



Report of Independent Auditors, Basic Financial Statements, and
Supplementary Information

Cal Poly Humboldt Sponsored Programs Foundation

Year Ended June 30, 2025

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

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Report of Independent Auditors

The Board of Directors
Cal Poly Humboldt Sponsored Programs Foundation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of Cal Poly Humboldt Sponsored Programs Foundation (the SPF), a component unit of Cal Poly Humboldt, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the SPF's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Cal Poly Humboldt Sponsored Programs Foundation as of June 30, 2025, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the SPF and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 SPF's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or event, considered in the aggregate, that raise substantial doubt about SPF's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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 financial statements that collectively comprise the Cal Poly Humboldt Sponsored Programs 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 as listed in the table of contents on pages 28 through 41, (collectively, supplementary information), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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. The 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, 2025, on our consideration of Cal Poly Humboldt Sponsored Programs 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 Cal Poly Humboldt Sponsored Programs 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 Cal Poly Humboldt Sponsored Programs Foundation's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Medford, Oregon
September 15, 2025

Management's Discussion and Analysis

Cal Poly Humboldt Sponsored Programs Foundation

Management's Discussion and Analysis

Year Ended June 30, 2025

This section of Cal Poly Humboldt Sponsored Programs Foundation's (SPF) annual financial report presents SPF's discussion and analysis of the financial performance of SPF for the fiscal years ended June 30, 2025 and 2024. 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 SPF as it is a component unit of California State Polytechnic University, Humboldt (Cal Poly Humboldt). Consistent with Cal Poly Humboldt, SPF has adopted the business-type activity (BTA) reporting model to represent its activities.

The financial statements include the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement 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 SPF.

Statement of Net Position – The statement of net position includes 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 SPF.

Statement of Revenues, Expenses, and Changes in Net Position – The statement of revenues, expenses, and changes in net position presents the revenues earned and expenses incurred during the year on an accrual basis.

Statement of Cash Flows – The statement of cash flows presents the inflows and outflows of cash for the year and are summarized by operating, noncapital financing, capital and related financing, and investing activities. The statement is 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 SPF's financial activities. Included are comparative analyses of current year and prior year's activities and balances and a discussion of restrictions of SPF's net position.

Cal Poly Humboldt Sponsored Programs Foundation
Management's Discussion and Analysis
Year Ended June 30, 2025

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

	2025	2024	Increase (Decrease)	Percent Change
Assets				
Current assets	\$ 33,016,387	\$ 30,192,743	\$ 2,823,644	9%
Capital assets, net	878,876	408,367	470,509	115%
Capital lease assets, net	430,241	144,035	286,206	199%
Other noncurrent assets	300	300	-	0%
Total assets	<u>34,325,804</u>	<u>30,745,445</u>	<u>3,580,359</u>	<u>12%</u>
Liabilities				
Current liabilities	21,925,613	16,290,371	5,635,242	35%
Other noncurrent liabilities	1,613,944	5,292,541	(3,678,597)	-70%
Total liabilities	<u>23,539,557</u>	<u>21,582,912</u>	<u>1,956,645</u>	<u>9%</u>
Net position				
Investment in capital assets	878,876	408,367	470,509	115%
Unrestricted	9,907,371	8,754,166	1,153,205	13%
Total net position	<u>\$ 10,786,247</u>	<u>\$ 9,162,533</u>	<u>\$ 1,623,714</u>	<u>18%</u>

Assets

Total assets increased \$3.6 million from FY 2024 to FY 2025 due to a \$2.8 million increase in current assets and a \$0.8 million increase in capital assets and capital lease assets, net of accumulated depreciation due to transferring capital assets in the current year and recognizing capital leases payments.

Current assets increased \$2.8 million from FY 2024 to FY 2025 due to an increase in cash and cash equivalents of \$2.9 million and an increase in short-term investments of \$0.3 million, partially offset by a decrease of \$0.4 million in accounts receivable, net. The increase in cash and cash equivalents mainly caused by increased grants and contracts revenue and indirect cost revenue. The increase in short-term investments of \$0.3 million, is due to earned interest. The decrease of \$0.4 million in accounts receivable, net is related to payments being received before year end.

Capital Assets

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

	June 30		Increase (Decrease)	Percent Change
	2025	2024		
Buildings – net	\$ 66,966	\$ 117,332	\$ (50,366)	-43%
Equipment – net	811,910	291,035	520,875	179%
Total capital assets, net of accumulated depreciation	<u>\$ 878,876</u>	<u>\$ 408,367</u>	<u>\$ 470,509</u>	<u>115%</u>

Capital assets, net of accumulated depreciation, increased by \$0.5 million from FY 2024 to FY 2025 primarily due to \$0.5 million in new equipment, offset by building and equipment transfers to Cal Poly Humboldt and Cal Poly Humboldt Foundation with an adjusted basis of \$0.05 million and \$0.05 million in depreciation expense, and equipment.

Cal Poly Humboldt Sponsored Programs Foundation

Management's Discussion and Analysis

Year Ended June 30, 2025

Liabilities

Total liabilities increased \$2.0 million from FY 2024 to FY 2025. Unearned revenue increased \$.6 million primarily due to fluctuations in total prepayment balances at year end. Accrued salaries increased \$0.1 million due to an increase in salary expense in the current year, and accrued compensated absences increased \$.6 million caused by implementation of GASB 101 and the associated accrual of sick time liability. Capital lease liability increased \$0.3 million as a result of a new lease signed in FY 2025.

Current liabilities increased \$5.6 million with an increase to the current portion of unearned revenue of \$4.5 million, and increase of \$0.6 million in compensated absences caused by implementation of GASB 101, and an increase of \$0.3 million in accounts payable. The increase in current liabilities is offset by a \$3.7 million decrease in noncurrent liabilities mainly driven by \$4.0 million decreased in the noncurrent portion of unearned revenue, partially offset by a \$0.3 million increase in the noncurrent portion of capitalized lease obligations due to the new lease signed this fiscal year.

SPF renewed a line of credit with a bank on April 5, 2025. The loan is secured by all accounts receivable. The loan agreement is available for short-term cash needs, with a maximum amount available of \$4,000,000. 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, 2027. There was no outstanding balance on the loan as of June 30, 2025.

Net Position

Total net position increased \$1.6 million from FY 2024 to FY 2025 primarily due to a combined increase in indirect cost and other operating revenue of \$1.6 million.

Effective July 1, 2024 SPF adopted GASB Statement No. 101, *Compensated Absences*. This Statement establishes uniform recognition and measurement guidance for liabilities related to compensated absences, clarifying that such liabilities should be recognized when leave is attributable to services already rendered and is more likely than not to be used for time off or otherwise paid or settled. This update resulted in additional expense and liability due to the recognition of sick leave, but did not result in a change to beginning net position.

Unrestricted net position represents all other net resources, aside from investment in capital assets, available to SPF for general institutional and research-related obligations.

Cal Poly Humboldt Sponsored Programs Foundation
Management's Discussion and Analysis
Year Ended June 30, 2025

Operating Results

SPF'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

	2025	2024	Increase (Decrease)	Percent Change
Operating revenues				
Grants and contracts, noncapital	\$ 53,230,822	\$ 49,306,532	\$ 3,924,290	8%
Indirect cost revenue	6,265,343	4,966,783	1,298,560	26%
Other operating revenues	1,075,150	787,914	287,236	36%
Total operating revenues	60,571,315	55,061,229	5,510,086	10%
Operating expenses	59,329,189	54,335,786	4,993,403	9%
Operating income	1,242,126	725,443	516,683	71%
Nonoperating revenues				
Investment income, net	420,736	220,773	199,963	91%
Other Nonoperating revenues	40,868	308	40,560	13169%
Net nonoperating revenues	461,604	221,081	240,523	109%
Income before other additions	1,703,730	946,524	757,206	80%
Transfers to other campus entities	(80,016)	(225,551)	145,535	-65%
Increase in net position	1,623,714	720,973	902,741	125%
Net position at beginning of year	9,162,533	8,441,560	720,973	9%
Net position at end of year	<u>\$ 10,786,247</u>	<u>\$ 9,162,533</u>	<u>\$ 1,623,714</u>	18%

Operating Revenues and Expenses

Operating revenues and expenses come from sources that are connected directly to SPF'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.

Cal Poly Humboldt Sponsored Programs Foundation
Management's Discussion and Analysis
Year Ended June 30, 2025

Operating Revenues

Total operating revenues increased \$5.5 million, or 10%, from FY 2024 to FY 2025 due to a \$3.9 million increase in grants and contracts, noncapital, a \$1.3 million increase in indirect cost revenue and \$.03 million increase in other operating revenues. This fiscal year, SPF has updated the method of reporting Federal revenue to include any revenue received from the Federal government by another entity and then passed through to SPF. The amounts reported as Federal revenue this fiscal year that would have been reported under State, Local and Nongovernmental revenue under the previous reporting method are \$4.8 million, \$0.7 million, and \$0.6 million, respectively. This resulted in a greater increase in Federal revenue of 57%, while State revenue decreased 13%, Local revenue decreased 74%, and Nongovernmental revenue increased 10%.

The following charts present the proportional share that each category of operating revenues contributed to the total for fiscal years 2025 and 2024:

Operating Revenues
Year Ended June 30, 2025

Grants and contracts, noncapital		
Federal	\$ 22,265,477	36.8%
State	19,989,329	33.0%
Local	719,579	1.2%
Nongovernmental	10,256,437	16.9%
Indirect cost revenue	6,265,343	10.3%
Other operating revenues	1,075,150	1.8%
	<hr/>	<hr/>
Total operating revenues	\$ 60,571,315	100.00%

Operating Revenues
Year Ended June 30, 2024

Grants and contracts, noncapital		
Federal	\$ 14,221,814	25.8%
State	22,976,508	41.7%
Local	2,790,815	5.1%
Nongovernmental	9,317,395	16.9%
Indirect cost revenue	4,966,783	9.0%
Other operating revenues	787,914	1.4%
	<hr/>	<hr/>
Total operating revenues	\$ 55,061,229	100.0%

Operating Expenses

Total operating expenses increased by \$5.0 million, or 29%, from FY 2024 to FY 2025 primarily due to a \$7.8 million aggregated increase in research, academic support, student services, scholarships and fellowships, institutional support, auxiliary enterprises, operations of maintenance and plant, and depreciation, offset by a \$2.8 million decrease in public service.

Cal Poly Humboldt Sponsored Programs Foundation
Management's Discussion and Analysis
Year Ended June 30, 2025

The following charts present the distribution of resources in support of SPF's mission for fiscal years 2025 and 2024:

Year Ended June 30, 2025

Research	\$ 27,650,361	46.6%
Public service	24,100,480	40.6%
Academic support	509,504	0.9%
Student services	1,054,901	1.8%
Scholarships and fellowships	<u>1,743,365</u>	<u>2.9%</u>
 Total instruction and educational support activities	 <u>55,058,611</u>	 <u>92.8%</u>
 Institutional support	 6,918	 0.0%
Auxiliary enterprises	3,976,015	6.7%
Operation and maintenance of plant	16,282	0.0%
Depreciation	<u>271,363</u>	<u>0.5%</u>
 Total other operating expenses	 <u>4,270,578</u>	 <u>7.2%</u>
 Total operating expenses	 <u><u>\$ 59,329,189</u></u>	 <u><u>100.0%</u></u>

Year Ended June 30, 2024

Research	\$ 22,775,858	42.0%
Public service	26,932,155	49.7%
Academic support	459,854	0.8%
Student services	553,671	1.0%
Scholarships and fellowships	<u>34,468</u>	<u>0.1%</u>
 Total instruction and educational support activities	 <u>50,756,006</u>	 <u>93.7%</u>
 Institutional support	 -	 0.0%
Auxiliary enterprises	3,404,911	6.3%
Operation and maintenance of plant	4,992	0.0%
Depreciation	<u>169,877</u>	<u>0.0%</u>
 Total other operating expenses	 <u>3,579,780</u>	 <u>6.3%</u>
 Total operating expenses	 <u><u>\$ 54,335,786</u></u>	 <u><u>100.0%</u></u>

Nonoperating Revenues (Expenses)

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

Cal Poly Humboldt Sponsored Programs Foundation

Management's Discussion and Analysis

Year Ended June 30, 2025

Transfers to Other Campus Entities

Transfers to other campus entities decreased \$0.1 million from FY 2024 to FY 2025 due to a decrease in equipment transferred to Cal Poly Humboldt of \$0.2 million and an increase in cash transferred to Cal Poly Humboldt Foundation of \$0.1 million.

Factors That Will Affect the Future

Indirect Cost Revenue

Indirect cost revenue is a factor that greatly affects SPF's ability to build and maintain a reserve adequate enough for supporting the grant and contract activity of SPF. Indirect cost revenue is earned as a percentage of spending on awarded grants 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 \$1.4 million, or 38%, from FY 2024 to FY 2025 due to an increase in federal, state, local and nongovernmental activity.

Continued Cal Poly Humboldt Support

The pre-award and compliance functionality of SPF is financially supported by Cal Poly Humboldt as a state function. Beginning in FY 25/26, stateside funding for the Compliance position (1.0 FTE) was eliminated, resulting in only pre-award activities receiving statewide support moving forward. While volatility in state-supported funding could potentially affect the level of support provided in future period, management does not believe that the level of stateside support for pre-award 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 Cal Poly Humboldt Sponsored Programs Foundation, 1 Harpst Street, Arcata, CA 95521.

Basic Financial Statements

Cal Poly Humboldt Sponsored Programs Foundation
Statement of Net Position
June 30, 2025

Assets

Current assets	
Cash and cash equivalents	\$ 7,121,565
Short-term investments	7,053,332
Accounts receivable	18,796,013
Prepaid expenses and other assets	45,477
Total current assets	<u>33,016,387</u>
Noncurrent assets	
Long-term investments	300
Capital assets, net	878,876
Capital lease assets, net	430,241
Total noncurrent assets	<u>1,309,417</u>
Total assets	<u>34,325,804</u>

Liabilities

Current liabilities	
Accounts payable	3,212,210
Accrued salaries and benefits payable	1,235,673
Accrued compensated absences – current portion	936,941
Unearned revenue – current portion	16,367,491
Capitalized lease obligations – current portion	113,029
Other liabilities	60,269
Total current liabilities	<u>21,925,613</u>
Noncurrent liabilities	
Accrued compensated absences, net of current portion	185,777
Unearned revenue, net of current portion	1,091,482
Capitalized lease obligations, net of current portion	336,685
Total noncurrent liabilities	<u>1,613,944</u>
Total liabilities	<u>23,539,557</u>

Net position

Investment in capital assets	878,876
Unrestricted	9,907,371
Total net position	<u>\$ 10,786,247</u>

See accompanying notes.

Cal Poly Humboldt Sponsored Programs Foundation
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2025

Revenues	
Operating revenues	
Grants and contracts, noncapital	
Federal	\$ 22,265,477
State	19,989,329
Local	719,579
Nongovernmental	10,256,437
Indirect cost revenue	6,265,343
Other operating revenues	1,075,150
Total operating revenues	<u>60,571,315</u>
Expenses	
Operating expenses	
Research	27,650,361
Public service	24,100,480
Auxiliary enterprise	3,976,015
Scholarships and fellowships	1,743,365
Operation and maintenance of plant	16,282
Student services	1,054,901
Academic support	509,504
Institutional support	6,918
Depreciation	271,363
Total operating expenses	<u>59,329,189</u>
Operating income	<u>1,242,126</u>
Nonoperating revenues	
Investment income	420,736
Other nonoperating revenues	40,868
Nonoperating revenues	<u>461,604</u>
Income before other additions	<u>1,703,730</u>
Transfers to other campus entities	<u>(80,016)</u>
Increase in net position	<u>1,623,714</u>
Net position	
Net position at beginning of year	9,162,533
Net position at end of year	<u>\$ 10,786,247</u>

See accompanying notes.

Cal Poly Humboldt Sponsored Programs Foundation
Statement of Cash Flows
Year Ended June 30, 2025

Cash flows from operating activities	
Received from customers	\$ 61,919,347
Payments to employees and fringe benefits	(28,189,942)
Payments to vendors and suppliers	(29,979,100)
Payments for scholarships and fellowships	(158,549)
Net cash provided by operating activities	<u>3,591,756</u>
 Cash flows from capital and related financing activities	
Acquisition and construction of capital assets	(642,314)
Principal paid on capital debt and leases	(126,919)
Net cash used in capital and related financing activities	<u>(769,233)</u>
 Cash flows from investing activities	
Investment income	420,736
Purchase of investments	(313,992)
Net cash provided by investing activities	<u>106,744</u>
 Net increase in cash and cash equivalents	2,929,267
Cash and cash equivalents at beginning of year	4,192,298
Cash and cash equivalents at end of year	<u>\$ 7,121,565</u>

See accompanying notes.

Cal Poly Humboldt Sponsored Programs Foundation
Statement of Cash Flows
Year Ended June 30, 2025

Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 1,242,126
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization expense	271,363
Changes in assets and liabilities	
Receivables, net	377,098
Prepaid items	43,851
Accounts payable and accrued liabilities	1,019,656
Unearned revenue, current	4,561,730
Other liabilities	33,833
Compensated absences and unearned revenue, noncurrent	(3,957,901)
Total adjustments	<u>2,349,630</u>
Net cash provided by operating activities	<u><u>\$ 3,591,756</u></u>
Noncash investing, capital, and financing activities	
Capital lease depreciation	\$ 145,724
Capital asset transfers, net of depreciation	\$ 46,166

See accompanying notes.

Cal Poly Humboldt Sponsored Programs Foundation

Notes to Financial Statements

Note 1 – Organization

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

Summary of significant accounting policies

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 Governmental Accounting Standards Board (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 SPF, including its research activities performed on behalf of Cal Poly Humboldt. SPF is a component unit of Cal Poly Humboldt, a public university under the California State University system. SPF 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, Cal Poly Humboldt prepares its statement of cash flows using the direct method.

Classification of current and noncurrent assets (other than investments) and liabilities – SPF 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 SPF 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.

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

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.

Cal Poly Humboldt Sponsored Programs Foundation

Notes to Financial Statements

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.

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.

Prepaid expenses and other assets – Prepaid expenses and other assets consist of prepaid general operating expenses and travel advances. Prepaid expenses and other assets are recognized when prepayments are made before an expense is incurred.

SPF 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 \$0 for the fiscal year ending June 30, 2025.

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, 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. 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.

Cal Poly Humboldt Sponsored Programs Foundation

Notes to Financial Statements

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

Leases – SPF recognizes lease contracts or equivalents in accordance with GASB No. 87, *Leases* (GASB 87), recognizing a lease liability and an intangible right-to-use lease asset. This liability is calculated as the present value of payments SPF expects to make during the lease term, including any contract renewal options SPF is reasonably certain to exercise.

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.

Compensated absences – Compensated absences consist of vacation and sick 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. Sick leave for Category A and Category B employees accumulates with no cap, and a liability is recorded based on expected future use of balances remaining at the fiscal year end. Category C, D, and E employees earned forty hours of sick leave annually at January 1, and unused balances carry over at fiscal year-end, but do not carry over at calendar year end. A liability is recorded based on expected use from the beginning of the fiscal year on July 1 through December 31. Sick leave for all employee categories is not paid out upon termination.

Net position – SPF'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 SPF. 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.

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, 2025, \$0 in unrestricted resources were expended to support these activities.

Classification of revenues and expenses – SPF considers operating revenues and operating expenses in the statement 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 SPF'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 SPF. Program grants and contracts represent funds obtained from external agencies for the support of the mission of SPF and of Cal Poly Humboldt. Revenue from grants and contracts is recognized when expended for the purpose specified as incurred. Amounts received in excess of expenses incurred as of the financial statements date are classified as unearned revenue.

Cal Poly Humboldt Sponsored Programs Foundation

Notes to Financial Statements

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

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.

Note 2 – Cash and Cash Equivalents and Investments

SPF's cash and cash equivalents and investments as of June 30, 2025, are classified in the accompanying statement of net position as follows:

Cash and cash equivalents	<u>\$ 7,121,565</u>
Total cash and cash equivalents	<u>7,121,565</u>
 Short-term investments – net asset value	 7,053,332
Other long-term investments – Level 2	<u>300</u>
Total investments	<u>7,053,632</u>
 Total cash, cash equivalents and investments	 <u><u>\$ 14,175,197</u></u>

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 \$7,121,565 had a corresponding carrying balance with the commercial banks of \$7,741,577 at June 30, 2025. The differences related primarily to deposits in transit and outstanding checks.

Custodial credit risk for deposits – SPF 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, 2025, SPF's uninsured, uncollateralized cash balances was \$7,491,577.

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

Short-term investments – At June 30, 2025, SPF'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.

Cal Poly Humboldt Sponsored Programs Foundation

Notes to Financial Statements

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, 2025, cash in LAIF was \$7,053,332.

Long-term investments – For the year ended June 30, 2025, long-term investments consist of shares of capital stock previously gifted to SPF. 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 year ended June 30, 2025, consisted of the following:

	Balance at June 30, 2024	Purchases/ Additions	(Settlements)/ Deletions	Balance at June 30, 2025
Stock	\$ 300	\$ -	\$ -	\$ 300
Total	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300</u>

Investment income, net for the year ended June 30, 2025, is summarized as follows:

Interest income	\$ 420,736
Total	<u>\$ 420,736</u>

Investments reported at fair market value – As of June 30, 2025, the investments included within SPF's financial statements are classified as follows:

Level 2 – \$300 (100%) at June 30, 2025

Investments included in this level are the capital stock investments that were gifted to SPF. 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.

Custodial credit risk – Custodial credit risk is the risk that in the event of the failure of a counterparty, SPF 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 SPF 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. SPF does not have an investment policy.

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

Cal Poly Humboldt Sponsored Programs Foundation

Notes to Financial Statements

Note 3 – Accounts Receivable

Billed and unbilled accounts receivables, net as of June 30, 2025, is summarized as follows:

State and local grants and contracts	\$ 7,559,919
Federal grants and contracts	9,372,897
Non-governmental grants and contracts	1,141,132
Other receivables	722,065
Total	<u><u>\$ 18,796,013</u></u>

The allowance for uncollectible accounts is \$0 for the year ended June 30, 2025. Unbilled grant and contract receivables are \$10,660,675 as of June 30, 2025. The accounts receivable are pledged as collateral for the \$4,000,000 line of credit at a bank.

Note 4 – Capital Assets

Capital assets activity for the year ended June 30, 2025, consisted of the following:

	Balance, June 30, 2024	Additions	Transfers / Retirements	Balance, June 30, 2025
Depreciable/amortizable capital assets				
Buildings	\$ 490,279	\$ -	\$ (408,281)	\$ 81,998
Equipment	530,712	642,314	(12,337)	1,160,689
Total depreciable capital assets	<u>1,020,991</u>	<u>642,314</u>	<u>(420,618)</u>	<u>1,242,687</u>
Total cost	<u>1,020,991</u>	<u>642,314</u>	<u>(420,618)</u>	<u>1,242,687</u>
Less accumulated depreciation/ amortization				
Buildings	(372,947)	(9,538)	367,452	(15,033)
Equipment	<u>(239,677)</u>	<u>(116,101)</u>	<u>7,000</u>	<u>(348,778)</u>
Total accumulated depreciation	<u>(612,624)</u>	<u>(125,639)</u>	<u>374,452</u>	<u>(363,811)</u>
Net capital assets, excluding lease assets	<u><u>\$ 408,367</u></u>	<u><u>\$ 516,675</u></u>	<u><u>\$ (46,166)</u></u>	<u><u>\$ 878,876</u></u>

Equipment purchased with grant and contract monies are held by SPF. Title is held by SPF and, upon completion of the grant or contract, the equipment is transferred to Cal Poly Humboldt or the funding agency, depending on the individual terms of the agreement.

For the year ended June 30, 2025, capital assets with a net book value of \$5,338 were transferred from SPF to Cal Poly Humboldt. For the year ended June 30, 2025, capital assets with a net book value of \$40,828 were transferred from SPF to Cal Poly Humboldt Foundation.

Total depreciation expense for SPF for the year ended June 30, 2025, was \$271,363. Building and equipment depreciation expense was \$125,639 and capital leases depreciation expense was \$145,724.

Cal Poly Humboldt Sponsored Programs Foundation

Notes to Financial Statements

Note 5 – Long-Term Liabilities

Long-term liabilities activities for the year ended June 30, 2025, is summarized as follows:

	Balance at June 30, 2024	Additions	Reductions	Balance at June 30, 2025	Current Portion	Long-Term Portion
Accrued compensated absences	\$ 492,558	\$ 2,614,639	\$ (1,984,479)	\$ 1,122,718	\$ 936,941	\$ 185,777
Unearned revenue	<u>16,869,639</u>	<u>70,933,307</u>	<u>(70,343,973)</u>	<u>17,458,973</u>	<u>16,367,491</u>	<u>1,091,482</u>
	<u>\$ 17,362,197</u>	<u>\$ 73,547,946</u>	<u>\$ (72,328,452)</u>	<u>\$ 18,581,691</u>	<u>\$ 17,304,432</u>	<u>1,277,259</u>
Capitalized lease obligations, net of current portion						<u>336,685</u>
Total long-term obligations as reported in the statement of net position						<u>\$ 1,613,944</u>

Note 6 – Line of Credit

SPF renewed a line of credit with a bank on April 4, 2025. The loan is secured by all accounts receivable. The loan agreement is available for short-term cash needs, with a maximum amount available of \$4,000,000. 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, 2027. There was no outstanding balance on the loan as of June 30, 2025.

Note 7 – Net Position

As of June 30, 2025, the unrestricted portion of SPF's net position was designated for the following purposes:

Funds	
Sponsored programs related funds	\$ 3,333,524
Campus program funds	<u>2,837</u>
Total funds	<u>3,336,361</u>
Current operations and working capital	<u>6,571,010</u>
Total	<u>\$ 9,907,371</u>

The SPF Board of Directors has established a required reserve amount of \$5,000,000. This reserve is for current operations and working capital, capital replacements, contingent liabilities, and planned future operations.

Cal Poly Humboldt Sponsored Programs Foundation

Notes to Financial Statements

Note 8 – Adoption of New Standards

During the fiscal year ended June 30, 2025, SPF adopted GASB Statement No. 101, *Compensated Absences*. This statement provides updated guidance on accounting and financial reporting for compensated absences, including vacation, sick leave, and other leave benefits. The adoption of GASB 101 resulted in additional accruals for sick leave for the year ended June 30, 2025.

During the fiscal year ended June 30, 2025, SPF also adopted GASB Statement No. 102, *Risk Disclosures*. This statement enhances the disclosure requirements related to certain risks, including credit risk, interest rate risk, and foreign currency risk associated with financial instruments. The adoption of GASB 102 did not result in any new or changed disclosures to the financial statements.

Note 9 – Leases

SPF is a lessee for cancellable lease of office space with lease terms through 2026 and an office space with lease terms through 2030, noncancellable until October 31, 2028. There are no residual value guarantees included in the measurement of SPF's lease liability nor recognized as an expense for the year ended June 30, 2025. SPF does not have any commitments that were incurred at the commencement of the leases. SPF is subject to variable office space usage payments that are expensed when incurred. \$27,925 was recognized as variable lease payments as lease expense on the statement of revenues, expenses, and changes in net position. No termination penalties were incurred during the fiscal year.

SPF has the following right-to-use assets included in capital lease assets on the statement of net position:

	Balance, June 30, 2024	Additions	Deletions	Balance, June 30, 2025
GOVERNMENTAL ACTIVITIES				
Right-to-use assets				
Buildings	\$ 392,165	\$ 580,496	\$ (213,602)	\$ 759,059
Total right-to-use assets	392,165	580,496	(213,602)	759,059
Less accumulated depreciation				
Buildings	(248,130)	(145,724)	65,036	(328,818)
Net right-to-use assets	<u>\$ 144,035</u>	<u>\$ 434,772</u>	<u>\$ (148,566)</u>	<u>\$ 430,241</u>

SPF recognized \$145,724 in depreciation expense in relation to the right-to-use assets above which is included in the operating expenses on the statement of revenues, expenses, and changes in net position.

Note 10 – Commitments and Contingencies

Revenue for SPF 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.

Cal Poly Humboldt Sponsored Programs Foundation

Notes to Financial Statements

Federal Funding – In the first quarter of 2025, the new U.S. federal administration issued several Executive Orders and other actions that may affect the funding of federal grant recipients. Because SPF relies on federal grants and contracts, these developments could have a material impact on both current awards and future funding.

SPF is also aware of potential issues related to the calculation and allocation of indirect costs (IDC) on certain federally awarded grants and contracts. Changes in IDC policies or future reviews could result in adjustments. At this time, SPF cannot reasonably estimate any potential impact, and no liability has been recorded. Management continues to monitor developments closely and maintains processes to ensure compliance with all federal grant requirements.

Note 11 – Classification of Operating Expenses

SPF has elected to report operating expenses by functional classification in the statement of revenues, expenses, and changes in net position, and to provide the natural classification of those expenses as an additional disclosure. For the year ended June 30, 2025, operating expenses by natural classification consisted of the following:

Functional classification	Salaries	Benefits	Scholarships and fellowships	Supplies and other services	Depreciation	Interest Expense	Total
Research	\$ 10,619,734	\$ 3,316,641	\$ 28,277	\$ 13,685,709	\$ -	\$ -	\$ 27,650,361
Public service	7,153,676	2,494,054	130,271	14,322,479	-	-	24,100,480
Auxiliary enterprise	652,214	417,649	-	2,906,152	-	-	3,976,015
Scholarships and fellowships	334,955	94,385	-	1,314,025	-	-	1,743,365
Student services	530,697	118,440	51,200	354,564	-	-	1,054,901
Academic support	142,996	15,625	-	350,883	-	-	509,504
Institutional support	5,422	594	-	902	-	-	6,918
Operation and maintenance of plant	-	-	-	-	-	16,282	16,282
Depreciation	-	-	-	-	271,363	-	271,363
Total	\$ 19,439,694	\$ 6,457,388	\$ 209,748	\$ 32,934,714	\$ 271,363	\$ 16,282	\$ 59,329,189

Note 12 – Defined Contribution Plan

SPF maintains the Cal Poly Humboldt 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.

Plan description – SPF is the Plan’s sponsor and serves as plan administrator. The Plan’s custodians are Principal Trust Company (Principal), Teachers Insurance and Annuity Association (TIAA), and College Retirement Equities Fund (CREF). 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 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.

Cal Poly Humboldt Sponsored Programs Foundation

Notes to Financial Statements

Funding policy – participant contributions – The Plan allows 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 – SPF makes non-elective contributions equal to 10% of the participant's eligible compensation.

Annual contribution costs and pension expense – SPF contributed \$988,115 on behalf of covered employees for the year ended June 30, 2025. These amounts are also the pension expense for these periods.

Note 13 – Transfers to Other Campus Entities

Occasionally, SPF finds it appropriate to transfer certain fiscal responsibilities to Cal Poly Humboldt or to other campus entities. During the year ended June 30, 2025, SPF transferred the following to Cal Poly Humboldt:

	<u>2025</u>
Transfer of fixed assets to the University	\$ 5,338
Transfer of fixed assets to the to Cal Poly Humboldt Foundation	40,828
Transfer of cash to Cal Poly Humboldt Foundation	<u>33,850</u>
Total	<u>\$ 80,016</u>

Note 14 – Transactions with Related Entities

Memorandum of Understanding – SPF receives accounting and business services and human resource services from Cal Poly Humboldt through a Memorandum of Understanding. For the year ended June 30, 2025, SPF paid Cal Poly Humboldt \$3,942,128, of which \$634,577 was owed at June 30, 2025.

General operations payroll – SPF reimburses Cal Poly Humboldt for salaries and benefits paid by Cal Poly Humboldt of certain post-award employees and one-half of the research administration of SPF's general operations. The amount reimbursed to Cal Poly Humboldt for the year ended June 30, 2025, was \$4,614,582 at June 30, 2025.

Cal Poly Humboldt also supports the pre-award and compliance functionality, and one-half of the research administration functionality of SPF as a state function. Cal Poly Humboldt provided support for the pre-award and compliance functionality and the research administration functionality at an unreimbursed value of \$1,067,426, for the year ended June 30, 2025.

Cal Poly Humboldt Sponsored Programs Foundation

Notes to Financial Statements

Summary of transactions with related entities – The accompanying financial statements also include the following transactions with Cal Poly Humboldt and related auxiliary organizations for the year ended June 30, 2025:

Payments to Cal Poly Humboldt for salaries of University personnel working on contracts, grants, and other programs	\$ 3,942,128
Payments to Cal Poly Humboldt for other than salaries of University personnel	4,614,582
Payments received from Cal Poly Humboldt for services, space, and programs	1,067,426
Gifts (cash or assets) to Cal Poly Humboldt from discretely presented component units	5,338
Gifts (cash or assets) to Cal Poly Humboldt Foundation from discretely presented component units	74,678
Accounts (payable to) Cal Poly Humboldt	(634,577)
Accounts receivable from Cal Poly Humboldt	112
Payments to Cal Poly Humboldt Foundation	(123,284)
Payments received from Cal Poly Humboldt Foundation	1,458,144

Supplementary Information

Cal Poly Humboldt Sponsored Programs Foundation
Schedule of Net Position
June 30, 2025

Assets:

Current assets:

Cash and cash equivalents	7,121,565
Short-term investments	7,053,332
Accounts receivable, net	18,796,013
Lease receivable, current portion	—
P3 receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other current assets	45,477
Total current assets	33,016,387

Noncurrent assets:

Restricted cash and cash equivalents	—
Accounts receivable, net	—
Lease receivable, net of current portion	—
P3 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	1,309,117
Other assets	—
Total noncurrent assets	1,309,417
Total assets	34,325,804

Deferred outflows of resources:

Unamortized loss on debt refunding	—
Net pension liability	—
Net OPEB liability	—
Leases	—
P3	—
Others	—
Total deferred outflows of resources	—

Cal Poly Humboldt Sponsored Programs Foundation
Schedule of Net Position
June 30, 2025

Liabilities:

Current liabilities:

Accounts payable	3,212,210
Accrued salaries and benefits	1,235,673
Accrued compensated absences, current portion	936,941
Unearned revenues	16,367,491
Lease liabilities, current portion	113,029
SBITA liabilities - current portion	—
P3 liabilities - current portion	—
Long-term debt obligations, current portion	—
current portion	—
Depository accounts	—
Other liabilities	60,269

Total current liabilities	21,925,613
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Noncurrent liabilities:

Accrued compensated absences, net of current portion	185,777
Unearned revenues	1,091,482
Grants refundable	—
Lease liabilities, net of current portion	336,685
SBITA liabilities, net of current portion	—
P3 liabilities, net of current portion	—
Long-term debt obligations, net of current portion	—
current portion	—
Depository accounts	—
Net other postemployment benefits liability	—
Net pension liability	—
Other liabilities	—

Total noncurrent liabilities	1,613,944
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Total liabilities	23,539,557
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Deferred inflows of resources:

P3 service concession arrangements	—
Net pension liability	—
Net OPEB liability	—
Unamortized gain on debt refunding	—
Nonexchange transactions	—
Lease	—
P3	—
Others	—

Total deferred inflows of resources	—
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Cal Poly Humboldt Sponsored Programs Foundation
Schedule of Net Position
June 30, 2025

Net position:	
Net investment in capital assets	878,876
Restricted for:	
Nonexpendable – endowments	—
Expendable:	
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Others	—
Unrestricted	9,907,371
Total net position	<u>10,786,247</u>

Cal Poly Humboldt Sponsored Programs Foundation
Schedule of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2025

Revenues:

Operating revenues:

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

Grants and contracts, noncapital:

Federal	22,265,477
State	19,989,329
Local	719,579
Nongovernmental	10,256,437
Sales and services of educational activities	—
Sales and services of auxiliary enterprises, gross	—
Scholarship allowances (enter as negative)	—
Other operating revenues	7,340,493
Total operating revenues	60,571,315

Expenses:

Operating expenses:

Instruction	—
Research	27,650,361
Public service	24,100,480
Academic support	509,504
Student services	1,054,901
Institutional support	6,918
Operation and maintenance of plant	16,282
Student grants and scholarships	1,743,365
Auxiliary enterprise expenses	3,976,015
Depreciation and amortization	271,363
Total operating expenses	59,329,189
Operating income (loss)	1,242,126

Nonoperating revenues (expenses):

State appropriations, noncapital	—
Federal financial aid grants, noncapital	—
State financial aid grants, noncapital	—
Local financial aid grants, noncapital	—
Nongovernmental and other financial aid grants, noncapital	—
Other federal nonoperating grants, noncapital	—
Gifts, noncapital	—
Investment income (loss), net	420,736
Endowment income (loss), net	—
Interest expense	—
Other nonoperating revenues (expenses)	(39,148)
Net nonoperating revenues (expenses)	381,588
Income (loss) before other revenues (expenses)	1,623,714

Cal Poly Humboldt Sponsored Programs Foundation
Schedule of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2025

State appropriations, capital	—
Grants and gifts, capital	—
Additions (reductions) to permanent endowments	—
Increase (decrease) in net position	<u>1,623,714</u>
Net position:	
Net position at beginning of year, as previously reported	9,162,533
Restatements	—
Net position at beginning of year, as restated	<u>9,162,533</u>
Net position at end of year	<u><u>10,786,247</u></u>

Cal Poly Humboldt Sponsored Programs Foundation
Other Information
June 30, 2025

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments

All other restricted cash and cash equivalents

Noncurrent restricted cash and cash equivalents -

Current cash and cash equivalents 7,121,565

Total \$ 7,121,565

2.1 Composition of investments:

Investment Type	Current	Noncurrent	Total
Money market funds			-
Repurchase agreements			-
Certificates of deposit			-
U.S. agency securities			-
U.S. treasury securities			-
Municipal bonds			-
Corporate bonds			-
Asset backed securities			-
Mortgage backed securities			-
Commercial paper			-
Supranational			-
Mutual funds			-
Exchange traded funds			-
Equity securities			-
Alternative investments:			
Private equity (including limited partnerships)			-
Hedge funds			-
Managed futures			-
Real estate investments (including REITs)			-
Commodities			-
Derivatives			-
Other alternative investment types			-
Other external investment pools			-
CSU Consolidated Investment Pool (formerly SWIFT)			-
State of California Local Agency Investment Fund (LAIF)	7,053,332		7,053,332
State of California Surplus Money Investment Fund (SMIF)			-
Other investments:			
Stock		300	300
			-
			-
			-
			-
Total Other investments	-	300	300
Total investments	<u>7,053,332</u>	<u>300</u>	<u>7,053,632</u>
Less endowment investments (enter as negative number)	-	-	-
Total investments, net of endowments	<u><u>\$ 7,053,332</u></u>	<u><u>300</u></u>	<u><u>7,053,632</u></u>

Cal Poly Humboldt Sponsored Programs Foundation

Other Information

June 30, 2025

2.2 Fair value hierarchy in investments:

Investment Type	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	\$ -	-			
Repurchase agreements	-	-			
Certificates of deposit	-	-			
U.S. agency securities	-	-			
U.S. treasury securities	-	-			
Municipal bonds	-	-			
Corporate bonds	-	-			
Asset backed securities	-	-			
Mortgage backed securities	-	-			
Commercial paper	-	-			
Supranational	-	-			
Mutual funds	-	-			
Exchange traded funds	-	-			
Equity securities	-	-			
Alternative investments:					
Private equity (including limited partnerships)	-	-			
Hedge funds	-	-			
Managed futures	-	-			
Real estate investments (including REITs)	-	-			
Commodities	-	-			
Derivatives	-	-			
Other alternative investment types	-	-			
Other external investment pools	-	-			
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-	-	
State of California Local Agency Investment Fund (LAIF)	7,053,332	-	-	-	7,053,332
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	
Other investments:					
Stock	300		300		
	-				
	-				
	-				
	-				
Total other investments:	300	-	300	-	-
Total investments	\$ 7,053,632	—	300	—	7,053,332

2.3 Investments held by the University under contractual agreements:

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

Cal Poly Humboldt Sponsored Programs Foundation

Other Information

June 30, 2025

3.1 Capital Assets, excluding ROU assets:

Composition of capital assets, excluding ROU assets:

	Balance June 30, 2024	Reclassification s	Prior Period Additions	Prior Period Retirements	Balance June 30, 2024 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2025
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements	\$ -				-				-
Works of art and historical treasures	-				-				-
Construction work in progress (CWIP)	-				-				-
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	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable capital assets:									
Buildings and building improvements	490,279				490,279		(408,280)		81,999
Improvements, other than buildings	-				-				-
Infrastructure	-				-				-
Leasehold improvements	-				-				-
Personal property:									
Equipment	530,713				530,713	642,314	(12,338)		1,160,689
Library books and materials	-				-				-
Intangible assets:									
Software and websites	-				-				-
Rights and easements	-				-				-
Patents, copyrights and trademarks	-				-				-
Licenses and permits	-				-				-
Other intangible assets:									
	-				-				-
	-				-				-
	-				-				-
	-				-				-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	1,020,992	-	-	-	1,020,992	642,314	(420,618)	-	1,242,688
Total capital assets	1,020,992	-	-	-	1,020,992	642,314	(420,618)	-	1,242,688
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Buildings and building improvements	(372,947)				(372,947)	(9,538)	367,452		(15,033)
Improvements, other than buildings	-				-				-
Infrastructure	-				-				-
Leasehold improvements	-				-				-
Personal property:									
Equipment	(239,678)				(239,678)	(116,101)	7,000		(348,779)
Library books and materials	-				-				-
Intangible assets:									
Software and websites	-				-				-
Rights and easements	-				-				-
Patents, copyrights and trademarks	-				-				-
Licenses and permits	-				-				-
Other intangible assets:									
	-				-				-
	-				-				-
	-				-				-
	-				-				-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(612,625)	-	-	-	(612,625)	(125,639)	374,452	-	(363,812)
Total capital assets, net excluding ROU assets	\$ 408,367	-	-	-	408,367	516,675	(46,166)	-	878,876

Cal Poly Humboldt Sponsored Programs Foundation

Other Information

June 30, 2025

Capital Assets, Right of Use

Composition of capital assets - Lease ROU, net:	Balance June 30, 2024	Prior Period Reclassification s	Prior Period Additions	Prior Period Reductions	Balance June 30, 2024 (Restated)	Additions	Remeasurment s	Reductions	Balance June 30, 2025
Non-depreciable/Non-amortizable lease assets:									
Land and land improvements	—	—	—	—	—	—	—	—	—
Total non-depreciable/non-amortizable lease assets	—	—	—	—	—	—	—	—	—
Depreciable/Amortizable lease assets:									
Land and land improvements	—	—	—	—	—	—	—	—	—
Buildings and building improvements	392,165	—	—	—	392,165	580,496	(213,602)	—	759,059
Improvements, other than buildings	—	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—	—
Personal property:									
Equipment	—	—	—	—	—	—	—	—	—
Total depreciable/amortizable lease assets	392,165	—	—	—	392,165	580,496	(213,602)	—	759,059
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Land and land improvements	—	—	—	—	—	—	—	—	—
Buildings and building improvements	(248,130)	—	—	—	(248,130)	(145,724)	65,036	—	(328,818)
Improvements, other than buildings	—	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—	—
Personal property:									
Equipment	—	—	—	—	—	—	—	—	—
Total accumulated depreciation/amortization	(248,130)	—	—	—	(248,130)	(145,724)	65,036	—	(328,818)
Total capital assets - lease ROU, net	144,035	—	—	—	144,035	434,772	(148,566)	—	430,241

Composition of capital assets - SBITA ROU, net	Balance June 30, 2024	Reclassification s	Prior Period Additions	Prior Period Reductions	Balance June 30, 2024 (Restated)	Additions	Remeasurment s	Reductions	Balance June 30, 2025
Depreciable/Amortizable SBITA assets:									
Software	—	—	—	—	—	—	—	—	—
Total depreciable/amortizable SBITA assets	—	—	—	—	—	—	—	—	—
Less accumulated depreciation/amortization:									
Software	—	—	—	—	—	—	—	—	—
Total accumulated depreciation/amortization	—	—	—	—	—	—	—	—	—
Total capital assets - SBITA ROU, net	—	—	—	—	—	—	—	—	—

Composition of capital assets - P3 ROU, net:	Balance June 30, 2024	Reclassification s	Prior Period Additions	Prior Period Reductions	Balance June 30, 2024 (Restated)	Additions	Remeasurment s	Reductions	Balance June 30, 2025
Non-depreciable/Non-amortizable P3 assets:									
Land and land improvements	—	—	—	—	—	—	—	—	—
Total non-depreciable/non-amortizable P3 assets	—	—	—	—	—	—	—	—	—
Depreciable/Amortizable P3 assets:									
Land and land improvements	—	—	—	—	—	—	—	—	—
Buildings and building improvements	—	—	—	—	—	—	—	—	—
Improvements, other than buildings	—	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—	—
Personal property:									
Equipment	—	—	—	—	—	—	—	—	—
Total depreciable/amortizable P3 assets	—	—	—	—	—	—	—	—	—
Less accumulated depreciation/amortization:									
Land and land improvements	—	—	—	—	—	—	—	—	—
Buildings and building improvements	—	—	—	—	—	—	—	—	—
Improvements, other than buildings	—	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—	—
Personal property:									
Equipment	—	—	—	—	—	—	—	—	—
Total accumulated depreciation/amortization	—	—	—	—	—	—	—	—	—
Total capital assets - P3 ROU, net	—	—	—	—	—	—	—	—	—

Total capital assets, net including ROU assets 1,309,117

Cal Poly Humboldt Sponsored Programs Foundation

Other Information

June 30, 2025

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense - capital assets, excluding ROU assets	\$ 125,639
Amortization expense - Leases ROU	145,724
Amortization expense - SBITA ROU	-
Amortization expense - P3 ROU	-

Amortization expense related to other assets

Total depreciation and amortization	\$ 271,363
--	-------------------

4 Long-term liabilities:

	Balance June 30, 2024	Prior Period Adjustments/R eclassifications	Balance June 30, 2024 (Restated)	Additions	Reductions	Balance June 30, 2025	Current Portion	Noncurrent Portion
1. Accrued compensated absences	492,558		492,558	630,160	-	1,122,718	936,941	185,777
2. Claims liability for losses and loss adjustment expenses	-		-			-		-
3. Capital lease obligations (pre-ASC 842):								
Gross balance	-		-			-		-
Unamortized net premium/(discount)	-		-			-	-	-
Total capital lease obligations (pre ASC 842)	-	-	-	-	-	-	-	-
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 Finance purchase of capital assets	-		-			-		-
4.5 Others:								
	-		-			-		-
	-		-			-		-
	-		-			-		-
	-		-			-		-
Total others	-	-	-	-	-	-	-	-
Sub-total long-term debt	-	-	-	-	-	-	-	-
4.6 Unamortized net bond premium/(discount)	-		-			-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-

5. Lease, SBITA, P3 liabilities:

	Balance June 30, 2024	Prior Period Adjustments/R eclassifications	Additions	Remeasurements	Reductions	Balance June 30, 2025	Current Portion	Noncurrent Portion
Lease liabilities	150,388		554,480		(255,154)	449,714	113,029	336,685
SBITA liabilities	-					-		-
P3 liabilities - SCA	-					-		-
P3 liabilities - non-SCA	-					-		-
Sub-total P3 liabilities	-	-	-	-	-	-	-	-
Total Lease, SBITA, P3 liabilities	\$ 150,388	-	554,480	-	(255,154)	449,714	113,029	336,685
Total long-term liabilities						\$ 1,572,432	\$ 1,049,970	\$ 522,462

Cal Poly Humboldt Sponsored Programs Foundation

Other Information

June 30, 2025

5 Future minimum payments schedule - leases, SBITA, P3:

	Lease Liabilities			SBITA liabilities			Public-Private or Public-Public Partnerships (P3)			Total Leases, SBITA, P3 liabilities		
	Principal Only	Interest Only	Principal and Interest	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:												
2026	113,029	19,401	132,430			-			-	113,029	19,401	132,430
2027	66,105	15,855	81,960			-			-	66,105	15,855	81,960
2028	74,600	12,280	86,880			-			-	74,600	12,280	86,880
2029	81,112	8,228	89,340			-			-	81,112	8,228	89,340
2030	85,406	3,934	89,340			-			-	85,406	3,934	89,340
2031 - 2035	29,462	318	29,780			-			-	29,462	318	29,780
2036 - 2040			-			-			-	-	-	-
2041 - 2045			-			-			-	-	-	-
2046 - 2050			-			-			-	-	-	-
2051 - 2055			-			-			-	-	-	-
Thereafter			-			-			-	-	-	-
Total minimum lease payments	\$ 449,714	60,016	509,730	-	-	-	-	-	-	449,714	60,016	509,730
Less: amounts representing interest												(60,016)
Present value of future minimum lease payments												449,714
Total Leases, SBITA, P3 liabilities												449,714
Less: current portion												(113,029)
Leases, SBITA, P3 liabilities, net of current portion												\$ 336,685

6 Future minimum payments schedule - Long-term debt obligations:

	Auxiliary revenue bonds (non-SRB related)			All other long-term debt obligations			Total long-term debt 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:									
2026			-			-	-	-	-
2027			-			-	-	-	-
2028			-			-	-	-	-
2029			-			-	-	-	-
2030			-			-	-	-	-
2031 - 2035			-			-	-	-	-
2036 - 2040			-			-	-	-	-
2041 - 2045			-			-	-	-	-
2046 - 2050			-			-	-	-	-
2051 - 2055			-			-	-	-	-
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									\$ -

Cal Poly Humboldt Sponsored Programs Foundation
Other Information
June 30, 2025

7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	3,942,128
Payments to University for other than salaries of University personnel	4,614,582
Payments received from University for services, space, and programs	1,067,426
Gifts-in-kind to the University from discretely presented component units	
Gifts (cash or assets) to the University from discretely presented component units	5,338
Accounts (payable to) University	(634,577)
Other amounts (payable to) University	
Accounts receivable from University	112
Other amounts receivable from University	

8 Restatements

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

Note: Additional account details can be found in the Table of Object Codes and CSU Fund Definitions

Debit/(Credit)

Restatement #1

Enter transaction description

Restatement #2

Enter transaction description

Cal Poly Humboldt Sponsored Programs Foundation
Other Information
June 30, 2025

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	10,619,734	2,872,305	444,336	—	—	13,713,986	—	27,650,361
Public service	7,153,676	2,061,504	432,550	—	—	14,452,750	—	24,100,480
Academic support	142,996	12,963	2,662	—	—	350,883	—	509,504
Student services	530,697	92,864	25,576	—	—	405,764	—	1,054,901
Institutional support	5,422	594	—	—	—	902	—	6,918
Operation and maintenance of plant	—	—	—	—	—	16,282	—	16,282
Student grants and scholarships	—	—	—	—	1,743,365	—	—	1,743,365
Auxiliary enterprise expenses	764,646	325,038	64,535	—	—	2,821,796	—	3,976,015
Depreciation and amortization	—	—	—	—	—	—	271,363	271,363
Total operating expenses	\$ 19,217,171	5,365,268	969,659	-	1,743,365	31,762,363	271,363	59,329,189

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 - leases
Deferred outflows - P3
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

—
—
\$ -

Cal Poly Humboldt Sponsored Programs Foundation
Other Information
June 30, 2025

SPF

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 - leases
Deferred inflows - P3
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	<u>-</u>
Total deferred inflows of resources	<u>\$ -</u>

11 Other nonoperating revenues (expenses)

Other nonoperating revenues	
Other nonoperating (expenses)	<u>(39,148)</u>
Total other nonoperating revenues (expenses)	<u>(39,148)</u>

Cal Poly Humboldt Sponsored Programs Foundation
Notes to Supplementary Information
Year Ended June 30, 2025

Note 1 – Supplementary Information

As an auxiliary organization of the California State University (CSU), Cal Poly Humboldt Sponsored Programs Foundation (SPF) 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 SPF's financial statements and the supplementary schedules for the CSU.

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, 2025, is as follows:

	2025	2024
Statement of revenues, expenses, and changes in net position		
Indirect cost revenue	\$ 6,265,343	\$ 3,610,234
Other operating revenues	1,075,150	480,128
Total other operating revenues	<u>\$ 7,340,493</u>	<u>\$ 4,090,362</u>
Supplementary schedule		
Statement of revenues, expenses, and changes in net position		
Other operating revenues	<u>\$ 7,340,493</u>	<u>\$ 4,090,362</u>

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*

The Board of Directors
Cal Poly Humboldt 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 Cal Poly Humboldt Sponsored Programs Foundation (the SPF), a component unit of Cal Poly Humboldt, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the SPF's basic financial statements, and have issued our report thereon dated September 15, 2025.

Report on Internal Control Over Financial Reporting

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Baker Tilly US, LLP

Medford, Oregon
September 15, 2025

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