

**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, 2020 and 2019

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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, 2020 and 2019, 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 audit. We conducted our audit 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 audit 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, 2020 and 2019, 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 the Management's Discussion and Analysis as listed in the table of contents on pages 4 through 11 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, and note to supplementary information (supplementary information) as listed in the table of contents on pages 31 through 39 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and related notes on pages 44 through 54, 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*, is also presented for purposes of additional analysis and is 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 15, 2020 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 15, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Management's Discussion and Analysis

June 30, 2020, 2019 and 2018

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, 2020 and 2019. 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, 2020, 2019 and 2018

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Assets:			
Current assets	\$ 17,726,275	\$ 13,422,920	\$ 12,007,735
Capital assets, net	958,561	561,688	2,113,878
Other noncurrent assets	300	300	300
Total assets	<u>18,685,136</u>	<u>13,984,908</u>	<u>14,121,913</u>
Liabilities:			
Current liabilities	9,262,384	5,415,214	4,122,951
Other noncurrent liabilities	726,686	175,528	278,878
Total liabilities	<u>9,989,070</u>	<u>5,590,742</u>	<u>4,401,829</u>
Net position:			
Investment in capital assets	958,561	561,688	2,113,878
Unrestricted	7,737,505	7,832,478	7,606,206
Total net position	<u>\$ 8,696,066</u>	<u>\$ 8,394,166</u>	<u>\$ 9,720,084</u>

Assets

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. Total assets decreased \$0.1 million from FY 2018 to FY 2019 due to a \$1.4 million increase in current assets and a \$1.6 million decrease in capital assets, net of accumulated depreciation due to transferring capital assets in the current year.

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, increase in accounts receivable, net of \$0.7 million and a decrease in prepaid expenses and other assets of \$0.1 million. Current assets increased \$1.4 million from FY 2018 to FY 2019 due to a decrease in cash and cash equivalents of \$2.3 million, decrease in short-term investments of \$1.0 million and increase in accounts receivable, net of \$4.7 million.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Management's Discussion and Analysis

June 30, 2020, 2019 and 2018

Capital Assets

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

	June 30		
	2020	2019	2018
Land and land improvements	\$ —	\$ —	\$ 724,756
Works of art and historical treasures	—	25,000	25,000
Construction work in progress	42,297	71,604	—
Buildings	182,702	115,679	789,688
Equipment - net	729,912	344,295	567,864
Computer Software	3,650	5,110	6,570
Total capital assets, net of accumulated depreciation	<u>\$ 958,561</u>	<u>\$ 561,688</u>	<u>\$ 2,113,878</u>

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. Capital assets decreased by \$1.6 million from FY 2018 to FY 2019 primarily due to land and buildings of \$1.0 million were transferred to Humboldt State University Real Estate Holdings, a building upgrade of \$0.3 million and equipment of \$0.3 million were transferred to Humboldt State University, \$0.2 million construction work in progress and equipment additions, offset by \$0.1 million in depreciation expense.

Liabilities

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. Total liabilities increased \$1.2 million from FY 2018 to FY 2019 due to a \$1.2 million increase in accounts payable and unearned revenue.

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, 2020 and 2019, respectively.

Net Position

Total net position increased \$0.3 million from FY 2019 to FY 2020 and decreased \$1.3 million from FY 2018 to FY 2019 due to the net income generated for the year ended June 30, 2020 and 2019, respectively.

Restricted expendable net position represents assets, net of related liabilities that are subject to externally imposed conditions that can be fulfilled by the actions of the Foundation's Board of Directors.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Management's Discussion and Analysis

June 30, 2020, 2019 and 2018

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

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

	2020	2019	2018
Operating revenues:			
Grants and contracts, noncapital	\$ 32,143,595	\$ 27,671,457	\$ 25,121,645
Indirect cost revenue	2,650,508	2,594,610	2,582,202
Other operating revenues	130,409	226,433	321,413
Total operating revenues	34,924,512	30,492,500	28,025,260
Operating expenses	(34,587,707)	(30,156,976)	(26,641,798)
Operating income (loss)	336,805	335,524	1,383,462
Nonoperating revenues (expenses):			
Gifts, noncapital	-	-	3,776
Investment income, net	10,406	46,950	14,661
Other nonoperating revenues (expenses), net	-	(9,440)	-
Net nonoperating revenues (expenses)	10,406	37,510	18,437
Income before other additions	347,211	373,034	1,401,899
Transfers to other campus entities	(45,311)	(1,698,952)	(151,124)
Increase (decrease) in net position	301,900	(1,325,918)	1,250,775
Net position at beginning of year	8,394,166	9,720,084	8,469,309
Net position at end of year	\$ 8,696,066	\$ 8,394,166	\$ 9,720,084

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

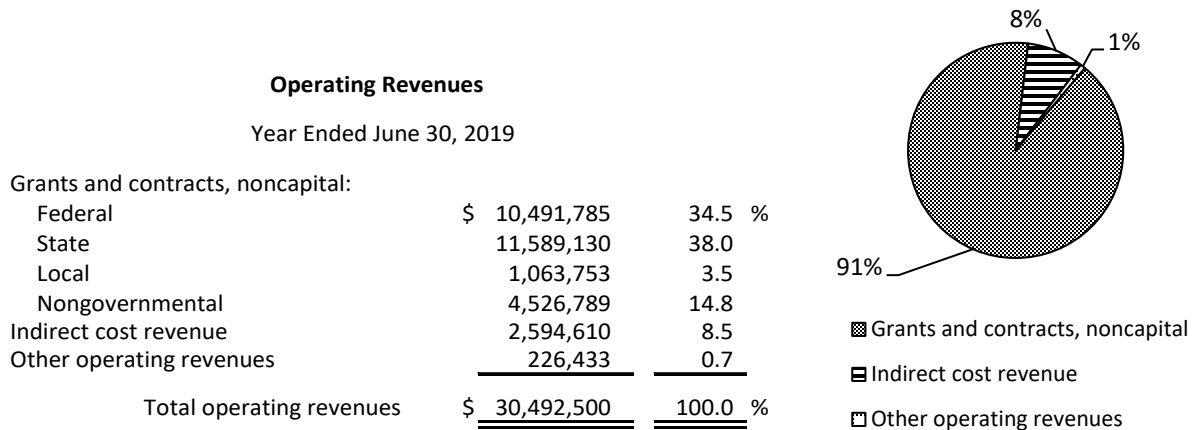
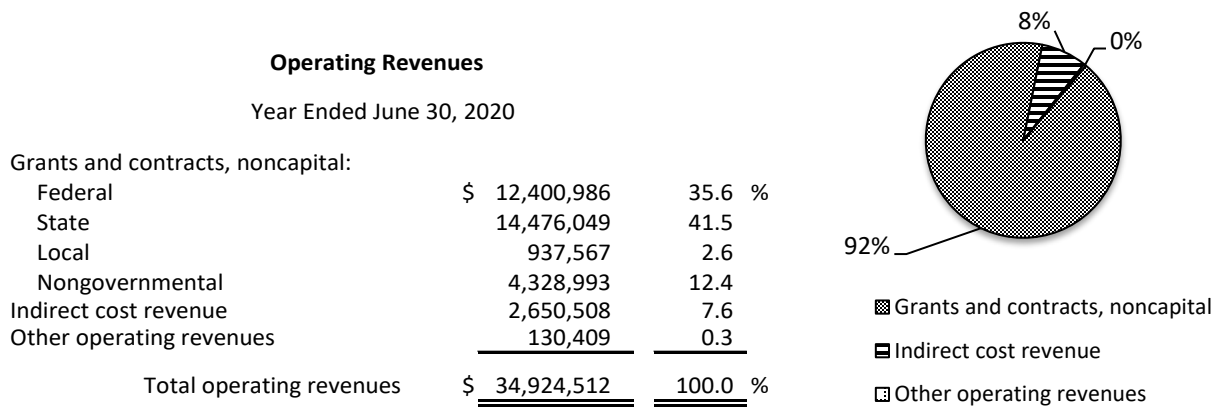
June 30, 2020, 2019 and 2018

Operating Revenues

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.

Total operating revenues increased \$2.5 million, or 8%, from FY 2018 to FY 2019 due to a \$2.6 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 state, local and nongovernmental grants and a decrease in the federal grants project activity. The decrease in other operating revenues is the result of a decrease in administrative fees.

The following charts present the proportional share that each category of operating revenues contributed to the total for fiscal years 2020, 2019 and 2018:



HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

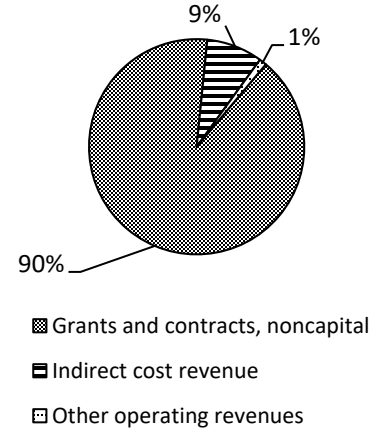
Management's Discussion and Analysis

June 30, 2020, 2019 and 2018

Operating Revenues

Year Ended June 30, 2018

Grants and contracts, noncapital:		
Federal	\$ 11,155,965	39.9 %
State	8,802,612	31.4
Local	701,821	2.5
Nongovernmental	4,461,247	15.9
Indirect cost revenue	2,582,202	9.2
Other operating revenues	<u>321,413</u>	<u>1.1</u>
Total operating revenues	<u>\$ 28,025,260</u>	<u>100.0 %</u>



Operating Expenses

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.

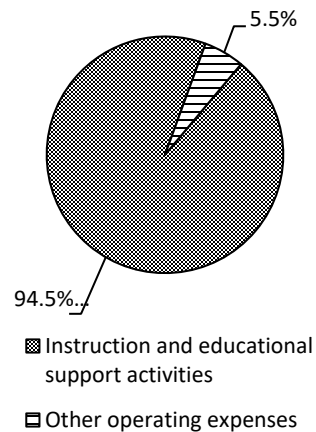
Total operating expenses increased by \$3.5 million, or 13%, from FY 2018 to FY 2019 primarily due to a \$4.7 million aggregated increase in instruction, research, public service, scholarships and fellowships and auxiliary enterprises, offset by a \$1.2 million aggregated decrease in academic support, student services, institutional support and depreciation. The \$3.5 million increase is primarily related to increase spending in the FY 2019 on grants and contracts.

The following charts present the distribution of resources in support of the Foundation's mission for fiscal years 2020, 2019 and 2018:

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
Depreciation	88,651	0.3
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

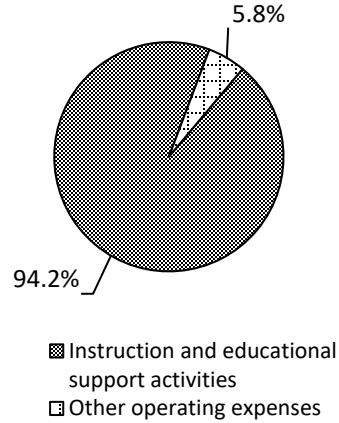
Management's Discussion and Analysis

June 30, 2020, 2019 and 2018

Operating Expenses

Year ended June 30, 2019

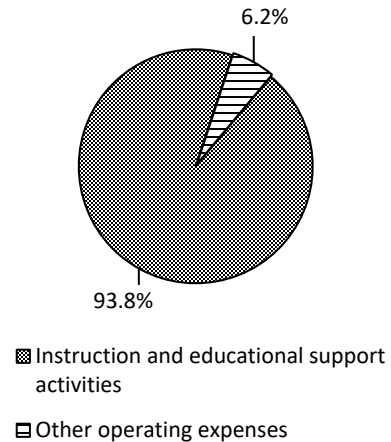
Instruction	\$ 895	0.1 %
Research	14,407,231	47.7
Public service	12,514,103	41.4
Academic support	456,456	1.5
Student services	656,020	2.2
Scholarships and fellowships	<u>399,312</u>	<u>1.3</u>
Total instruction and educational support activities	<u>28,434,017</u>	<u>94.2</u>
Institutional support	1,159	0.1
Auxiliary enterprises	1,617,665	5.4
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>



Operating Expenses

Year Ended June 30, 2018

Instruction	\$ —	0.0 %
Research	11,962,473	44.9
Public service	10,542,094	39.6
Academic support	1,435,846	5.3
Student services	801,065	3.0
Scholarships and fellowships	<u>289,870</u>	<u>1.0</u>
Total instruction and educational support activities	<u>25,031,348</u>	<u>93.8</u>
Institutional support	18,959	0.1
Auxiliary enterprises	1,460,200	5.5
Depreciation	<u>131,291</u>	<u>0.6</u>
Total other operating expenses	<u>1,610,450</u>	<u>6.2</u>
Total operating expenses	<u>\$ 26,641,798</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 \$0.03 million from the FY 2019 to FY 2020 primarily due to a decrease in investment income, net.

Total nonoperating revenues (expenses) increased \$0.02 million from the FY 2018 to FY 2019 primarily due to an increase in investment income, net.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Management's Discussion and Analysis

June 30, 2020, 2019 and 2018

Transfers to other campus entities

Transfers to other campus entities decreased \$1.7 million from FY 2019 to FY 2020 primarily related to an 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.

Transfers to other campus entities increased \$1.6 million from FY 2018 to FY 2019 primarily related to an increase in land and buildings of \$1.0 million transferred to Humboldt State University Real Estate Holdings and building improvements of \$0.3 and equipment of \$0.3 million transferred to Humboldt State University.

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 \$0.06 million, or 2.1%, from FY 2019 to FY 2020 and \$0.01 million, or 0.4%, from FY 2018 to FY 2019 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, 2020 and 2019

Assets	2020	2019
Current assets		
Cash and cash equivalents	\$ 4,383,073	\$ 1,386,405
Short-term investments	1,033,257	322,779
Accounts receivable, net	12,261,943	11,604,718
Prepaid expenses and other assets	48,002	109,018
Total current assets	<u>17,726,275</u>	<u>13,422,920</u>
Noncurrent assets		
Long-term investments	300	300
Capital assets, net	958,561	561,688
Total noncurrent assets	<u>958,861</u>	<u>561,988</u>
Total assets	<u>18,685,136</u>	<u>13,984,908</u>
Liabilities		
Current liabilities		
Accounts payable	4,501,318	2,480,197
Accrued salaries and benefits payable	713,638	615,947
Accrued compensated absences – current portion	199,454	160,782
Unearned revenue – current portion	3,833,145	2,146,894
Other liabilities	14,829	11,394
Total current liabilities	<u>9,262,384</u>	<u>5,415,214</u>
Noncurrent liabilities		
Accrued compensated absences, net of current portion	127,771	89,247
Unearned revenue, net of current portion	598,915	86,281
Total noncurrent liabilities	<u>726,686</u>	<u>175,528</u>
Total liabilities	<u>9,989,070</u>	<u>5,590,742</u>
Net position		
Investment in capital assets	958,561	561,688
Unrestricted	7,737,505	7,832,478
Total net position	<u>\$ 8,696,066</u>	<u>\$ 8,394,166</u>

See accompanying notes.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

**Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2020 and 2019**

Revenues:	<u>2020</u>	<u>2019</u>
Operating revenues:		
Grants and contracts, noncapital:		
Federal	\$ 12,400,986	\$ 10,491,785
State	14,476,049	11,589,130
Local	937,567	1,063,753
Nongovernmental	4,328,993	4,526,789
Indirect cost revenue	2,650,508	2,594,610
Other operating revenues	130,409	226,433
Total operating revenues	<u>34,924,512</u>	<u>30,492,500</u>
Expenses:		
Operating expenses:		
Instruction	-	895
Research	13,917,171	14,407,231
Public service	17,429,943	12,514,103
Academic support	430,232	456,456
Student services	760,200	656,020
Institutional support	-	1,159
Scholarships and fellowships	147,416	399,312
Auxiliary enterprises	1,814,094	1,617,665
Depreciation	88,651	104,135
Total operating expenses	<u>34,587,707</u>	<u>30,156,976</u>
Operating income	<u>336,805</u>	<u>335,524</u>
Nonoperating revenues (expenses):		
Investment income, net	10,406	46,950
Other nonoperating revenues (expenses), net	-	(9,440)
Net nonoperating revenues	<u>10,406</u>	<u>37,510</u>
Income before other additions	347,211	373,034
Transfers to other campus entities	<u>(45,311)</u>	<u>(1,698,952)</u>
Increase (decrease) in net position	301,900	(1,325,918)
Net position:		
Net position at beginning of year	8,394,166	9,720,084
Net position at end of year	<u>\$ 8,696,066</u>	<u>\$ 8,394,166</u>

See accompanying notes.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Statements of Cash Flows

Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Received from customers	\$ 36,459,411	\$ 25,848,469
Payments to employees and fringe benefits	(15,270,206)	(14,054,018)
Payments to vendors and suppliers	(16,144,808)	(14,617,343)
Payments for scholarships and fellowships	(823,583)	(248,853)
Net cash (used in) provided by operating activities	<u>4,220,814</u>	<u>(3,071,745)</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(530,835)	(260,337)
Net cash used in capital and related financing activities	<u>(530,835)</u>	<u>(260,337)</u>
Cash flows from investing activities:		
Investment income	17,167	44,915
Transfers (to)/from cash, net of interest earned	(710,478)	970,660
Net cash (used in) provided by investing activities	<u>(693,311)</u>	<u>1,015,575</u>
Net increase (decrease) in cash and cash equivalents	2,996,668	(2,316,507)
Cash and cash equivalents at beginning of year	1,386,405	3,702,912
Cash and cash equivalents at end of year	\$ <u>4,383,073</u>	\$ <u>1,386,405</u>
Reconciliation to cash per Statements of Net Position		
Cash and cash equivalents	\$ <u>4,383,073</u>	\$ <u>1,386,405</u>
Total cash and cash equivalents at end of year	\$ <u>4,383,073</u>	\$ <u>1,386,405</u>

See accompanying notes.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Statements of Cash Flows

Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Reconciliation of operating income to net cash used in operating activities:		
Operating income	\$ 336,805	\$ 335,524
Adjustments to reconcile operating income to net cash used in operating activities:		
Depreciation expense	88,651	104,135
Changes in assets and liabilities:		
Receivables, net	(663,986)	(4,708,119)
Prepaid items	61,016	7,802
Accounts payable and accrued liabilities	2,160,919	1,112,315
Unearned revenue, current	1,686,251	179,948
Compensated absences and unearned revenue, noncurrent	551,158	(103,350)
Total adjustments	<u>3,884,009</u>	<u>(3,407,269)</u>
Net cash (used in) provided by operating activities	<u>\$ 4,220,814</u>	<u>\$ (3,071,745)</u>
Noncash investing, capital, and financing activities:		
Capital asset transfers, net of depreciation	\$ 45,311	\$ 1,708,392
Increase in receivables related to nonoperating income	\$ (6,761)	\$ 2,035

See accompanying notes.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2020 and 2019

(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, 2020 and 2019

(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, 2020 and 2019

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 \$263,558 and \$8,346 for the fiscal years ending June 30, 2020 and 2019, 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, 2020 and 2019

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, 2020 and 2019, \$106,637 and \$147,340 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, 2020 and 2019

(2) Cash and Cash Equivalents and Investments

The Foundation's cash and cash equivalents and investments as of June 30, 2020 and 2019 are classified in the accompanying statements of net position as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 4,383,073	\$ 1,386,405
Total cash and cash equivalents	<u>4,383,073</u>	<u>1,386,405</u>
Short-term investments - Net asset value	1,033,257	322,779
Other long-term investments - Level 2	<u>300</u>	<u>300</u>
Total investments	<u>1,033,557</u>	<u>323,079</u>
Total cash, cash equivalents and investments	<u>\$ 5,416,630</u>	<u>\$ 1,709,484</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 \$4,383,073 and \$1,386,405 had a corresponding carrying balance with the commercial banks of \$4,043,555 and \$1,868,718 at June 30, 2020 and 2019, 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, 2020 and 2019, the Foundation's uninsured, uncollateralized cash balances were \$3,793,554 and \$1,618,627, 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, 2020 and 2019, 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, 2020 and 2019

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, 2020 and 2019, cash in LAIF was \$1,033,257 and \$322,779, respectively.

(c) Long-term Investments

For the year ended June 30, 2020 and 2019, 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, 2020 and 2019 consisted of the following:

		<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>

		<u>Balance at June 30, 2018</u>	<u>Purchases/ Additions</u>	<u>(Settlements)/ Deletions</u>	<u>Balance at June 30, 2019</u>
Stock		\$ 300	\$ —	\$ —	\$ 300
	Total	<u>\$ 300</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 300</u>

Investment income, net for the year ended June 30, 2020 and 2019, is summarized as follows:

	<u>2020</u>	<u>2019</u>
Interest income	\$ 10,406	\$ 46,950
Total	<u>\$ 10,406</u>	<u>\$ 46,950</u>

(d) Investments Reported at Fair Market Value

As of June 30, 2020 and 2019 the investments included within the Foundation's financial statements are classified as follows.

Level 2 - \$300 (100%) at June 30, 2020 and 2019

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, 2020 and 2019

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, 2020 and 2019 are summarized as follows:

	<u>2020</u>	<u>2019</u>
Federal grants and contracts	\$ 2,642,391	\$ 2,416,237
State and local grants and contracts	8,672,914	8,122,027
Non-governmental grants and contracts	940,755	1,055,625
Other receivables	5,883	10,829
Total	<u>\$ 12,261,943</u>	<u>\$ 11,604,718</u>

The allowance for uncollectible accounts is \$263,558 and \$8,346 for the years ended June 30, 2020 and 2019, respectively. Unbilled grant and contract receivables are \$9,671,634 and \$9,418,309 as of June 30, 2020 and 2019, 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, 2020 and 2019

(4) Capital Assets

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

	<u>Balance, June 30, 2019</u>	<u>Additions</u>	<u>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>

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2020 and 2019

Capital assets activity for the year ended June 30, 2019, consisted of the following:

	<u>Balance, June 30, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance, June 30, 2019</u>
Nondepreciable/nonamortizable capital assets:				
Land and land improvements	\$ 724,756	\$ —	\$ (724,756)	\$ —
Works of art and historical treasures	25,000	—	—	25,000
Construction work in progress	<u>—</u>	<u>71,604</u>	<u>—</u>	<u>71,604</u>
Total nondepreciable capital assets	<u>749,756</u>	<u>71,604</u>	<u>(724,756)</u>	<u>96,604</u>
Depreciable/amortizable capital assets:				
Buildings	1,270,295	—	(862,015)	408,280
Personal property:				
Equipment	962,283	188,733	(510,107)	640,909
Computer Software	<u>7,300</u>	<u>—</u>	<u>—</u>	<u>7,300</u>
Total depreciable capital assets	<u>2,239,878</u>	<u>188,733</u>	<u>(1,372,122)</u>	<u>1,056,489</u>
Total cost	<u>2,989,634</u>	<u>260,337</u>	<u>(2,096,878)</u>	<u>1,153,093</u>
Less accumulated depreciation/amortization:				
Buildings	(480,608)	(27,976)	215,983	(292,601)
Personal property:				
Equipment	(394,418)	(74,699)	172,503	(296,614)
Computer Software	<u>(730)</u>	<u>(1,460)</u>	<u>—</u>	<u>(2,190)</u>
Total accumulated depreciation	<u>(875,756)</u>	<u>(104,135)</u>	<u>388,486</u>	<u>(591,405)</u>
Net capital assets	<u>\$ 2,113,878</u>	<u>\$ 156,202</u>	<u>\$ (1,708,392)</u>	<u>\$ 561,688</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, 2020 and 2019, capital assets with a net book value of \$45,311 and \$676,981 were transferred from the Foundation to the University, respectively. For the years ended June 30, 2020 and 2019, capital assets with a net book value of \$0 and \$1,021,971 were transferred from the Foundation to Humboldt State University Real Estate Holdings (HSUREH), respectively.

Total depreciation expense for the Foundation for the years ended June 30, 2020 and 2019 was \$88,651 and \$104,135, respectively.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2020 and 2019

(5) Long-term liabilities

Long-term liabilities activities for the years ended June 30, 2020 and 2019 is summarized as follows:

	<u>Balance at June 30, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2019</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>
	<u>Balance at June 30, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2019</u>	<u>Current Portion</u>	<u>Long-Term Portion</u>
Accrued compensated absences	\$ 243,663	\$ 249,491	\$ (\$243,125)	\$ 250,029	\$ 160,782	\$ 89,247
Unearned revenue	<u>2,169,087</u>	<u>4,607,461</u>	<u>(\$4,543,373)</u>	<u>2,233,175</u>	<u>2,146,894</u>	<u>86,281</u>
Total	\$ <u>2,412,750</u>	\$ <u>4,856,952</u>	\$ <u>(\$4,786,498)</u>	\$ <u>2,483,204</u>	\$ <u>2,307,676</u>	\$ <u>175,528</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, 2020 and 2019, respectively.

Total interest incurred on all borrowings was approximately \$10,937 and \$0 for the years ended June 30, 2020 and 2019, respectively.

(6) Net Position

(a) Unrestricted net position

As of June 30, 2020 and 2019, the unrestricted portion of the Foundation's net position was designated for the following purposes:

Funds:	<u>2020</u>	<u>2019</u>
Sponsored programs related funds	\$ 2,867,300	\$ 3,025,716
Campus program funds	<u>6,392</u>	<u>12,637</u>
Total funds	2,873,692	3,038,353
Current operations and working capital	<u>4,863,813</u>	<u>4,794,125</u>
Total	\$ <u>7,737,505</u>	\$ <u>7,832,478</u>

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2020 and 2019

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.

(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, 2020 and 2019 was \$17,280 and \$16,534, 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, 2020 and 2019 was \$0 and \$2,000, 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, 2020 and 2019 was \$15,000 and \$2,400, respectively. Rental payments are 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, 2020 and 2019 was \$29,868 and \$0, respectively. The rent increases on April 1, 2021 to \$2,950 per month with the exercise of the option to extend the lease for one additional five year period through May 31, 2026. The rent will then be subject to annual adjustments based on the CPI indices.

The Foundation is renting various office spaces in month to month operating leases for a total of \$3,550 per month. The total rent expense paid on these leases for the years ended June 30, 2020 and 2019 was \$45,850 and \$72,618, respectively.

At June 30, 2020, future minimum rental payments for these leases were as follows:

For the Year Ending June 30,

2021	\$	63,541
2022		37,400
2023		37,400
2024		35,400
2025		35,400
After 5 Years		<u>32,450</u>
Total	\$	<u>241,591</u>

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2020 and 2019

(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.

(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 an additional disclosure. For the years ended June 30, 2020 and 2019, operating expenses by natural classification consisted of the following:

		2020					
		Salaries	Benefits	Scholarships and fellowships	Supplies and other services	Depreciation	Total
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	\$	11,831,584	\$ 3,613,509	\$ 823,583	\$ 18,230,380	\$ 88,651	\$ 34,587,707
		2019					
		Salaries	Benefits	Scholarships and fellowships	Supplies and other services	Depreciation	Total
Functional classification:							
Instruction	\$	818	\$ 77	\$ -	\$ -	\$ -	\$ 895
Research		5,924,206	1,448,789	226,921	6,807,315	-	14,407,231
Public service		4,044,253	1,345,713	21,932	7,102,205	-	12,514,103
Academic support		159,991	27,808	-	268,657	-	456,456
Student services		394,974	94,972	-	166,074	-	656,020
Institutional support		-	-	-	1,159	-	1,159
Scholarships and Fellowships		31,675	3,006	-	364,631	-	399,312
Auxiliary enterprise		407,478	223,052	-	987,135	-	1,617,665
Depreciation		-	-	-	-	104,135	104,135
Total	\$	10,963,395	\$ 3,143,417	\$ 248,853	\$ 15,697,176	\$ 104,135	\$ 30,156,976

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2020 and 2019

(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 \$516,086 and \$494,116 on behalf of covered employees for the years ended June 30, 2020 and 2019, 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, 2020 and 2019

(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, 2020 and 2019, the Foundation transferred the following to the University and HSUREH:

	<u>2020</u>	<u>2019</u>
Transfer of fixed assets to the University	\$ 45,311	\$ 676,981
Transfer of fixed assets to the HSUREH	—	1,021,971
Total	<u>\$ 45,311</u>	<u>\$ 1,698,952</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, 2020 and 2019, the Foundation paid to the University \$790,563 and \$700,000, respectively, of which \$0 was owed at June 30, 2020 and 2019. (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, 2020 and 2019 were \$418,465 and \$358,131, respectively, of which \$38,853 and \$0 was owed at June 30, 2020 and June 30, 2019, 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 \$271,711 and \$162,337, respectively, for the year ended June 30, 2020 and \$262,158 and \$182,771, respectively, for the year ended June 30, 2019.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2020 and 2019

(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, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 1,489,678	\$ 1,856,199
Payments to University for other than salaries of University personnel	2,885,865	3,186,172
Payments received from University for services, space, and programs	429,669	378,144
Gifts (cash or assets) to the University from discretely presented component units	45,311	676,982
Gifts (cash or assets) to the HSUREH from discretely presented component units	—	1,021,971
Accounts (payable to) University	(453,996)	(48,250)
Accounts receivable from University	29,181	—
Payments to HSUREH	—	95
Payments to University Center	58,309	72,711
Accounts (payable to) University Center	—	(22,710)
Payments to HSU Advancement Foundation	1,004,012	15,338
Payments received from HSU Advancement Foundation	171,687	1,097,118

(13) **Subsequent Event**

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. Although this is expected to be temporary, 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, 2020

(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	\$	4,383,073
Short-term investments		1,033,257
Accounts receivable, net		12,261,943
Capital lease receivable, current portion		-
Notes receivable, current portion		-
Pledges receivable, net		-
Prepaid expenses and other current assets		48,002
Total current assets		17,726,275

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		958,561
Other assets		-
Total noncurrent assets		958,861

Total assets		18,685,136
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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		4,501,318
Accrued salaries and benefits		713,638
Accrued compensated absences, current portion		199,454
Unearned revenues		3,833,145
Capital lease obligations, current portion		-
Long-term debt obligations, current portion		-
Claims liability for losses and loss adjustment expenses, current portion		-

See the accompanying auditors' report and note to supplementary information

Depository accounts	-
Other liabilities	14,829
Total current liabilities	9,262,384
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	127,771
Unearned revenues	598,915
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	726,686
Total liabilities	9,989,070
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	958,561
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	7,737,505
Total net position	\$ 8,696,066

See the accompanying auditors' report and note to supplementary information

Humboldt State University Sponsored Programs Foundation

Schedule of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2020

(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	12,400,986
State	14,476,049
Local	937,567
Nongovernmental	4,328,993
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	-
Scholarship allowances (enter as negative)	-
Other operating revenues	2,780,917

Total operating revenues 34,924,512

Expenses:

Operating expenses:

Instruction	-
Research	13,917,171
Public service	17,429,943
Academic support	430,232
Student services	760,200
Institutional support	-
Operation and maintenance of plant	-
Student grants and scholarships	147,416
Auxiliary enterprise expenses	1,814,094
Depreciation and amortization	88,651

Total operating expenses 34,587,707

Operating income (loss) 336,805

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	-

See the accompanying auditors' report and note to supplementary information

Gifts, noncapital	-
Investment income (loss), net	10,406
Endowment income (loss), net	-
Interest expense	-
Other nonoperating revenues (expenses) - excl. interagency transfers	<u>(45,311)</u>
Net nonoperating revenues (expenses)	<u>(34,905)</u>
Income (loss) before other revenues (expenses)	<u>301,900</u>
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	<u>-</u>
Increase (decrease) in net position	301,900
Net position:	
Net position at beginning of year, as previously reported	8,394,166
Restatements	<u>-</u>
Net position at beginning of year, as restated	<u>8,394,166</u>
Net position at end of year	<u>\$ 8,696,066</u>

See the accompanying auditors' report and note to supplementary information

2.3 Investments held by the University under contractual agreements:

Instruction: Amounts should agree with University's investments held on behalf of Discretely Presented Component Units.

	Current	Noncurrent	Total
Investments held by the University under contractual agreements e.g - CSU Consolidated Investment Pool (formerly SWIFT):			\$ -

3.1 Composition of capital assets:

	Balance June 30, 2019	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2019 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2020
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements				\$ -	\$ -			\$ -	\$ -
Works of art and historical treasures	25,000				25,000		(25,000)		-
Construction work in progress (CWIP)	71,604				71,604	42,297	(71,604)		42,297
Intangible assets:									
Rights and easements					-				-
Patents, copyrights and trademarks					-				-
Intangible assets in progress (PWIP)					-				-
Licenses and permits					-				-
Other intangible assets:					-				-
					-				-
					-				-
					-				-
					-				-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	\$ 96,604	-	-	-	\$ 96,604	42,297	(96,604)	-	\$ 42,297
Depreciable/Amortizable capital assets:									
Buildings and building improvements	408,280				408,280	81,999			490,279
Improvements, other than buildings					-				-
Infrastructure					-				-
Leasehold improvements					-				-
Personal property:									
Equipment	640,909				640,909	478,143	(80,522)		1,038,530
Library books and materials					-				-
Intangible assets:									
Software and websites	7,300				7,300				7,300
Rights and easements					-				-
Patents, copyrights and trademarks					-				-
Licenses and permits					-				-
Other intangible assets:					-				-
					-				-
					-				-
					-				-
					-				-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	7,300	-	-	-	7,300	-	-	-	7,300
Total depreciable/amortizable capital assets	1,056,489	-	-	-	1,056,489	560,142	(80,522)	-	1,536,109
Total capital assets	\$ 1,153,093	-	-	-	\$ 1,153,093	602,439.0	(177,126.0)	-	\$ 1,578,406
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Buildings and building improvements	(292,601)				(292,601)	(14,976)			(307,577)
Improvements, other than buildings					-				-
Infrastructure					-				-
Leasehold improvements					-				-
Personal property:									
Equipment	(296,614)				(296,614)	(72,215)	60,211		(308,618)
Library books and materials					-				-
Intangible assets:									
Software and websites	(2,190)				(2,190)	(1,460)			(3,650)
Rights and easements					-				-
Patents, copyrights and trademarks					-				-
Licenses and permits					-				-
Other intangible assets:					-				-
					-				-
					-				-
					-				-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	(2,190)	-	-	-	(2,190)	(1,460)	-	-	(3,650)
Total accumulated depreciation/amortization	(591,405)	-	-	-	(591,405)	(88,651)	60,211	-	(619,845)
Total capital assets, net	\$ 561,688	-	-	-	\$ 561,688	513,788	(116,915)	-	\$ 958,561

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense related to capital assets	\$ 88,651
Amortization expense related to other assets	
Total depreciation and amortization	\$ 88,651

4 Long-term liabilities:

	Balance June 30, 2019	Prior Period Adjustments/Reclassifications	Balance June 30, 2019 (Restated)	Additions	Reductions	Balance June 30, 2020	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 250,029		250,029	312,224	(235,028)	\$ 327,225	\$ 199,454	\$ 127,771.0
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	\$ 250,029	-	250,029	312,224	(235,028)	\$ -	\$ -	-

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:									
2021			-			-			-
2022			-			-			-
2023			-			-			-
2024			-			-			-
2025			-			-			-
2026 - 2030			-			-			-
2031 - 2035			-			-			-
2036 - 2040			-			-			-
2041 - 2045			-			-			-
2046 - 2050			-			-			-
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:									
2021			-			-			-
2022			-			-			-
2023			-			-			-
2024			-			-			-
2025			-			-			-
2026 - 2030			-			-			-
2031 - 2035			-			-			-
2036 - 2040			-			-			-
2041 - 2045			-			-			-
2046 - 2050			-			-			-
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	1489678
Payments to University for other than salaries of University personnel	2885865
Payments received from University for services, space, and programs	429669
Gifts-in-kind to the University from discretely presented component units	
Gifts (cash or assets) to the University from discretely presented component units	45311
Accounts (payable to) University (enter as negative number)	-453996
Other amounts (payable to) University (enter as negative number)	
Accounts receivable from University (enter as positive number)	29181
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	5,959,867	1,325,564	263,546	-	-	6,368,194	-	13,917,171
Public service	4,821,790	1,390,071	211,836	-	-	11,006,246	-	17,429,943
Academic support	117,584	36,116	4,589	-	-	271,943	-	430,232
Student services	446,177	103,236	22,123	-	-	188,664	-	760,200
Institutional support	-	-	-	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	147,416	-	-	147,416
Auxiliary enterprise expenses	476,322	241,424	13,992	-	-	1,082,356	-	1,814,094
Depreciation and amortization	-	-	-	-	-	-	88,651	88,651
Total operating expenses	\$ 11,821,740	3,096,411	516,086	-	147,416	18,917,403	88,651	34,587,707

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	\$ -

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Note to Supplementary Information

Year Ended June 30, 2020

(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, 2020, is as follows:

Statement of Revenues, Expenses, and Changes in Net Position	2020
Indirect cost revenue	\$ 2,650,508
Other operating revenues	<u>130,409</u>
Total other operating revenues	<u>\$ 2,780,917</u>
Supplementary Schedule	
Statement of Revenues, Expenses, and Changes in Net Position	
Other operating revenues	<u>\$ 2,780,917</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, 2020, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon September 15, 2020.

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) to determine the 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 determination of financial statement amounts. 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 15, 2020

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, 2020. 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, 2020.

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 15, 2020

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

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		\$ 28,115	\$ 151,935
Total Bureau of Ocean Energy Management (BOEM) Environmental Studies (ES)			<u>28,115</u>	<u>151,935</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		8,227
Total Center for Disease Control and Prevention				<u>8,227</u>
Department of Agriculture - Forest Service				
Forest Health Protection	10.680			12,847
Partnership Agreements Department of Agriculture Forest Service	10.699			5,006
Partnership Agreements Department of Agriculture Forest Service	10.699			2,495
Fire Restoration at the Landscape Scale	10.RD1			17,685
Oak Sprout and Seedling Response Under Current Wildfire Reburn Conditions	10.RD2			7,564
Collaborative Ecological Support	10.RD3			49,799
Akerwoods Trinity County Collaborative Roadside Fuels Treatments Archeological Surveys	10.RD4			33,633
Challenge Cost Share Agreement, USDA Forest Service, International Institute of Tropical Forestry	10.RD5			85,293
Total Department of Agriculture - Forest Service				<u>214,322</u>
Department of Agriculture - National Institute of Food & Agriculture				
Cooperative Forestry Research	10.202			5,499
Cooperative Forestry Research	10.202			1,487
Cooperative Forestry Research	10.202			3,574
Cooperative Forestry Research	10.202			4,797
Cooperative Forestry Research	10.202			3,500
Cooperative Forestry Research	10.202			54,145
Cooperative Forestry Research	10.202			17,233
Cooperative Forestry Research	10.202			6,030
Cooperative Forestry Research	10.202			17,105
Cooperative Forestry Research	10.202			117
Total Department of Agriculture - National Institute of Food & Agriculture				<u>113,487</u>

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

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			115,794
Soil and Water Conservation	10.902			563
Total Department of Agriculture - Natural Resources Conservation Services				<u>116,357</u>
Department of Commerce - National Oceanic Atmospheric Administration				
Pass-Through From Monterey Bay Aquarium Research Institute Integrated Ocean Observing System (IOOS)	11.012	1611120		72,513
Pass-Through From Regents of the University of California Sea Grant Support	11.417	130741187		12,580
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	11.427			15,472
Pass-Through From University of California, San Diego National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432	CIMDW14		66,181
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432	CIMBT03		147,128
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432	CIMTM03		12,109
Pass-Through From Trout Unlimited Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program	11.438	P1810521		5,773
Habitat Conservation	11.463	CDFW FRGP #P1810509		1,581
Pass-Through From Fish and Wildlife, Department of (DFW) Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program	11.438	P1796033		347,162
Marine Mammal Data Program	11.439			18,114
Marine Mammal Data Program	11.439			24,182
Total Department of Commerce - National Oceanic Atmospheric Administration				<u>722,795</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	12.61	OPR19100	41,677	99,771
Pass-Through From University of Michigan Military Medical Research and Development	12.420	SUBK00004120		61,255
Military Medical Research and Development	12.420	SUBK00004120		196
Military Medical Research and Development	12.420	3005452124 AMEND. 8		8,278
Total Department Of Defense			<u>41,677</u>	<u>169,500</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, 2020

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 Education				
Higher Education_Institutional Aid	84.031		43,312	664,323
Pass-Through From Humboldt County Office of Education				
Arts in Education	84.351	U351D180055		1,424
Total Department of Education			<u>43,312</u>	<u>665,747</u>
Department of Energy				
Pass-Through From Regents of the University of California				
Solar and LED Energy Access	81.RD1	7014205		3,649
Analytical Support for Solar Energy Innovation Network (SEIN) Project Analysis of PEV Charging Demand	81.RD2	7421260		20,588
Pass-Through From Bear River Band of the Rohnerville Rancheria				
Bear River Band of Rohnerville Rancheria Energy Options Analysis Project	81.RD3	DE-IE000063		71,129
Total Department of Energy				<u>95,366</u>
Department of Health and Human Services				
Pass-Through From United Indian Health Service				
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	93.210	20180706HSU		3,608
Total Department of Health and Human Services				<u>3,608</u>
Department of the Interior - Bureau of Land Management				
Cultural and Paleontological Resources Management	15.224			12,945
Fish, Wildlife and Plant Conservation Resource Management	15.231			10,153
Wildland Fire Research and Studies Program	15.232			3,570
Pass-Through From Department of Agriculture - Forest Service				
Wildland Fire Research and Studies Program	15.232	16-JV-11272139-066		7,999
Threatened and Endangered Species	15.246			4,104
Fisheries and Aquatic Resources Management	15.244			1,462
Carrizo Plain Ecosystem Projects Surveys	15.RD1			7,322
Pass-Through From Oregon Institute of Technology				
Environmental Quality and Protection Resource Management	15.236	L16AC00292-S		9,474
Wildlife Resource Management	15.247			13,585
Wildlife Resource Management	15.247			3,487
Total Department of the Interior - Bureau of Land Management				<u>74,101</u>

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

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 - Fish and Wildlife Services				
Fish and Wildlife Management Assistance	15.608			(10)
Fish and Wildlife Management Assistance	15.608			11,465
Pass-Through From National Fish and Wildlife Foundation				
Fish and Wildlife Management Assistance	15.608	0208.18.060096	55,463	89,070
Endangered Species Conservation - Recovery Implementation Funds	15.657			4,747
Endangered Species Conservation - Recovery Implementation Funds	15.657			18,902
Endangered Species Conservation - Recovery Implementation Funds	15.657			15,963
Endangered Species Conservation - Recovery Implementation Funds	15.657		29,971	50,000
Natural Resource Damage Assessment, Restoration and Implementation	15.658			214,905
Natural Resource Damage Assessment, Restoration and Implementation	15.658			52,594
Pass Through From National Fish and Wildlife Foundation				
NFWF-USFWS Conservation Partnership	15.663	0208.18.060469		51,865
Cooperative Ecosystem Studies Units	15.678			2,319
Cooperative Research Units Program	15.812			21,197
Pass-Through From Fish and Wildlife, Department of (DFW)				
Range-Wide Giant Kangaroo Rat Surveys & Monitoring Optimization	15.RD2	P1540034		(109)
Total Department of the Interior - Fish and Wildlife Services			<u>85,434</u>	<u>532,908</u>
Department of the Interior - National Park Service				
Cooperative Research and Training Programs ç Resources of the National Park System	15.945			25,323
Cooperative Research and Training Programs ç Resources of the National Park System	15.945			38,488
Cooperative Research and Training Programs ç Resources of the National Park System	15.945			9,350
Pass-Through From California Cooperative Ecosystem Studies Unit				
Cooperative Research and Training Programs ç Resources of the National Park System	15.945	P16AC01849		1
Cooperative Research and Training Programs ç Resources of the National Park System	15.945		5,341	41,689
Cooperative Research and Training Programs ç Resources of the National Park System	15.945			2,344
Total Department of the Interior - National Park Service			<u>5,341</u>	<u>117,195</u>
Department of the Interior - U.S. Geological Survey				
Cooperative Research Units Program	15.812			67,263
Earthquake Hazards Reduction Program	15.807			49,097
U.S. Geological Survey_ Research and Data Collection	15.808			660
U.S. Geological Survey_ Research and Data Collection	15.808			88,283
Total Department of the Interior - U.S. Geological Survey				<u>205,303</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, 2020

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 Justice				
Pass-Through From Humboldt County Sheriff's Office Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A		728
Total Department of Justice				<u>728</u>
Department of Transportation				
Pass-Through From Transportation, Department of (DOT, CALTRANS) Highway Planning and Construction	20.205	65A0762		49,937
Total Department of Transportation				<u>49,937</u>
Institute of Museum and Library Services				
Pass-Through From Library, California State (CSL) Grants to States	45.310	40-8949		72,004
Total Institute of Museum and Library Services				<u>72,004</u>
National Endowment for the Humanities				
Pass-Through From Humanities, California (CALHUM) Promotion of the Humanities_Federal/State Partnership	45.129	HFAQ19-151		939
Total National Endowment for the Humanities				<u>939</u>
National Science Foundation				
Mathematical and Physical Sciences	47.049			46,630
Mathematical and Physical Sciences	47.049			6,783
Mathematical and Physical Sciences	47.049			22,619
Geosciences	47.050			44,425
Geosciences	47.050			45,940
Pass-Through From Regents of University of Minnesota Geosciences	47.050	A005966903		18,122
Biological Sciences	47.074			19,864
Biological Sciences	47.074			87,602
Biological Sciences	47.074			7,826
Biological Sciences	47.074			465,691
Social, Behavioral, and Economic Sciences	47.075			122,842
Education and Human Resources	47.076			36,543
Education and Human Resources	47.076			8,278
Pass-Through From University Enterprises, Inc. Education and Human Resources	47.076	533101		1,650
Pass-Through From University Enterprises, Inc. Education and Human Resources	47.076	533101		15,017

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, 2020

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Office of International Science and Engineering	47.079			44,707
Office of International Science and Engineering	47.079			6,282
Total National Science Foundation				<u>1,000,821</u>
Total Research and Development Cluster			<u>203,879</u>	<u>4,315,280</u>

SMALL BUSINESS DEVELOPMENT CENTERS:

Small Business Administration

Small Business Development Centers	59.037			48,794
Small Business Development Centers	59.037			1,980
Small Business Development Centers	59.037			226
Small Business Development Centers	59.037			1,414,981
Small Business Development Centers	59.037			113,683
Small Business Development Centers	59.037			95,443
Small Business Development Centers	59.037			188,910
Small Business Development Centers	59.037		70,286	72,805
Small Business Development Centers	59.037		195,387	200,387
Small Business Development Centers	59.037		156,831	156,831
Small Business Development Centers	59.037		185,383	185,383
Small Business Development Centers	59.037		161,430	161,430
Small Business Development Centers	59.037		95,090	95,090
Small Business Development Centers	59.037		56,414	56,414
Small Business Development Centers	59.037		225,000	225,000
Small Business Development Centers	59.037		192,807	192,807
Small Business Development Centers	59.037		135,421	135,421
Small Business Development Centers	59.037		145,000	145,000
Small Business Development Centers	59.037		280,000	280,000
Small Business Development Centers	59.037		160,000	160,000
Small Business Development Centers	59.037			97,348
Small Business Development Centers	59.037		130,652	130,652
Small Business Development Centers	59.037		17,309	17,309
Small Business Development Centers	59.037		122,286	127,286
Small Business Development Centers	59.037			140,156
Small Business Development Centers	59.037			8,369
Small Business Development Centers	59.037			156,135
Small Business Development Centers	59.037			87,927
Small Business Development Centers	59.037			107,805
Small Business Development Centers	59.037			178,709
Small Business Development Centers	59.037		39,634	39,634
Small Business Development Centers	59.037		31,143	31,143
Small Business Development Centers	59.037			7,265
Small Business Development Centers	59.037		56,098	56,098

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, 2020

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		31,249	31,249
Small Business Development Centers	59.037			120,042
Small Business Development Centers	59.037			11,069
Small Business Development Centers	59.037			6,631
Small Business Development Centers	59.037			64,120
Total Small Business Administration			<u>2,487,420</u>	<u>5,349,532</u>
Total Small Business Development Centers			2,487,420	5,349,532
TRIO CLUSTER:				
Department of Education				
TRIO - Student Support Services	84.042			457,401
TRIO - Talent Search	84.044			511,238
TRIO - Upward Bound	84.047			261,783
Total Department of Education				<u>1,230,422</u>
Total Trio Cluster				1,230,422
HIGHWAY PLANNING, RESEARCH AND CONSTRUCTION CLUSTER:				
Department of Transportation-Federal Highway Administration				
Pass-Through From Transportation, Department of (DOT, CALTRANS)				
Highway Planning and Construction	20.205	88a0125		154,511
Total Department of Transportation-Federal Highway Administration				<u>154,511</u>
Total Highway Planning, Research and Construction Cluster				154,511
OTHER:				
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		23,980
Total Center for Disease Control and Prevention				<u>23,980</u>
Department of Agriculture - Forest Service				
Realtime Streamflow Server 19/23	10.U06			179
Wintu Place Names and Digital Database Project	10.U07			306
Total Department of Agriculture - Forest Service				<u>485</u>

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

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 - National Institute of Food & Agriculture				
Hispanic Serving Institutions Education Grants	10.223			52,701
Hispanic Serving Institutions Education Grants	10.223			6,996
Higher Education Multicultural Scholars Program	10.220			989
Total Department of Agriculture - National Institute of Food & Agriculture				<u>60,686</u>
Department Of Defense				
Procurement Technical Assistance For Business Firms	12.002			8,708
Procurement Technical Assistance For Business Firms	12.002			15,288
Procurement Technical Assistance For Business Firms	12.002			811
Procurement Technical Assistance For Business Firms	12.002			71,807
Procurement Technical Assistance For Business Firms	12.002			358,567
Total Procurement Technical Assistance for Business Firms				<u>455,181</u>
Department of Education				
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325			44,671
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325			104,185
Total Special Education - Personnel Development to Improve Services and Results for Children with Disabilities				<u>148,856</u>
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334		10,100	544,230
Child Care Access Means Parents in School	84.335			188,273
Pass-Through From City of Eureka				
Arts in Education	84.351	C2276		7,870
Higher Education_Institutional Aid	84.031			444,413
Pass-Through From Del Norte County Office of Education				
Safe and Drug-Free Schools and Communities_National Programs	84.184	S184x190024		2,298
Pass-Through From Eureka City Schools				
Safe and Drug-Free Schools and Communities_National Programs	84.184	N/A		2,473
Pass-Through From Regents of the University of California				
Redwood Writing Project	84.367	ESSA19-CWP-HUMBOLDT		21,870
Total Department of Education			<u>10,100</u>	<u>1,360,283</u>

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

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 Health and Human Services				
Substance Abuse and Mental Health Services_Projcts of Regional and National Significance	93.243			136,069
Pass-Through From Regents of the University of California				
Foster Care_Title IV-E	93.658	9250	-	(23)
Foster Care_Title IV-E	93.658	9896	25,000	119,621
Foster Care_Title IV-E	93.658	9896	25,000	1,497,376
Total Foster Care_Title IV-E			<u>50,000</u>	<u>1,616,974</u>
Total Department of Health and Human Services			50,000	1,753,043
Department of Justice				
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525		20,801	75,400
Total Department of Justice			<u>20,801</u>	<u>75,400</u>
Department of Labor				
Pass-Through From Humboldt County				
Workforce Innovation and Opportunity Act Rapid Response, Layoff Aversion	17.U01	AA011007		51,854
Workforce Innovation and Opportunity Act Rapid Response, Layoff Aversion	17.U02	K911012		390
Total Department of Labor				<u>52,244</u>
Department of the Interior - Fish and Wildlife Services				
Youth Engagement, Education, and Employment Programs	15.676			13,796
Total Department of the Interior - Fish and Wildlife Services				<u>13,796</u>
Department of the Interior - National Park Service				
National Park Service Conservation, Protection, Outreach. and Education	15.954			2,441
Total Department of the Interior - National Park Service				<u>2,441</u>
Education, Department of (CDE)				
Pass-Through From Regents of the University of California				
Improving Teacher Quality State Grants	84.367	ESSA18-CWP-HUMBOLDT		(23)
Total Education, Department of (CDE)				<u>(23)</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		43,401
Total Health Resources and Services Administration				<u>43,401</u>

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
National Endowment For The Humanities				
Promotion of the Humanities_Division of Preservation and Access	45.149			(2,682)
Total National Endowment For The Humanities				<u>(2,682)</u>
U.S. Department of State				
Public Diplomacy Programs	19.040			(1,424)
Total U.S. Department of State				<u>(1,424)</u>
U.S. Office of Minority Health				
Pass-Through From Yurok Tribe				
Community Programs to Improve Minority Health Grant Programs	93.137	N/A		1,583
Total U.S. Office of Minority Health				<u>1,583</u>
United States Coast Guard				
Pass-Through From Boating & Waterways, California Department of (DBW)				
Boating Safety Financial Assistance	97.012	C8962320		38,767
Total United States Coast Guard				<u>38,767</u>
Total Other			<u>80,901</u>	<u>3,877,161</u>
Total Expenditures of Federal Awards			<u>\$ 2,772,200</u>	<u>\$ 14,926,906</u>

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2020

(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, 2020. 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, 2020**

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>
93.658	Foster Care Title IV-E	<i>Unmodified</i>
59.037	Small Business Development Centers	<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