase (decrease) in net position	140,769	301,900
Net position:		
Net position at beginning of year	8,696,066	8,394,166
Net position at end of year	<u>\$ 8,836,835</u>	<u>\$ 8,696,066</u>

See accompanying notes.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Statements of Cash Flows

Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Received from customers	\$ 35,539,732	\$ 36,459,411
Payments to employees and fringe benefits	(16,988,362)	(15,270,206)
Payments to vendors and suppliers	(21,608,985)	(16,144,808)
Payments for scholarships and fellowships	(643,783)	(823,583)
Transfers to other entities	(26,061)	-
Net cash (used in) provided by operating activities	<u>(3,727,459)</u>	<u>4,220,814</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	<u>(167,281)</u>	<u>(530,835)</u>
Net cash used in capital and related financing activities	<u>(167,281)</u>	<u>(530,835)</u>
Cash flows from investing activities:		
Gain on sale of investment	42,297	-
Investment income	7,835	17,167
Transfers (to)/from cash, net of interest earned	<u>997,040</u>	<u>(710,478)</u>
Net cash (used in) provided by investing activities	<u>1,047,172</u>	<u>(693,311)</u>
Net increase (decrease) in cash and cash equivalents	(2,847,568)	2,996,668
Cash and cash equivalents at beginning of year	<u>4,383,073</u>	<u>1,386,405</u>
Cash and cash equivalents at end of year	\$ <u><u>1,535,505</u></u>	\$ <u><u>4,383,073</u></u>
Reconciliation to cash per Statements of Net Position		
Cash and cash equivalents	\$ <u>1,535,505</u>	\$ <u>4,383,073</u>
Total cash and cash equivalents at end of year	\$ <u><u>1,535,505</u></u>	\$ <u><u>4,383,073</u></u>

See accompanying notes.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Statements of Cash Flows
Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Reconciliation of operating income to net cash used in operating activities:		
Operating income	\$ 280,523	\$ 336,805
Adjustments to reconcile operating income to net cash used in operating activities:		
Depreciation expense	109,005	88,651
Transfers to other entities	(26,061)	-
Changes in assets and liabilities:		
Receivables, net	(1,262,228)	(663,986)
Prepaid items	5,873	61,016
Accounts payable and accrued liabilities	(1,918,489)	2,160,919
Unearned revenue, current	(701,302)	1,686,251
Compensated absences and unearned revenue, noncurrent	(214,780)	551,158
Total adjustments	<u>(4,007,982)</u>	<u>3,884,009</u>
Net cash (used in) provided by operating activities	\$ <u>(3,727,459)</u>	\$ <u>4,220,814</u>
Noncash investing, capital, and financing activities:		
Capital asset transfers, net of depreciation	\$ 162,443	\$ 45,311
Increase in receivables related to nonoperating income	\$ (1,381)	\$ (6,761)

See accompanying notes.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2021 and 2020

(1) Organization

Humboldt State University Sponsored Programs Foundation (the Foundation) is a nonprofit, tax-exempt corporation, incorporated in 1952 under the provisions of section 501(c)(3) of the Internal Revenue Code. The Foundation is organized to administer grants from governmental and private agencies for research and other activities related to the programs of Humboldt State University (the University). The Foundation is an auxiliary organization of the University and the California State University System (the System). As an affiliated organization component unit of the University, the Foundation's financial data will be included in the consolidated financial statements of the University and the System.

Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles, as prescribed by the GASB. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

The financial statements required by GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities* and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, include a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows. The basic financial statements include the accounts of the Foundation, including its research activities performed on behalf of the University. The Foundation is a component unit of the University, a public university under the California State University system. The Foundation has elected to use the reporting model for special-purpose governments engaged only in business-type activities. In accordance with the business-type activities reporting model, the University prepares its statement of cash flows using the direct method.

(b) Classification of Current and Noncurrent Assets (Other Than Investments) and Liabilities

The Foundation considers assets to be current that can reasonably be expected, as part of its normal business operations, to be converted to cash and be available for liquidation of current liabilities within 12 months of the statement of net position date. Liabilities that reasonably can be expected, as part of normal Foundation business operations, to be liquidated within 12 months of the statement of net position date are considered to be current. All other assets and liabilities are considered to be noncurrent. For classification of current and noncurrent investments, refer to Note 2.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2021 and 2020

(c) Cash and Cash Equivalents

The Foundation considers all highly liquid investments with an original maturity date of three months or less to be cash and cash equivalents. The Foundation considers amounts included in the Local Agency Investment Fund (LAIF) to be investments.

(d) Investments

All investments are reported at fair value in accordance with GASB 72. Investments are reflected at fair value using quoted market prices, where available, otherwise they are recorded at estimated fair value. Realized and unrealized gains and losses are included in the accompanying statement of revenues, expenses, and changes in net position as investment income, net or as Investment loss, net.

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair market value measurement. There were no Level 3 investments to report.

Investments that are used for current operations are classified as short-term investments. Investments that are restricted for withdrawal or use for other than current operations and restricted as to the liquidity of the investments are classified as long-term investments.

(e) Accounts Receivable

Accounts receivable, net primarily consists of billed and unbilled amounts due from the federal government, state and local governments, and private sources in connection with reimbursement of allowable expenditures made pursuant to contracts and grants.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2021 and 2020

The Foundation provides a reserve for uncollectible accounts based upon a review of outstanding receivables. Accounts receivable, net considered uncollectible are charged against the reserve account in the year they are deemed to be uncollectible. The reserve for uncollectible accounts was \$2,200 and \$263,558 for the fiscal years ending June 30, 2021 and 2020, respectively.

(f) Capital Assets

Capital assets, net are stated at cost or estimated historical cost if purchased, or if donated, at estimated fair value at date of donation. Capital assets, net with a value of \$5,000 or more and with a useful life of one year or more are capitalized. Capital assets, net with the exception of land and land improvements, works of art and historical treasures, computer software and construction work in progress, are depreciated on a straight-line basis over their estimated useful lives, which range from 5 to 30 years. Works of art and historical treasures are valued at cost if purchased or the acquisition value at the date of donation if contributed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are expensed as incurred.

Depreciation expense is shown separately in the statements of revenues, expenses, and changes in net position rather than being allocated among other categories of operating expenses.

(g) Unearned Revenue

Unearned revenue consists primarily of grant and contract funds received in advance which have not been earned under the terms of the grant and contract agreement.

(h) Compensated Absences

Compensated absences consist of vacation leave earned by employees based on services rendered. Employees may accumulate up to 240 hours of vacation depending on years of service. Upon termination of employment, all unused vacation benefits are paid to employees. Accordingly, vacation benefits are accrued as a liability.

Generally, sick leave benefits provide for ordinary sick pay and are cumulative but do not vest with the employee. Therefore, a liability for sick leave benefits is not accrued.

(i) Net Position

The Foundation's net position is classified into the following net position categories:

Investment in capital assets – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

Unrestricted – All other categories of net position. In addition, unrestricted net position may be designated for use by management of the Foundation. These designations limit the area of operations for which expenditures of net position may be made and require that unrestricted net position be designated to support future operations in these areas.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2021 and 2020

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, restricted resources are applied first. In the event that restricted resources are fully expended, unrestricted resources are expended to support the activities of restricted, expendable resources. As of June 30, 2021 and 2020, \$300,842 and \$106,637 in unrestricted resources were expended to support these activities.

(j) Classification of Revenues and Expenses

The Foundation considers operating revenues and operating expenses in the statements of revenues, expenses, and changes in net position to be those revenues and expenses that result from exchange transactions or from other activities that are connected directly to the Foundation's primary functions. Exchange transactions include charges for services rendered and the acquisition of goods and services.

Included in operating revenues and operating expenses are those activities related to the grant and contract transactions of the Foundation. Program grants and contracts represent funds obtained from external agencies for the support of the mission of the Foundation and of the University. Revenue from grants and contracts is recognized when expensed for the purpose specified is incurred. Amounts received in excess of expenses incurred as of the financial statements date are classified as unearned revenue.

Certain other transactions are reported as nonoperating revenues (expenses) in accordance with GASB Statement No. 35. These nonoperating activities include the Foundation's investment income, net; and gifts, noncapital.

(k) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts in the accompanying financial statements. Actual results could differ from those estimates.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2021 and 2020

(2) Cash and Cash Equivalents and Investments

The Foundation's cash and cash equivalents and investments as of June 30, 2021 and 2020 are classified in the accompanying statements of net position as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,535,505	\$ 4,383,073
Total cash and cash equivalents	<u>1,535,505</u>	<u>4,383,073</u>
Short-term investments - Net asset value	36,217	1,033,257
Other long-term investments - Level 2	<u>300</u>	<u>300</u>
Total investments	<u>36,517</u>	<u>1,033,557</u>
Total cash, cash equivalents and investments	<u>\$ 1,572,022</u>	<u>\$ 5,416,630</u>

(a) Cash and Cash Equivalents

Cash and cash equivalents consisted of demand deposits held at commercial banks and petty cash. Total cash and cash equivalents of \$1,535,505 and \$4,383,073 had a corresponding carrying balance with the commercial banks of \$1,891,083 and \$4,043,555 at June 30, 2021 and 2020, respectively. The differences related primarily to deposits in transit and outstanding checks.

Custodial Credit Risk for Deposits

The Foundation maintains its cash in bank deposit accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor. At June 30, 2021 and 2020, the Foundation's uninsured, uncollateralized cash balances were \$1,641,083 and \$3,793,554, respectively.

Management periodically assesses the financial condition of the institutions and believes that the Foundation is not exposed to any significant custodial credit risk related to cash.

(b) Short-term Investments

At June 30, 2021 and 2020, the Foundation's short-term investments portfolio consists entirely of investments in the Local Agency Investment Fund (LAIF), a voluntary program created by statute as an alternative for California's local governments and special districts that allow affiliates to participate in a major investment portfolio. It is under the administration of the California State Treasurer's Office. LAIF is valued at net asset value calculated by fair market value of the pool divided by the amortized cost of the investments in the pool. Withdrawals can be made within 24 hours. There are no significant interest rate risks or credit risks to be disclosed in accordance with GASB Statement No. 40, Deposit and Investment Risk Disclosures - an amendment of GASB Statement No. 3.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2021 and 2020

The investment is not insured. However, these funds are invested in accordance with California Government Code Sections 16430 and 16480, the stated investment authority for the Pooled Money Investment Account. At June 30, 2021 and 2020, cash in LAIF was \$36,217 and \$1,033,257, respectively.

(c) Long-term Investments

For the year ended June 30, 2021 and 2020, long-term investments consist of three shares of Baywood Golf and Country Club capital stock. All investments are stated at their fair market value. The fair value of the Baywood stock is based on estimated current selling price per share.

Long-term investment activity for the years ended June 30, 2021 and 2020 consisted of the following:

		<u>Balance at June 30, 2020</u>	<u>Purchases/ Additions</u>	<u>(Settlements)/ Deletions</u>	<u>Balance at June 30, 2021</u>
Stock		\$ 300	\$ —	\$ —	\$ 300
	Total	<u>\$ 300</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 300</u>

		<u>Balance at June 30, 2019</u>	<u>Purchases/ Additions</u>	<u>(Settlements)/ Deletions</u>	<u>Balance at June 30, 2020</u>
Stock		\$ 300	\$ —	\$ —	\$ 300
	Total	<u>\$ 300</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 300</u>

Investment income, net for the year ended June 30, 2021 and 2020, is summarized as follows:

	<u>2021</u>	<u>2020</u>
Interest income	\$ 6,453	\$ 10,406
Total	<u>\$ 6,453</u>	<u>\$ 10,406</u>

(d) Investments Reported at Fair Market Value

As of June 30, 2021 and 2020 the investments included within the Foundation's financial statements are classified as follows.

Level2 - \$300 (100%) at June 30, 2021 and 2020

Investments included in this level include three shares in Baywood Golf and Country Club. These shares are not traded on any active public exchange. The values reported for these shares is based on estimated current selling price per share.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2021 and 2020

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of a counterparty, the Foundation would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Financial instruments that potentially subject the Foundation to custodial risk are investments in excess of amounts insured by the FDIC or the Securities Investor Protector Corporation (SIPC). No policy exists related to custodial risk specifically. The Foundation does not have an investment policy.

Management periodically assesses the financial condition of the institution and believes that the Foundation is not exposed to any significant custodial credit risk related to investments.

(3) Accounts Receivable

Billed and unbilled accounts receivables, net as of June 30, 2021 and 2020 are summarized as follows:

	<u>2021</u>	<u>2020</u>
Federal grants and contracts	\$ 6,225,754	\$ 2,642,391
State and local grants and contracts	5,942,236	8,672,914
Non-governmental grants and contracts	1,353,318	940,755
Other receivables	1,481	5,883
Total	<u>\$ 13,522,789</u>	<u>\$ 12,261,943</u>

The allowance for uncollectible accounts is \$2,200 and \$263,558 for the years ended June 30, 2021 and 2020, respectively. Unbilled grant and contract receivables are \$10,374,164 and \$9,671,634 as of June 30, 2021 and 2020, respectively. The accounts receivable are pledged as collateral for the \$2.0 million line of credit at a bank.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2021 and 2020

(4) Capital Assets

Capital assets activity for the year ended June 30, 2021, consisted of the following:

	<u>Balance, June 30, 2020</u>	<u>Additions</u>	<u>Transfers / Retirements</u>	<u>Balance, June 30, 2021</u>
Nondepreciable/nonamortizable capital assets:				
Works of art and historical treasures	\$ —	\$ —	\$ —	\$ —
Construction work in progress	<u>42,297</u>	<u>—</u>	<u>(42,297)</u>	<u>—</u>
Total nondepreciable capital assets	<u>42,297</u>	<u>—</u>	<u>(42,297)</u>	<u>—</u>
Depreciable/amortizable capital assets:				
Buildings	490,279	—	—	490,279
Personal property:				
Equipment	1,038,530	167,281	(216,444)	989,367
Computer Software	<u>7,300</u>	<u>—</u>	<u>(7,300)</u>	<u>—</u>
Total depreciable capital assets	<u>1,536,109</u>	<u>167,281</u>	<u>(223,744)</u>	<u>1,479,646</u>
Total cost	<u>1,578,406</u>	<u>167,281</u>	<u>(266,041)</u>	<u>1,479,646</u>
Less accumulated depreciation/amortization:				
Buildings	(307,577)	(16,343)	—	(323,920)
Personal property:				
Equipment	(308,618)	(91,932)	99,218	(301,332)
Computer Software	<u>(3,650)</u>	<u>(730)</u>	<u>4,380</u>	<u>—</u>
Total accumulated depreciation	<u>(619,845)</u>	<u>(109,005)</u>	<u>103,598</u>	<u>(625,252)</u>
Net capital assets	<u>\$ 958,561</u>	<u>\$ 58,276</u>	<u>\$ (162,443)</u>	<u>\$ 854,394</u>

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2021 and 2020

Capital assets activity for the year ended June 30, 2020, consisted of the following:

	<u>Balance, June 30, 2019</u>	<u>Additions</u>	<u>Transfers / Retirements</u>	<u>Balance, June 30, 2020</u>
Nondepreciable/nonamortizable capital assets:				
Works of art and historical treasures	\$ 25,000	\$ —	\$ (25,000)	\$ —
Construction work in progress	<u>71,604</u>	<u>42,297</u>	<u>(71,604)</u>	<u>42,297</u>
Total nondepreciable capital assets	<u>96,604</u>	<u>42,297</u>	<u>(96,604)</u>	<u>42,297</u>
Depreciable/amortizable capital assets:				
Buildings	408,280	81,999	—	490,279
Personal property:				
Equipment	640,909	478,143	(80,522)	1,038,530
Computer Software	<u>7,300</u>	<u>—</u>	<u>—</u>	<u>7,300</u>
Total depreciable capital assets	<u>1,056,489</u>	<u>560,142</u>	<u>(80,522)</u>	<u>1,536,109</u>
Total cost	<u>1,153,093</u>	<u>602,439</u>	<u>(177,126)</u>	<u>1,578,406</u>
Less accumulated depreciation/amortization:				
Buildings	(292,601)	(14,976)	—	(307,577)
Personal property:				
Equipment	(296,614)	(72,215)	60,211	(308,618)
Computer Software	<u>(2,190)</u>	<u>(1,460)</u>	<u>—</u>	<u>(3,650)</u>
Total accumulated depreciation	<u>(591,405)</u>	<u>(88,651)</u>	<u>60,211</u>	<u>(619,845)</u>
Net capital assets	<u>\$ 561,688</u>	<u>\$ 513,788</u>	<u>\$ (116,915)</u>	<u>\$ 958,561</u>

Equipment purchased with grant and contract monies are held in trust by the Foundation. Title is held by the Foundation and, upon completion of the grant or contract, the equipment is transferred to the University or the funding agency, depending on the individual terms of the agreement.

For the years ended June 30, 2021 and 2020, capital assets with a net book value of \$113,693 and \$45,311 were transferred from the Foundation to the University, respectively.

Total depreciation expense for the Foundation for the years ended June 30, 2021 and 2020 was \$109,005 and \$88,651, respectively.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2021 and 2020

(5) Long-term liabilities

Long-term liabilities activities for the years ended June 30, 2021 and 2020 is summarized as follows:

	<u>Balance at June 30, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2021</u>	<u>Current Portion</u>	<u>Long-Term Portion</u>
Accrued compensated absences	\$ 327,225	\$ 341,734	\$ (285,434)	\$ 383,525	\$ 207,224	\$ 176,301
Unearned revenue	<u>4,432,060</u>	<u>4,867,764</u>	<u>(5,832,376)</u>	<u>3,467,448</u>	<u>3,131,843</u>	<u>335,605</u>
Total	\$ <u>4,759,285</u>	\$ <u>5,209,498</u>	\$ <u>(\$6,117,810)</u>	\$ <u>3,850,973</u>	\$ <u>3,339,067</u>	\$ <u>511,906</u>
	<u>Balance at June 30, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2020</u>	<u>Current Portion</u>	<u>Long-Term Portion</u>
Accrued compensated absences	\$ 250,029	\$ 312,224	\$ (235,028)	\$ 327,225	\$ 199,454	\$ 127,771
Unearned revenue	<u>2,233,175</u>	<u>6,220,756</u>	<u>(4,021,871)</u>	<u>4,432,060</u>	<u>3,833,145</u>	<u>598,915</u>
Total	\$ <u>2,483,204</u>	\$ <u>6,532,980</u>	\$ <u>(\$4,256,899)</u>	\$ <u>4,759,285</u>	\$ <u>4,032,599</u>	\$ <u>726,686</u>

The Foundation renewed a line of credit with a bank on October 15, 2019. The loan is secured by all accounts receivable. The loan agreement is available for short-term cash needs, with a maximum amount available of \$2.0 million. The agreement requires monthly interest-only payments at a variable interest rate of 0.75% above the bank's reference rate. The loan agreement expires on October 15, 2022. There were no amounts outstanding on the loan as of June 30, 2021 and 2020, respectively.

Total interest incurred on all borrowings was approximately \$29,562 and \$10,937 for the years ended June 30, 2021 and 2020, respectively.

(6) Net Position

(a) Unrestricted net position

As of June 30, 2021 and 2020, the unrestricted portion of the Foundation's net position was designated for the following purposes:

Funds:	<u>2021</u>	<u>2020</u>
Sponsored programs related funds	\$ 2,676,880	\$ 2,867,300
Campus program funds	<u>454</u>	<u>6,392</u>
Total funds	2,677,334	2,873,692
Current operations and working capital	<u>5,305,107</u>	<u>4,863,813</u>
Total	\$ <u>7,982,441</u>	\$ <u>7,737,505</u>

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2021 and 2020

The Board of Directors passed a resolution to increase the reserve from \$4,000,000 to \$5,000,000. This reserve is for current operations and working capital, capital replacements, contingent liabilities, and planned future operations. The Foundation will build up the reserve by setting aside \$4,000,000 and 20% of their cash & cash equivalents over \$4,000,000 each fiscal year beginning with the fiscal year ending June 30, 2020. As of June 30, 2021, the Foundation requires an additional \$841,169 to meet its reserve target.

(7) Operating Leases

The Foundation rents office space located in Eureka, California under an operating lease with an unrelated third party. The total rent expense paid on this lease for the years ended June 30, 2021 and 2020 was \$17,712 and \$17,280, respectively. Rental terms are for twelve months and can be extended for additional one year periods on July 1st. The rent is subject to annual adjustments based on the CPI indices of up to 4%.

The Foundation rents storage space located in Trinidad, California from the University. The total rent expense paid on this lease for the years ended June 30, 2021 and 2020 was \$0 and \$0, respectively. Rental payments are due through December 31, 2023.

The Foundation rents office space located in Sacramento, California under an operating lease with an unrelated third party. The total rent expense paid on this lease for the years ended June 30, 2021 and 2020 was \$1,500 and \$15,000, respectively. Rental payments were due through March 31, 2021.

The Foundation rents office space located in Eureka, California from the University. The total rent expense paid on this lease for the years ended June 30, 2021 and 2020 was \$30,329 and \$29,868, respectively. The rent increased on April 1, 2021 to \$2,950 per month. The option to extend the lease for one additional five year period through May 31, 2026 was exercised. The rent is subject to annual adjustments based on the CPI indices.

The Foundation rents office space located in Crescent City, California under an operating lease with an unrelated third party. The total rent expense paid on this lease for the years ended June 30, 2021 and 2020 was \$8,940 and \$0, respectively. Rental payments are due through August 31, 2025.

The Foundation rents office space located in Sacramento, California under an operating lease with an unrelated third party. The total rent expense paid on this lease for the years ended June 30, 2021 and 2020 was \$11,846 and \$0, respectively. Rental payments are due through January 12, 2024.

The Foundation rents office space located in Folsom, California under an operating lease with an unrelated third party. The total rent expense paid on this lease for the years ended June 30, 2021 and 2020 was \$24,750 and \$0, respectively. Rental payments are due through August 31, 2021.

The Foundation is renting various office spaces in month to month operating leases for a total of \$3,650 per month. The total rent expense paid on these leases for the years ended June 30, 2021 and 2020 was \$13,600 and \$45,850, respectively.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2021 and 2020

At June 30, 2021, future minimum rental payments for these leases were as follows:

<u>For the Year Ending June 30,</u>	
2022	\$ 70,931
2023	67,151
2024	56,601
2025	46,087
2026	35,033
After 5 Years	<u>—</u>
Total	\$ <u><u>275,803</u></u>

(8) Commitments and Contingencies

Revenue for the Foundation is derived primarily from governmental and private agencies for performance on grants and contracts. Expenditures under these programs are subject to final audits that could result in disallowances under the terms of the grant. Management believes that disallowances, if any, resulting from such audits will not have a material effect on the financial statements.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2021 and 2020

(9) Classification of Operating Expenses

The Foundation has elected to report operating expenses by functional classification in the statements of revenues, expenses, and changes in net position, and to provide the natural classification of those expenses as an additional disclosure. For the years ended June 30, 2021 and 2020, operating expenses by natural classification consisted of the following:

	2021					
	<u>Salaries</u>	<u>Benefits</u>	<u>Scholarships and fellowships</u>	<u>Supplies and other services</u>	<u>Depreciation</u>	<u>Total</u>
Functional classification:						
Research	\$ 5,359,033	\$ 1,472,277	\$ 19,851	\$ 4,449,682	\$ -	\$ 11,300,843
Public service	6,419,135	2,256,218	584,932	13,578,535	-	22,838,820
Academic support	153,756	31,199	-	240,552	-	425,507
Student services	368,822	116,046	-	125,175	-	610,043
Institutional support	26,511	2,832	-	2,347	-	31,690
Plant	19,094	7,492	-	10,432	-	37,018
Scholarships and Fellowships	24,641	2,459	39,000	91,473	-	157,573
Auxiliary enterprise	516,274	282,514	-	1,176,762	-	1,975,550
Depreciation	-	-	-	-	109,005	109,005
Total	<u>\$ 12,887,266</u>	<u>\$ 4,171,037</u>	<u>\$ 643,783</u>	<u>\$ 19,674,958</u>	<u>\$ 109,005</u>	<u>\$ 37,486,049</u>
	2020					
	<u>Salaries</u>	<u>Benefits</u>	<u>Scholarships and fellowships</u>	<u>Supplies and other services</u>	<u>Depreciation</u>	<u>Total</u>
Functional classification:						
Research	\$ 5,959,867	\$ 1,589,109	\$ 264,991	\$ 6,103,204	\$ -	\$ 13,917,171
Public service	4,821,790	1,601,907	558,592	10,447,654	-	17,429,943
Academic support	117,584	40,705	-	271,943	-	430,232
Student services	446,177	125,359	-	188,664	-	760,200
Scholarships and Fellowships	9,844	1,014	-	136,558	-	147,416
Auxiliary enterprise	476,322	255,415	-	1,082,357	-	1,814,094
Depreciation	-	-	-	-	88,651	88,651
Total	<u>\$ 11,831,584</u>	<u>\$ 3,613,509</u>	<u>\$ 823,583</u>	<u>\$ 18,230,380</u>	<u>\$ 88,651</u>	<u>\$ 34,587,707</u>

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2021 and 2020

(10) Defined Contribution Plan

The Foundation maintains the Humboldt State University Foundation 403(b) DC plan (the Plan). The plan is qualified under IRS Section 403(b) and covers eligible employees, as defined by the plan.

(a) Plan Description

The Foundation is the Plan's sponsor and serves as plan administrator. The plan was amended, effective October 1, 2018 to allow for employee deferral contributions, at which time the Plan opened a new account with Principal Trust Company (Principal) to accept the employee deferral contributions. The Plan was also amended effective October 1, 2018 to merge in the Humboldt State University Foundation Foundation 403 (b) TDA Plan (TDA Plan), another plan sponsored by the Foundation. The TDA Plan's custodians are Teachers Insurance and Annuity Association (TIAA) and College Retirement Equities Fund (CREF). TIAA and CREF hold the assets and execute investment transactions for the TDA Plan. TIAA and CREF are agents which provide variable individual and group annuities for retirement and tax-deferred savings plans at nonprofit or publicly supported colleges, universities, and other educational and research organizations. The TDA Plan is a defined contribution plan. The contributions are invested and then disbursed at the time of the employees' retirement in the form of lifetime income or other payment options.

(b) Funding Policy

Participant contributions – Prior to October 1, 2018, the Plan did not allow for employee contributions. Effective October 1, 2018, the Plan was amended to allow participants to contribute between 1% and 100% of pretax annual compensation. Participants may also elect to make Roth contributions utilizing after-tax contributions. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans.

Employer non-elective contributions – The Foundation makes non-elective contributions equal to 10% of the participant's eligible compensation.

(c) Annual Contribution Costs and Pension Expense

The Foundation contributed \$623,527 and \$516,086 on behalf of covered employees for the years ended June 30, 2021 and 2020, respectively. These amounts are also the pension expense for these periods.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2021 and 2020

(11) Transfers to Other Campus Entities

Occasionally, the Foundation finds it appropriate to transfer certain fiscal responsibilities to the University or to other campus entities. During the years ended June 30, 2021 and 2020, the Foundation transferred the following to the University:

	<u>2021</u>	<u>2020</u>
Transfer of fixed assets to the University	\$ 113,693	\$ 45,311
Transfer of funds to the University	<u>26,061</u>	<u>—</u>
Total	<u>\$ 139,754</u>	<u>\$ 45,311</u>

(12) Transactions with Related Entities

(a) *Business Services Agreement*

The Foundation receives accounting and business services and human resource services from the University through a Business Services Agreement. For the fiscal years ended June 30, 2021 and 2020, the Foundation paid to the University \$834,000 and \$790,563, respectively, of which \$0 was owed at June 30, 2021 and 2020. (Included in Payments to University for other than salaries of University personnel below.)

(b) *General Operations Payroll*

The Foundation reimburses the University for salaries and benefits paid by the University of certain post-award employees and one-half of the research administration of the Foundation's general operations. The amount reimbursed to the University for the years ended June 30, 2021 and 2020 were \$463,191 and \$418,465, respectively, of which \$39,461 and \$38,853 was owed at June 30, 2021 and June 30, 2020, respectively. (Included in Payments to University for salaries of University personnel working on contracts, grants, and other programs and Accounts (payable to) University below.)

The University also supports the pre-award and compliance functionality, and one-half of the research administration functionality of the Foundation as a state function. The University provided support for the pre-award and compliance functionality and the research administration functionality at an unreimbursed value of \$284,230 and \$163,751, respectively, for the year ended June 30, 2021 and \$271,711 and \$162,337, respectively, for the year ended June 30, 2020.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2021 and 2020

(c) Summary of Transactions with related entities

The accompanying financial statements also include the following transactions with the University and related auxiliary organizations for the years ended June 30, 2021 and 2020:

	<u>2021</u>		<u>2020</u>
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 991,344	\$	1,489,678
Payments to University for other than salaries of University personnel	2,527,298		2,885,865
Payments received from University for services, space, and programs	464,496		429,669
Gifts (cash or assets) to the University from discretely presented component units	139,754		45,311
Accounts (payable to) University	(100,511)		(453,996)
Accounts receivable from University	1,370		29,181
Payments to University Center	3,237		58,309
Payments to HSU Foundation	1,166		1,004,012
Payments received from HSU Foundation	639,086		171,687

(13) COVID-19

In January 2020, an outbreak of a novel coronavirus (COVID-19) occurred in the United States, along with various other countries globally. On March 11, 2020, the World Health Organization assessed the COVID-19 outbreak and characterized it as a pandemic. This pandemic has continued, given the dynamic nature of these circumstances, the duration and intensity of the impact of COVID-19 and resulting impact to the market value changes, losses, and related financial impacts cannot be reasonably estimated at this time. Management is not currently able to reasonably estimate the potential financial impacts, and the financial statements have not been adjusted related to this matter.

SUPPLEMENTARY INFORMATION

Humboldt State University Sponsored Programs Foundation

Schedule of Net Position

June 30, 2021

(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	1,535,505
Short-term investments	36,217
Accounts receivable, net	13,522,789
Capital lease receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	42,129
Total current assets	15,136,640

Noncurrent assets:

Restricted cash and cash equivalents	-
Accounts receivable, net	-
Capital lease receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	300
Capital assets, net	854,394
Other assets	-
Total noncurrent assets	854,694

Total assets

15,991,334

Deferred outflows of resources:

Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	-
Others	-
Total deferred outflows of resources	-

Liabilities:

Current liabilities:

Accounts payable	2,561,552
Accrued salaries and benefits	727,279
Accrued compensated absences, current portion	207,224
Unearned revenues	3,131,843
Capital lease obligations, current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-

Depository accounts	-
Other liabilities	14,695
Total current liabilities	6,642,593
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	176,301
Unearned revenues	335,605
Grants refundable	-
Capital lease obligations, net of current portion	-
Long-term debt obligations, net of current portion	-
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	-
Net pension liability	-
Other liabilities	-
Total noncurrent liabilities	511,906
Total liabilities	7,154,499
Deferred inflows of resources:	
Service concession arrangements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Others	-
Total deferred inflows of resources	-
Net position:	
Net investment in capital assets	854,394
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	7,982,441
Total net position	8,836,835

Humboldt State University Sponsored Programs Foundation
Schedule of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2021
(for inclusion in the California State University)

Revenues:

Operating revenues:

Student tuition and fees, gross	-
Scholarship allowances (enter as negative)	-

Grants and contracts, noncapital:

Federal	16,207,425
State	12,521,176
Local	1,486,354
Nongovernmental	4,162,765
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	-
Scholarship allowances (enter as negative)	-
Other operating revenues	3,388,852

Total operating revenues	37,766,572
---------------------------------	-------------------

Expenses:

Operating expenses:

Instruction	-
Research	11,300,843
Public service	22,838,820
Academic support	425,507
Student services	610,043
Institutional support	31,690
Operation and maintenance of plant	37,018
Student grants and scholarships	157,573
Auxiliary enterprise expenses	1,975,550
Depreciation and amortization	109,005

Total operating expenses	37,486,049
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Operating income (loss)	280,523
--------------------------------	----------------

Nonoperating revenues (expenses):

State appropriations, noncapital	-
Federal financial aid grants, noncapital	-
State financial aid grants, noncapital	-
Local financial aid grants, noncapital	-
Nongovernmental and other financial aid grants, noncapital	-
Other federal nonoperating grants, noncapital	-

Gifts, noncapital	-
Investment income (loss), net	6,453
Endowment income (loss), net	-
Interest expense	-
Other nonoperating revenues (expenses) - excl. interagency transfers	<u>(146,207)</u>
Net nonoperating revenues (expenses)	<u>(139,754)</u>
Income (loss) before other revenues (expenses)	<u>140,769</u>
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	<u>-</u>
Increase (decrease) in net position	140,769
Net position:	
Net position at beginning of year, as previously reported	8,696,066
Restatements	<u>-</u>
Net position at beginning of year, as restated	<u>8,696,066</u>
Net position at end of year	<u><u>8,836,835</u></u>

4 Long-term liabilities:

	Balance June 30, 2020	Prior Period Adjustments/Reclassifications	Balance June 30, 2020 (Restated)	Additions	Reductions	Balance June 30, 2021	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 327,225		327,225	341,734	(285,434)	\$ 383,525	\$ 207,224	\$ 176,301.0
2. Claims liability for losses and loss adjustment expenses	-		-			-		-
3. Capital lease obligations:								
Gross balance	-		-			-	-	-
Unamortized net premium/(discount)	-		-			-	-	-
Total capital lease obligations	\$ -	-	-	-	-	-	-	-
4. Long-term debt obligations:								
4.1 Auxiliary revenue bonds (non-SRB related)	\$ -		-		\$ -	-	-	-
4.2 Commercial paper	-		-		-	-	-	-
4.3 Notes payable (SRB related)	-		-		-	-	-	-
4.4 Others:								
	-		-		-	-	-	-
	-		-		-	-	-	-
	-		-		-	-	-	-
	-		-		-	-	-	-
Total others	-		-		-	-	-	-
Sub-total long-term debt	\$ -	-	-	-	\$ -	-	-	-
4.5 Unamortized net bond premium/(discount)	-		-		-	-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-
Total long-term liabilities	\$ 327,225	-	327,225	341,734	(285,434)	\$ 383,525	\$ 207,224	\$ 176,301.0

5 Capital lease obligations schedule:

	Capital lease obligations related to SRB			All other capital lease obligations			Total capital lease obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-
2027 - 2031	-	-	-	-	-	-	-	-	-
2032 - 2036	-	-	-	-	-	-	-	-	-
2037 - 2041	-	-	-	-	-	-	-	-	-
2042 - 2046	-	-	-	-	-	-	-	-	-
2047 - 2051	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total minimum lease payments	\$ -	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
Present value of future minimum lease payments									-
Unamortized net premium/(discount)									-
Total capital lease obligations									-
Less: current portion									-
Capital lease obligations, net of current portion									\$ -

6 Long-term debt obligations schedule:

	Auxiliary revenue bonds (non-SRB related)			All other long-term debt obligations			Total long-term debt obligations		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
Year ending June 30:									
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-
2027 - 2031	-	-	-	-	-	-	-	-	-
2032 - 2036	-	-	-	-	-	-	-	-	-
2037 - 2041	-	-	-	-	-	-	-	-	-
2042 - 2046	-	-	-	-	-	-	-	-	-
2047 - 2051	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total minimum payments	\$ -	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
Present value of future minimum payments									-
Unamortized net premium/(discount)									-
Total long-term debt obligations									-
Less: current portion									-
Long-term debt obligations, net of current portion									-

7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	991344
Payments to University for other than salaries of University personnel	2527298
Payments received from University for services, space, and programs	464496
Gifts-in-kind to the University from discretely presented component units	
Gifts (cash or assets) to the University from discretely presented component units	139754
Accounts (payable to) University (enter as negative number)	-100511
Other amounts (payable to) University (enter as negative number)	
Accounts receivable from University (enter as positive number)	1370
Other amounts receivable from University (enter as positive number)	

8 Restatements

Provide a detailed breakdown of the journal entries (at the financial statement line items level) booked to record each restatement:

		Debit/(Credit)
Restatement #1	Enter transaction description	-
		-
Restatement #2	Enter transaction description	-
		-

9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	-	-	-	-	-	-	-	-
Research	5,359,033	1,210,820	261,457	-	-	4,469,533	-	11,300,843
Public service	6,419,135	1,930,055	326,163	-	-	14,163,467	-	22,838,820
Academic support	153,756	29,719	1,480	-	-	240,552	-	425,507
Student services	368,822	95,772	20,274	-	-	125,175	-	610,043
Institutional support	26,511	2,832	-	-	-	2,347	-	31,690
Operation and maintenance of plant	19,094	5,809	1,683	-	-	10,432	-	37,018
Student grants and scholarships	-	-	-	-	157,573	-	-	157,573
Auxiliary enterprise expenses	516,274	270,054	12,460	-	-	1,176,762	-	1,975,550
Depreciation and amortization	-	-	-	-	-	-	109,005	109,005
Total operating expenses	\$ 12,862,625	3,545,061	623,517	-	157,573	20,188,268	109,005	37,486,049

10 Deferred outflows/inflows of resources:

1. Deferred Outflows of Resources

- Deferred outflows - unamortized loss on refunding(s)
- Deferred outflows - net pension liability
- Deferred outflows - net OPEB liability
- Deferred outflows - others:
 - Sales/intra-entity transfers of future revenues
 - Gain/loss on sale leaseback
 - Loan origination fees and costs
 - Change in fair value of hedging derivative instrument
 - Irrevocable split-interest agreements

Total deferred outflows - others	-
Total deferred outflows of resources	\$ -

2. Deferred Inflows of Resources

- Deferred inflows - service concession arrangements
- Deferred inflows - net pension liability
- Deferred inflows - net OPEB liability
- Deferred inflows - unamortized gain on debt refunding(s)
- Deferred inflows - nonexchange transactions
- Deferred inflows - others:
 - Sales/intra-entity transfers of future revenues
 - Gain/loss on sale leaseback
 - Loan origination fees and costs
 - Change in fair value of hedging derivative instrument
 - Irrevocable split-interest agreements

Total deferred inflows - others	-
Total deferred inflows of resources	\$ -

11 Other nonoperating revenues (expenses)

Other nonoperating revenues	-
Other nonoperating (expenses)	-146,207
Total other nonoperating revenues (expenses)	\$ (146,207)

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Note to Supplementary Information

Year Ended June 30, 2021

(1) Organization

As an auxiliary organization of the California State University (CSU), Humboldt State University Sponsored Programs Foundation (the Foundation) is required to include audited supplementary information in its financial statements in the form and content specified by the CSU. As a result, there are differences in the presentation of certain financial statement line items between the Foundation's financial statements and the supplementary schedules for the CSU.

(a) *Statement of Revenues, Expenses, and Changes in Net Position*

For purposes of the supplementary schedule, certain revenues are consolidated into a single financial statement line.

A reconciliation of other operating revenue as of June 30, 2021, is as follows:

Statement of Revenues, Expenses, and Changes in Net Position	2021
Indirect cost revenue	\$ 3,077,749
Other operating revenues	311,103
Total other operating revenues	\$ <u>3,388,852</u>
Supplementary Schedule	
Statement of Revenues, Expenses, and Changes in Net Position	
Other operating revenues	\$ <u>3,388,852</u>

SINGLE AUDIT REPORTS

Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Humboldt State University Sponsored Programs Foundation
Arcata, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Humboldt State University Sponsored Programs Foundation (the Foundation), a component unit of Humboldt State University as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon September 20, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss Adams LLP

Medford, Oregon
September 20, 2021

Report of Independent Auditors on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance as Required by the Uniform Guidance

Board of Directors
Humboldt State University Sponsored Programs Foundation
Arcata, California

Report on Compliance for Each Major Federal Program

We have audited the Humboldt State University Sponsored Programs Foundation's (the Foundation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Foundation's major federal programs for the year ended June 30, 2021. Each of the Foundation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Foundation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on major federal programs occurred. An audit includes examining, on a test basis, evidence about the Foundation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Foundation's compliance.

Opinion on Each Major Federal Program

In our opinion, the Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Foundation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Foundation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Moss Adams LLP

Medford, Oregon
September 20, 2021

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER:				
Bureau of Ocean Energy Management (BOEM) Environmental Studies (ES)				
Minerals Management Service (MMS) Environmental Studies Program (ESP)	15.423		\$ 86,312	\$ 188,881
Total Bureau of Ocean Energy Management (BOEM) Environmental Studies (ES)			<u>86,312</u>	<u>188,881</u>
Center for Disease Control and Prevention				
Pass-Through From United Indian Health Service				
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	93.210	201809058HSU		3,134
Total Center for Disease Control and Prevention				<u>3,134</u>
Department of Agriculture - Forest Service				
Forest Health Protection	10.680			100
Partnership Agreements Department of Agriculture Forest Service	10.699			58,892
Partnership Agreements Department of Agriculture Forest Service	10.699			21,466
Partnership Agreements Department of Agriculture Forest Service	10.699			143,376
Partnership Agreements Department of Agriculture Forest Service	10.699			154,839
Burney Hat Creek Basins Collaborative Forest Landscape Restoration Program	10.RD1			19,158
Monitoring of Aspen Restoration Treatments	10.RD2			756
Collaborative Ecological Support	10.RD3			20,325
Fuel Model Mapping Assessment	10.RD4			6,449
Challenge Cost Share Agreement, USDA Forest Service, International Institute of Tropical Forestry	10.RD5			61,530
Total Department of Agriculture - Forest Service				<u>486,891</u>
Department of Agriculture - National Institute of Food & Agriculture				
Cooperative Forestry Research	10.202			8,283
Cooperative Forestry Research	10.202			13,469
Cooperative Forestry Research	10.202			4,752
Cooperative Forestry Research	10.202			4,158
Cooperative Forestry Research	10.202			76
Cooperative Forestry Research	10.202			11,776
Cooperative Forestry Research	10.202			10,850
Cooperative Forestry Research	10.202			2,360
Cooperative Forestry Research	10.202			19,283
Cooperative Forestry Research	10.202			22,193
Cooperative Forestry Research	10.202			9,047
Cooperative Forestry Research	10.202			168
Total Department of Agriculture - National Institute of Food & Agriculture				<u>106,415</u>

See the accompanying auditor's report and Notes to the Schedule of Expenditures of Federal Awards

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Department of Agriculture - Natural Resources Conservation Services				
Soil and Water Conservation	10.902			25,869
Soil and Water Conservation	10.902			65,439
Total Department of Agriculture - Natural Resources Conservation Services				<u>91,308</u>
Department of Commerce - National Oceanic Atmospheric Administration				
Pass-Through From Monterey Bay Aquarium Research Institute Integrated Ocean Observing System (IOOS)	11.012	1611120		111,826
Pass-Through From Regents of the University of California Sea Grant Support	11.417	130741187		44,694
Pass-Through From University of California, San Diego Sea Grant Support	11.417	KR 704278		9,859
Pass-Through From University of California, San Diego National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432	CIMDW14		10,588
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432	CIMBT03		55,477
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432	704024		42,745
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432	704086		76,462
Pass-Through From Trout Unlimited Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program	11.438	P1810521		971
Habitat Conservation	11.463	CDFW FRGP #P1810509		7,986
Pass-Through From Fish and Wildlife, Department of (DFW) Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program	11.438	P1796033		109,986
Marine Mammal Data Program	11.439			7,786
Marine Mammal Data Program	11.439			32,266
Global Monitoring Laboratory Ozone/Sonde Monitoring	11.RD1			21,981
Total Department of Commerce - National Oceanic Atmospheric Administration				<u>532,627</u>
Department Of Defense				
Pass-Through From Governor's Office of Research and Planning (OPR) Community Economic Adjustment Planning Assistance for Joint Land Use Studies	12.610	OPR19100	36,132	67,442
Pass-Through From University of Michigan Military Medical Research and Development	12.420	3005452124 AMEND. 8		8,992
Total Department Of Defense			<u>36,132</u>	<u>76,434</u>
Department of Education				
Higher Education_Institutional Aid	84.031C		369	686,427
Higher Education_Institutional Aid	84.031S			491,709
Pass-Through From Humboldt County Office of Education Arts in Education	84.351	U351D180055		971
Total Department of Education			<u>369</u>	<u>1,179,107</u>

See the accompanying auditor's report and Notes to the Schedule of Expenditures of Federal Awards

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Department of Energy				
Pass-Through From Regents of the University of California				
Analytical Support for Solar Energy Innovation Network (SEIN) Project Analysis of PEV Charging Demand	81.RD1	7421260		415
Total Department of Energy				415
Department of the Interior - Bureau of Land Management				
Cultural and Paleontological Resources Management	15.224			18,939
Wildland Fire Research and Studies Program	15.232			24,936
Pass-Through From Oregon Institute of Technology				
Environmental Quality and Protection Resource Management	15.236	L16AC00292-S		22,222
Fisheries and Aquatic Resources Management	15.244			6,319
Threatened and Endangered Species	15.246			6,527
Wildlife Resource Management	15.247			27,835
Carrizo Plain Ecosystem Projects Surveys	15.RD1			21,142
Total Department of the Interior - Bureau of Land Management				127,920
Department of the Interior - Fish and Wildlife Services				
Fish and Wildlife Management Assistance	15.608			2,216
Pass-Through From National Fish and Wildlife Foundation				
Fish and Wildlife Management Assistance	15.608	0208.18.060096	14,959	21,590
Fish and Wildlife Management Assistance	15.608	0208.21.070872		40,828
Endangered Species Conservation - Recovery Implementation Funds	15.657			22,817
Endangered Species Conservation - Recovery Implementation Funds	15.657			9,269
Endangered Species Conservation - Recovery Implementation Funds	15.657		19,125	30,000
Natural Resource Damage Assessment, Restoration and Implementation	15.658			(4,023)
Natural Resource Damage Assessment, Restoration and Implementation	15.658			316,325
Cooperative Ecosystem Studies Units	15.678			22,311
Cooperative Ecosystem Studies Units	15.678			2,504
Cooperative Ecosystem Studies Units	15.678			5,156
Total Department of the Interior - Fish and Wildlife Services			34,084	468,993
Department of the Interior - National Park Service				
Cooperative Research and Training Programs & Resources of the National Park System	15.945			950
National Park Service Conservation, Protection, Outreach. and Education	15.954			8,150
National Park Service Conservation, Protection, Outreach. and Education	15.954			25,059
National Park Service Conservation, Protection, Outreach. and Education	15.954			(36)
Total Department of the Interior - National Park Service				34,123

See the accompanying auditor's report and Notes to the Schedule of Expenditures of Federal Awards

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Department of the Interior - U.S. Geological Survey				
Cooperative Research Units Program	15.812			51,058
Cooperative Research Units Program	15.812			10,793
Cooperative Research Units Program	15.812			41,482
Total Department of the Interior - U.S. Geological Survey				<u>103,333</u>
Department of Justice				
Pass-Through From Humboldt County Sheriff's Office Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A		5,047
Total Department of Justice				<u>5,047</u>
Environmental Protection Agency				
Wildfire Smoke Impacts on Outdoor and Indoor Air Quality	66.RD1			12,453
Total Environmental Protection Agency				<u>12,453</u>
Institute of Museum and Library Services				
Pass-Through From Library, California State (CSL) Grants to States	45.310	40-8949		25,023
Total Institute of Museum and Library Services				<u>25,023</u>
National Science Foundation				
Mathematical and Physical Sciences	47.049			2,797
Mathematical and Physical Sciences	47.049			4,535
Pass-Through From Occidental College Mathematical and Physical Sciences	47.049	OXY-CURM0037		3,210
Pass-Through From San Jose State University, Research Foundation Mathematical and Physical Sciences	47.049	21-1504-6047		20,119
Geosciences	47.050			10,841
Geosciences	47.050			12,340
Biological Sciences	47.074			13,123
Biological Sciences	47.074			24,321
Biological Sciences	47.074			2,405
Biological Sciences	47.074			36,071
Social, Behavioral, and Economic Sciences	47.075			242,775
Education and Human Resources	47.076			27,475
Pass-Through From Santa Clara College Education and Human Resources	47.076	NSF123-01		2,715
Pass-Through From University Enterprises, Inc. Education and Human Resources	47.076	533101		(17)
Office of International Science and Engineering	47.079			946

See the accompanying auditor's report and Notes to the Schedule of Expenditures of Federal Awards

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Pass-Through From University Enterprises, Inc.				
California State University Louis Stokes STEM Pathways and Research Alliance (CSU-LSAMP) (2018-2023)	47.RD1	533103		15,000
Total National Science Foundation				<u>418,656</u>
Substance Abuse and Mental Health Services Administration				
Pass-Through From United Indian Health Service				
Natural Resource Damage Assessment, Restoration and Implementation	93.788	2020.12.01HSU		1,855
Total Substance Abuse and Mental Health Services Administration				<u>1,855</u>
US Army Corps of Engineers				
Pass-Through From Dr Reed and Associates				
Humboldt Bay Edna	12.RD1	N/A		12,116
Total US Army Corps of Engineers				<u>12,116</u>
Total Research and Development Cluster			<u>156,897</u>	<u>3,874,731</u>
SMALL BUSINESS DEVELOPMENT CENTERS:				
Small Business Administration				
Small Business Development Centers	59.037			39,405
Small Business Development Centers	59.037			1,510,892
Small Business Development Centers	59.037		251,500	251,500
Small Business Development Centers	59.037		202,000	202,000
Small Business Development Centers	59.037		199,522	199,522
Small Business Development Centers	59.037			34,600
Small Business Development Centers	59.037			104,172
Small Business Development Centers	59.037		92,502	92,502
Small Business Development Centers	59.037		75,000	75,000
Small Business Development Centers	59.037		226,790	226,790
Small Business Development Centers	59.037			98,281
Small Business Development Centers	59.037		207,703	207,703
Small Business Development Centers	59.037		180,000	180,000
Small Business Development Centers	59.037		33,950	39,367
Small Business Development Centers	59.037		223,902	223,902
Small Business Development Centers	59.037		160,000	160,000
Small Business Development Centers	59.037			134,315
Small Business Development Centers	59.037		169,975	169,975
Small Business Development Centers	59.037		8,751	8,751
Small Business Development Centers	59.037		122,300	122,300
Small Business Development Centers	59.037			188,073

See the accompanying auditor's report and Notes to the Schedule of Expenditures of Federal Awards

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Small Business Development Centers	59.037			499,867
Small Business Development Centers	59.037		65,332	65,332
Small Business Development Centers	59.037		42,798	42,798
Small Business Development Centers	59.037			12,650
Small Business Development Centers	59.037		29,502	29,502
Small Business Development Centers	59.037		15,789	15,789
Small Business Development Centers	59.037			90,968
Small Business Development Centers	59.037		45,595	45,595
Small Business Development Centers	59.037		45,893	45,893
Small Business Development Centers	59.037			14,006
Small Business Development Centers	59.037		30,385	30,385
Small Business Development Centers	59.037			109,185
Small Business Development Centers	59.037		30,484	30,484
Small Business Development Centers	59.037			121,993
Small Business Development Centers	59.037		42,268	47,268
Small Business Development Centers	59.037		112,160	112,160
Small Business Development Centers	59.037		51,477	51,477
Small Business Development Centers	59.037		7,433	7,433
Small Business Development Centers	59.037			2,242,326
Small Business Development Centers	59.037		193,707	193,707
Small Business Development Centers	59.037		56,799	56,799
Small Business Development Centers	59.037		104,333	104,333
Small Business Development Centers	59.037			136,304
Small Business Development Centers	59.037		105,045	105,045
Small Business Development Centers	59.037		6,410	6,410
Small Business Development Centers	59.037		122,350	122,350
Small Business Development Centers	59.037		127,032	127,032
Small Business Development Centers	59.037			47,508
Small Business Development Centers	59.037		149,387	149,387
Small Business Development Centers	59.037		45,433	45,433
Small Business Development Centers	59.037		97,075	97,075
Small Business Development Centers	59.037			999,651
Small Business Development Centers	59.037			8,640
Total Small Business Administration			<u>3,680,582</u>	<u>10,083,835</u>
Total Small Business Development Centers			<u>3,680,582</u>	<u>10,083,835</u>

See the accompanying auditor's report and Notes to the Schedule of Expenditures of Federal Awards

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
TRIO CLUSTER:				
Department of Education				
TRIO - Student Support Services	84.042			69,037
TRIO - Student Support Services	84.042			629,030
TRIO - Talent Search	84.044			293,098
TRIO - Upward Bound	84.047			294,021
Total Department of Education				<u>1,285,186</u>
Total Trio Cluster				<u>1,285,186</u>
HIGHWAY PLANNING, RESEARCH AND CONSTRUCTION CLUSTER:				
Department of Transportation				
Pass-Through From Transportation, Department of (DOT, CALTRANS)				
Highway Planning and Construction	20.205	65A0762		129,320
Total Department of Transportation				<u>129,320</u>
Total Highway Planning, Research and Construction Cluster				<u>129,320</u>
OTHER:				
Army Educational Outreach Program				
Basic, Applied, and Advanced Research in Science and Engineering	12.630			8,953
Total Army Educational Outreach Program				<u>8,953</u>
Center for Disease Control and Prevention				
Pass-Through From United Indian Health Service				
Building Capacity of the Public Health System to Improve Population Health through National, Non-Profit Organizations - Financed in part by Prevention and Public Health Funds (PPHF)	93.524	07282015HSU-1		370
Total Center for Disease Control and Prevention				<u>370</u>
Department of Agriculture - Forest Service				
Partnership Agreements Department of Agriculture Forest Service	10.699			179
Wintu Place Names and Digital Database Project	10.U01			254
Total Department of Agriculture - Forest Service				<u>433</u>
Department of Agriculture - National Institute of Food & Agriculture				
Higher Education Multicultural Scholars Program	10.220			48,752
Hispanic Serving Institutions Education Grants	10.223			56,471
Hispanic Serving Institutions Education Grants	10.223			30,774
Total Department of Agriculture - National Institute of Food & Agriculture				<u>135,997</u>

See the accompanying auditor's report and Notes to the Schedule of Expenditures of Federal Awards

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Department Of Defense				
Procurement Technical Assistance For Business Firms	12.002			89,090
Procurement Technical Assistance For Business Firms	12.002			431,254
Total Procurement Technical Assistance for Business Firms				<u>520,344</u>
Department of Education				
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325			454
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325			307,341
Total Special Education - Personnel Development to Improve Services and Results for Children with Disabilities				<u>307,795</u>
Pass-Through From Del Norte County Office of Education				
Safe and Drug-Free Schools and Communities_National Programs	84.184	S184x190024		68,265
Pass-Through From Eureka City Schools				
Safe and Drug-Free Schools and Communities_National Programs	84.184	N/A		134,966
Total Save and Drug-Free Schools and Communities_National Programs				<u>203,231</u>
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334			580,291
Child Care Access Means Parents in School	84.335			145,865
Pass-Through From Regents of the University of California				
Redwood Writing Project	84.367	ESSA19-CWP-HUMBOLDT		708
Redwood Writing Project	84.367	ESSA20-CWP-HUMBOLDT		22,624
Total Redwood Writing Project				<u>23,332</u>
Pass-Through From Chico State Enterprises				
Student Support and Academic Enrichment Program	84.424	SUB20-021		31,690
Total Department of Education				<u>1,292,204</u>
Department of Health and Human Services				
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243			585
Pass-Through From Round Valley Indian Health Center				
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	1101		1,386
Pass-Through From United Indian Health Service				
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	20201001HSU		3,161
Total Substance Abuse and Mental Health Services_Projects of Regional and National Significance				<u>5,132</u>

See the accompanying auditor's report and Notes to the Schedule of Expenditures of Federal Awards

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Pass-Through From North Coast Clinics Network AHEC Scholars Program 2020-21	93.U01			19,996
Pass-Through From San Jose State University, Research Foundation Mental and Behavioral Health Education and Training Grants	93.732	22-1019-5840		12,527
Pass-Through From Regents of the University of California Foster Care_Title IV-E	93.658	9896		4,625
Foster Care_Title IV-E	93.658	9896	15,000	561,168
Foster Care_Title IV-E	93.658	10505	20,000	1,836,226
Total Foster Care_Title IV-E			<u>35,000</u>	<u>2,402,019</u>
Total Department of Health and Human Services			35,000	2,439,674
Department of Justice				
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525		18,182	89,584
Total Department of Justice			<u>18,182</u>	<u>89,584</u>
Department of Labor				
Pass-Through From Humboldt County Workforce Innovation and Opportunity Act Rapid Response, Layoff Aversion	17.U01	K8106176	(105)	(2,918)
Total Department of Labor			<u>(105)</u>	<u>(2,918)</u>
Department of the Interior - Fish and Wildlife Services				
Youth Engagement, Education, and Employment Programs	15.676			(336)
Total Department of the Interior - Fish and Wildlife Services				<u>(336)</u>
Department of the Interior - National Park Service				
National Park Service Conservation, Protection, Outreach. and Education	15.954			11,325
Total Department of the Interior - National Park Service				<u>11,325</u>
Health Resources and Services Administration				
Pass-Through From Regents of the University of California Mental and Behavioral Health Education and Training Grants	93.732	9922		26,269
Total Health Resources and Services Administration				<u>26,269</u>
National Endowment For The Arts				
Pass-Through From Arts Midwest Promotion of the Arts_Grants to Organizations and Individuals	45.024			15,000
Total National Endowment For The Arts				<u>15,000</u>

See the accompanying auditor's report and Notes to the Schedule of Expenditures of Federal Awards

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Office of Minority Health				
Pass-Through From Yurok Tribe				
Community Programs to Improve Minority Health Grant Programs	93.137	N/A		8,964
Total U.S. Office of Minority Health				<u>8,964</u>
United States Coast Guard				
Pass-Through From Boating & Waterways, California Department of (DBW)				
Boating Safety Financial Assistance	97.012	C8962320		12,000
Boating Safety Financial Assistance	97.012	C8964321		32,000
Total United States Coast Guard				<u>44,000</u>
U.S. Bureau of Reclamation				
Pass-Through From Hoopa Valley Tribal Council				
Assess Hoopa Valley Tribal Drinking Water	15.U01	N/A		17,832
Total U.S. Bureau of Reclamation				<u>17,832</u>
Total Other			<u>53,077</u>	<u>4,607,695</u>
Total Expenditures of Federal Awards			<u>\$ 3,890,556</u>	<u>\$ 19,980,767</u>

See the accompanying auditor's report and Notes to the Schedule of Expenditures of Federal Awards

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2021

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Humboldt State University Sponsored Programs Foundation (the Foundation) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Foundation, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Foundation.

(2) Summary of Significant Accounting Policies

(a) Expenditures

Expenditures reported on the Schedule are reported on the cash basis of accounting with the exception of payroll and benefits which are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

(b) Pass-through Entities

Pass-through entity identifying numbers are presented where available.

(3) Indirect Cost Rate

The Foundation has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2021**

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major federal programs and type of auditor's report issued on compliance for major federal programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor's Report Issued on Compliance for Major Federal Programs</i>
Various	Research and Development Cluster	<i>Unmodified</i>
Various	TRIO Cluster	<i>Unmodified</i>

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? Yes No

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

None reported