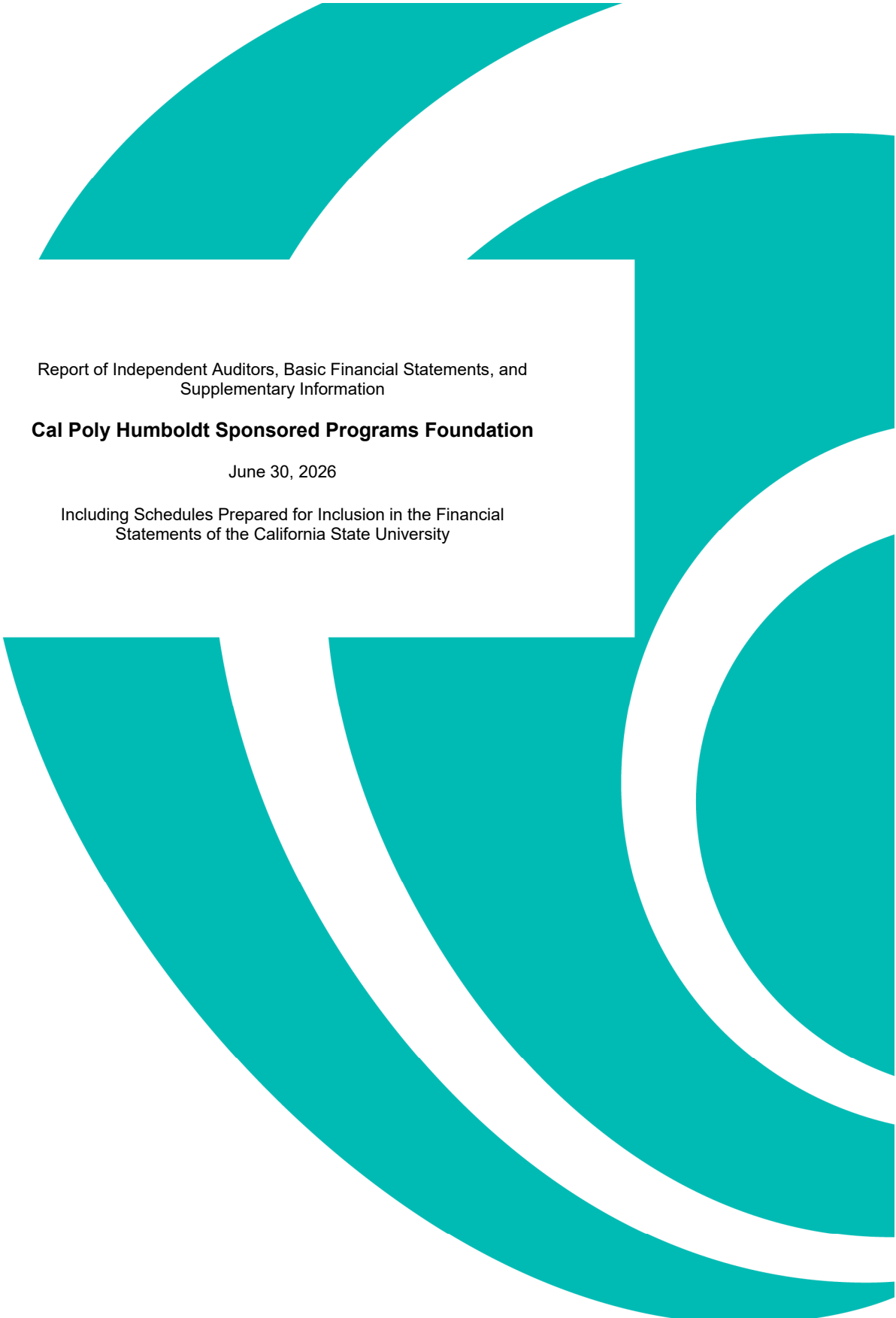




Report of Independent Auditors, Basic Financial Statements, and
Supplementary Information

Cal Poly Humboldt Sponsored Programs Foundation

June 30, 2026

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

Opinions

We have audited the financial statements of Cal Poly Humboldt Sponsored Programs Foundation (SPF), a component unit of Cal Poly Humboldt, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise SPF's basic financial statements as listed in the table of contents.

In our opinion, the accompanying basic financial statements referred to above present fairly, in all material respects, the financial position of Cal Poly Humboldt Sponsored Programs Foundation as of June 30, 2026, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits 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*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SPF's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. 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 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 judgment, there are conditions or events, 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 5 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 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 the supplementary information (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 16, 2026, 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 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 16, 2026

Management's Discussion and Analysis

Cal Poly Humboldt Sponsored Programs Foundation

Management's Discussion and Analysis

Year Ended June 30, 2026

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, 2026 and 2025. This discussion has been prepared by management and should be read in conjunction with the financial statements and notes.

Overview of 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.

The statement of net position is a year-end snapshot of financial position. The statement of revenues, expenses, and change in net position explains the movement from beginning to ending net position. The statement of cash flow explains the change in cash and cash equivalents and reconciles accrual basis operating income to operating cash flow.

For the year ended June 30, 2026, SPF implemented GASB Statement No. 103, *Financial Reporting Model Improvements*, which revised the required content and presentation of Management's Discussion and Analysis and certain presentation requirements for proprietary fund financial statements.

Financial 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, 2026

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

	2026	2025	Increase (Decrease)	Percent Change
Assets				
Current assets	\$ 33,180,803	\$ 33,016,387	\$ 164,416	0%
Capital assets, net	975,071	878,876	96,195	11%
Capital lease assets, net	318,826	430,241	(111,415)	-26%
Other noncurrent assets	300	300	-	0%
Total assets	<u>34,475,000</u>	<u>34,325,804</u>	<u>149,196</u>	<u>0%</u>
Liabilities				
Current liabilities	17,998,353	21,925,613	(3,927,260)	-18%
Other noncurrent liabilities	5,356,742	1,613,944	3,742,798	232%
Total liabilities	<u>23,355,095</u>	<u>23,539,557</u>	<u>(184,462)</u>	<u>-1%</u>
Net position				
Investment in capital assets	957,212	878,876	78,336	9%
Unrestricted	10,162,693	9,907,371	255,322	3%
Total net position	<u>\$ 11,119,905</u>	<u>\$ 10,786,247</u>	<u>\$ 333,658</u>	<u>3%</u>

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

	2026	2025	Increase (Decrease)	Percent Change
Operating revenues				
Grants and contracts, noncapital	\$ 59,107,242	\$ 53,230,822	\$ 5,876,420	11%
Indirect cost revenue	6,227,225	6,265,343	(38,118)	-1%
Other operating revenues	<u>770,333</u>	<u>1,075,150</u>	<u>(304,817)</u>	<u>-28%</u>
Total operating revenues	<u>66,104,800</u>	<u>60,571,315</u>	<u>5,533,485</u>	<u>9%</u>
Operating expenses	<u>66,068,561</u>	<u>59,312,907</u>	<u>6,755,654</u>	<u>11%</u>
Operating income	<u>36,239</u>	<u>1,258,408</u>	<u>(1,222,169)</u>	<u>-97%</u>
Nonoperating revenues (expenses)				
Investment income, net	350,183	420,736	(70,553)	-17%
Interest expense	(18,965)	(16,282)	(2,683)	16%
Other Nonoperating revenues	<u>-</u>	<u>40,868</u>	<u>(40,868)</u>	<u>-100%</u>
Net nonoperating revenues	<u>331,218</u>	<u>445,322</u>	<u>(114,104)</u>	<u>-26%</u>
Income before other additions	367,457	1,703,730	(1,336,273)	-78%
Transfers to other campus entities	<u>(33,799)</u>	<u>(80,016)</u>	<u>46,217</u>	<u>-58%</u>
Increase in net position	333,658	1,623,714	(1,290,056)	-79%
Net position at beginning of year	10,786,247	9,162,533	1,623,714	18%
Net position at end of year	<u>\$ 11,119,905</u>	<u>\$ 10,786,247</u>	<u>\$ 333,658</u>	<u>3%</u>

Cal Poly Humboldt Sponsored Programs Foundation

Management's Discussion and Analysis

Year Ended June 30, 2026

Detailed Analysis

Total assets increased \$149 thousand from FY 2025 to FY 2026 due to a \$164 thousand increase in current assets and a \$15 thousand decrease 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 and retirements.

Current assets increased \$164 thousand from FY 2025 to FY 2026 due to an increase in cash and cash equivalents of \$3.5 million and an increase in short-term investments of \$0.3 million, partially offset by a decrease of \$3.6 million in accounts receivable, net. The increase in cash and cash equivalents is mainly caused by increased grants and contracts revenue and indirect cost revenue as well as SPF setting aside 30% of its year-end General Operations net income to build a reserve balance. The increase in short-term investments of \$0.3 million, is due to earned interest. The decrease of \$3.6 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
	2026	2025		
Buildings – net	\$ -	\$ 66,966	\$ (66,966)	-100%
Equipment – net	975,071	811,910	163,161	20%
Total capital assets, net of accumulated depreciation	<u>\$ 975,071</u>	<u>\$ 878,876</u>	<u>\$ 96,195</u>	<u>11%</u>

Capital assets, net of accumulated depreciation, increased by \$96 thousand from FY 2025 to FY 2026 primarily due to \$470 thousand in new equipment, offset by building and equipment transfers to Cal Poly Humboldt and a third-party per their fund agreement with an adjusted basis of \$153 thousand, and other retirements of \$59 thousand and \$212 thousand in depreciation expense, and equipment.

Liabilities

Total liabilities decreased \$184 thousand from FY 2026 to FY 2025. Unearned revenue increased \$1.1 million primarily due to fluctuations in total prepayment balances at year end. Accrued salaries decreased \$0.1 million due to an increase in salary expense in the current year, and accrued compensated absences increased \$0.1 million caused by a general increase in payroll activity. Capital lease liability decreased \$0.1 million as a result of a regular reduction of the liability as the lease progresses through its lifespan.

Current liabilities increased \$3.9 million with a decrease to the current portion of unearned revenue of \$2.8 million and increase of \$1.0 million in compensated absences, offset by a decrease of \$1.2 million in accounts payable. The decrease in current liabilities is offset by a \$3.7 million increase in noncurrent liabilities mainly driven by a \$4.0 million decrease in the noncurrent portion of unearned revenue and a \$0.1 million decrease in the noncurrent portion of capitalized lease obligations due to the regular reduction of the liability as the lease progresses through its lifespan.

Cal Poly Humboldt Sponsored Programs Foundation

Management's Discussion and Analysis

Year Ended June 30, 2026

SPF has a line of credit with a bank, which 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, 2026.

Net Position

Total net position increased \$0.3 million from FY 2025 to FY 2026 primarily due to a combined increase in indirect cost and other operating revenue of \$0.3 million.

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

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.

Operating Revenues

Total operating revenues increased \$5.5 million, or 9%, from FY 2025 to FY 2026 due to a \$5.9 million increase in grants and contracts, noncapital, a \$0.04 million decrease in indirect cost revenue and \$0.3 million decrease in other operating revenues. SPF reports Federal revenue to include any revenue received from the Federal government by another entity and then passed through to SPF. State revenue increased 30%, Local revenue increased 16%, and Nongovernmental revenue increased 4%. This was offset by the 3% decrease in Federal revenue. The following charts present the proportional share that each category of operating revenues contributed to the total for fiscal years 2026 and 2025:

Operating Revenues Year Ended June 30, 2026

Grants and contracts, noncapital		
Federal	\$ 21,662,457	32.8%
State	25,893,586	39.2%
Local	833,350	2.2%
Nongovernmental	10,717,849	16.2%
Indirect cost revenue	6,227,225	9.4%
Other operating revenues	770,333	1.2%
Total operating revenues	\$ 66,104,800	100.00%

Cal Poly Humboldt Sponsored Programs Foundation
Management's Discussion and Analysis
Year Ended June 30, 2026

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	<u>1,075,150</u>	<u>1.8%</u>
 Total operating revenues	 <u><u>\$ 60,571,315</u></u>	 <u><u>100.00%</u></u>

Operating Expenses

Total operating expenses increased by \$6.6 million, or 11%, from FY 2025 to FY 2026 primarily due to a \$6.9 million aggregated increase in research, public service, auxiliary enterprises, scholarships and fellowships, operations of maintenance and plant, institutional support, and depreciation, offset by a \$0.2 million decrease in student services and academic support.

The following charts present the distribution of resources in support of SPF's mission for fiscal years 2026 and 2025:

Operating Expense
Year Ended June 30, 2026

Research	\$ 30,551,020	46.1%
Public service	26,354,528	39.9%
Academic support	399,935	0.6%
Student services	986,049	1.5%
Scholarships and fellowships	<u>2,311,628</u>	<u>3.5%</u>
 Total instruction and educational support activities	 <u><u>60,603,160</u></u>	 <u><u>91.7%</u></u>
 Institutional support	 65,968	 0.1%
Auxiliary enterprises	5,108,685	7.7%
Operation and maintenance of plant	-	0.0%
Depreciation	<u>290,748</u>	<u>0.4%</u>
 Total other operating expenses	 <u><u>5,465,401</u></u>	 <u><u>8.3%</u></u>
 Total operating expenses	 <u><u>\$ 66,068,561</u></u>	 <u><u>100.0%</u></u>

Cal Poly Humboldt Sponsored Programs Foundation
Management's Discussion and Analysis
Year Ended June 30, 2026

Operating Expense
Year Ended June 30, 2025

Research	\$ 27,634,079	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>55,042,329</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>\$ 59,312,907</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.

Transfers to Other Campus Entities

Transfers to other campus entities decreased \$0.05 million from FY 2025 to FY 2026 due to a decrease in cash transferred to Cal Poly Humboldt of \$0.02 million and a decrease of equipment transferred to Cal Poly Humboldt Foundation of \$0.04 million offset by an increase in equipment transferred to Cal Poly Humboldt of \$0.01 million.

Significant Capital Asset and Long-Term Financing Activities

In the current fiscal year, SPF's capital assets (buildings and equipment), net of accumulated depreciation, increased by \$96 thousand. This increase was comprised of a \$163 thousand increase in equipment, net, offset by a \$67 thousand decrease in buildings, net, from the retirement of a building leasehold improvement. Refer to Note 4 for additional information about SPF's capital assets.

SPF is a lessee for several properties, and, in accordance with GASB Statement No. 87, Leases, SPF records the applicable lease obligations and related accumulated amortization. For the current year, leases, net, decreased by \$15 thousand, and the long-term portion of capitalized lease obligations is \$271 thousand. Refer to Note 4 and Note 5 for additional information.

Cal Poly Humboldt Sponsored Programs Foundation

Management's Discussion and Analysis

Year Ended June 30, 2026

SPF maintains a \$4.0 million line of credit, secured by accounts receivable, to meet cash flow needs. During the current fiscal year, there were no changes to or utilization of the line of credit. SPF does not have any public-private or public-public partnerships or subscription-based information technology arrangements.

Currently Know Facts, Decisions, or Conditions

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 decreased \$0.03 million, or 1%, from FY 2025 to FY 2026 due to an overall decrease in the average indirect cost rate.

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, 2026

Assets

Current assets	
Cash and cash equivalents	\$ 10,620,289
Short-term investments	7,356,109
Accounts receivable	15,149,149
Prepaid expenses and other assets	55,256
Total current assets	<u>33,180,803</u>
Noncurrent assets	
Long-term investments	300
Capital assets, net	975,071
Capital lease assets, net	318,826
Total noncurrent assets	<u>1,294,197</u>
Total assets	<u>34,475,000</u>

Liabilities

Current liabilities	
Accounts payable	1,981,497
Accrued salaries and benefits payable	1,102,344
Accrued compensated absences – current portion	1,247,491
Unearned revenue – current portion	13,563,770
Capitalized lease obligations – current portion	66,105
Other liabilities	37,146
Total current liabilities	<u>17,998,353</u>
Noncurrent liabilities	
Accrued compensated absences, net of current portion	41,638
Unearned revenue, net of current portion	5,044,524
Capitalized lease obligations, net of current portion	270,580
Total noncurrent liabilities	<u>5,356,742</u>
Total liabilities	<u>23,355,095</u>

Net position

Net investment in capital assets	957,212
Unrestricted	10,162,693
Total net position	<u>\$ 11,119,905</u>

See accompanying notes.

Cal Poly Humboldt Sponsored Programs Foundation
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2026

Revenues	
Operating revenues	
Grants and contracts, noncapital	
Federal	\$ 21,662,457
State	25,893,586
Local	833,350
Nongovernmental	10,717,849
Indirect cost revenue	6,227,225
Other operating revenues	770,333
Total operating revenues	<u>66,104,800</u>
Expenses	
Operating expenses	
Research	30,551,020
Public service	26,354,528
Auxiliary enterprise	5,108,685
Scholarships and fellowships	2,311,628
Student services	986,049
Academic support	399,935
Institutional support	65,968
Depreciation	290,748
Total operating expenses	<u>66,068,561</u>
Operating income	36,239
Noncapital subsidies	
Other noncapital subsidies (provided)	<u>(33,799)</u>
Operating income and other noncapital subsidies	<u>2,440</u>
Nonoperating revenues	
Investment income	350,183
Interest expense	<u>(18,965)</u>
Nonoperating revenues	<u>331,218</u>
Increase in net position	333,658
Net position	
Net position at beginning of year	10,786,247
Net position at end of year	<u><u>\$ 11,119,905</u></u>

See accompanying notes.

Cal Poly Humboldt Sponsored Programs Foundation
Statement of Cash Flows
Year Ended June 30, 2026

Cash flows from operating activities	
Received from customers	\$ 70,895,526
Payments to employees and fringe benefits	(29,865,612)
Payments to vendors and suppliers	(37,108,904)
Payments for scholarships and fellowships	(28,422)
Net cash provided by operating activities	<u>3,892,588</u>
Cash flows from capital and related financing activities	
Acquisition and construction of capital assets	(469,629)
Principal paid on capital debt and leases	(80,686)
Net cash used in capital and related financing activities	<u>(550,315)</u>
Cash flows from investing activities	
Investment income	350,183
Interest expense	(18,965)
Purchase of investments	(174,767)
Net cash provided by investing activities	<u>156,451</u>
Net increase in cash and cash equivalents	3,498,724
Cash and cash equivalents at beginning of year	7,121,565
Cash and cash equivalents at end of year	<u><u>\$ 10,620,289</u></u>

See accompanying notes.

Cal Poly Humboldt Sponsored Programs Foundation
Statement of Cash Flows
Year Ended June 30, 2026

Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 36,239
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization expense	290,748
Changes in assets and liabilities	
Receivables, net	3,646,864
Prepaid items	(9,779)
Accounts payable and accrued liabilities	(1,053,492)
Unearned revenue, current	2,240,803
Other liabilities	(23,174)
Compensated absences and unearned revenue, noncurrent	(1,235,621)
Total adjustments	<u>3,856,349</u>
Net cash provided by operating activities	<u><u>\$ 3,892,588</u></u>
Noncash investing, capital, and financing activities	
Capital asset transfers, net of depreciation	\$ 16,874

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, SPF 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, 2026.

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, 2026, \$0 in unrestricted resources were expended to support these activities.

Classification of revenues and expenses – SPF classifies revenues and expenses as operating or nonoperating in accordance with GASB Statement No. 103, *Financial Reporting Model Improvements* and GASB Statement No. 35 *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities*. Operating revenues and expenses are revenues and expenses other than non-operating revenues and expenses. Nonoperating revenues and expenses include subsidies received or provided, revenues and expenses related to financing, resources arising from the disposal of capital assets and inventory, and investment income and expenses. Revenues or expenses that otherwise would be classified as nonoperating are classified as operating when the related transactions constitute SPF's principal ongoing operations. Noncapital subsidies are presented separately from other nonoperating revenues and expenses

Cal Poly Humboldt Sponsored Programs Foundation

Notes to Financial Statements

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 expensed for the purpose specified as incurred. Amounts received in excess of expenses incurred as of the financial statements date are classified as unearned revenue.

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, 2026, are classified in the accompanying statement of net position as follows:

Cash and cash equivalents	<u>\$ 10,620,289</u>
Total cash and cash equivalents	<u>10,620,289</u>
Short-term investments – net asset value	7,356,109
Other long-term investments – Level 2	<u>300</u>
Total investments	<u>7,356,409</u>
Total cash, cash equivalents and investments	<u><u>\$ 17,976,698</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 \$10,620,289 had a corresponding carrying balance with the commercial banks of \$10,898,012 at June 30, 2026. 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, 2026, SPF's uninsured, uncollateralized cash balances were \$10,361,878.

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, 2026, 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, 2026, cash in LAIF was \$7,356,109.

Long-term investments – For the year ended June 30, 2026, 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, 2026, consisted of the following:

	Balance at June 30, 2025	Purchases/ Additions	(Settlements)/ Deletions	Balance at June 30, 2026
Stock	\$ 300	\$ -	\$ -	\$ 300
Total	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300</u>

Investment income, net for the year ended June 30, 2026, is summarized as follows:

Interest income	\$ 350,183
Total	<u>\$ 350,183</u>

Investments reported at fair market value – As of June 30, 2026, the investments included within SPF's financial statements are classified as follows:

Level 2 – \$300 (100%) at June 30, 2026.

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 are 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 receivable, net as of June 30, 2026, are summarized as follows:

State and local grants and contracts	\$ 7,039,905
Federal grants and contracts	6,610,917
Non-governmental grants and contracts	948,876
Other receivables	549,451
Total	<u>\$ 15,149,149</u>

The allowance for uncollectible accounts is \$0 for the year ended June 30, 2026. Unbilled grant and contract receivables are \$13,004,222 as of June 30, 2026. 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, 2026, consisted of the following:

	Balance, June 30, 2025	Additions	Transfers / Retirements	Balance, June 30, 2026
Depreciable/amortizable capital assets				
Buildings	\$ 81,998	\$ -	\$ (81,998)	\$ -
Equipment	1,160,689	469,629	(155,029)	1,475,289
Leases	759,059	-	(317,608)	441,451
	<u>2,001,746</u>	<u>469,629</u>	<u>(554,635)</u>	<u>1,916,740</u>
Total depreciable capital assets	<u>2,001,746</u>	<u>469,629</u>	<u>(554,635)</u>	<u>1,916,740</u>
Total cost	<u>2,001,746</u>	<u>469,629</u>	<u>(554,635)</u>	<u>1,916,740</u>
Less accumulated depreciation/ amortization				
Buildings	(15,033)	(911)	15,944	-
Equipment	(348,778)	(210,765)	59,325	(500,218)
Leases	(328,818)	(79,072)	285,265	(122,625)
	<u>(692,629)</u>	<u>(290,748)</u>	<u>360,534</u>	<u>(622,843)</u>
Total accumulated depreciation	<u>(692,629)</u>	<u>(290,748)</u>	<u>360,534</u>	<u>(622,843)</u>
Net capital assets, including lease assets	<u>\$ 1,309,117</u>	<u>\$ 178,881</u>	<u>\$ (194,101)</u>	<u>\$ 1,293,897</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, 2026, capital assets with a net book value of \$16,874 were transferred from SPF to Cal Poly Humboldt. Other net assets with a net book value of \$76,551 were transferred to a non-campus third party per the award agreement. Although not crossing entities, there was a retirement of a building leasehold improvement with a net book value of \$68,333.

Cal Poly Humboldt Sponsored Programs Foundation

Notes to Financial Statements

Total depreciation expense for SPF for the year ended June 30, 2026, was \$290,748. Building and equipment depreciation expense was \$211,676 and capital leases depreciation expense was \$79,072.

Note 5 – Long-Term Liabilities

Long-term liabilities activities for the year ended June 30, 2026, are summarized as follows:

	Balance at June 30, 2025	Increase	Decrease	Balance at June 30, 2026	Current Portion	Long-Term Portion
Accrued compensated absences	\$ 1,122,718	\$ 1,289,129	\$ (1,122,718)	\$ 1,289,129	\$ 1,247,491	\$ 41,638
Unearned revenue	17,458,973	18,608,294	(17,458,973)	18,608,294	13,563,770	5,044,524
	<u>\$ 18,581,691</u>	<u>\$ 19,897,423</u>	<u>\$ (18,581,691)</u>	<u>\$ 19,897,423</u>	<u>\$ 14,811,261</u>	5,086,162
Capitalized lease obligations, net of current portion						<u>270,580</u>
Total long-term obligations as reported in the statement of net position						<u>\$ 5,356,742</u>

Note 6 – Line of Credit

SPF has a line of credit with a bank, which 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, 2026.

Note 7 – Net Position

As of June 30, 2026, the unrestricted portion of SPF's net position was designated for the following purposes:

Funds	
Sponsored programs related funds	\$ 3,818,787
Campus program funds	808
Total funds	<u>3,819,595</u>
Current operations and working capital	<u>6,343,098</u>
Total	<u>\$ 10,162,693</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, 2026, SPF adopted GASB Statement No. 103, *Financial Reporting Model Improvements*. The statement introduces targeted improvements to governmental financial reporting, including Management's Discussion and Analysis (MD&A), reporting of unusual or infrequent items, proprietary fund operating vs. nonoperating revenues and expenses, major component unit presentation, and budgetary comparison information. Adoption resulted in changes to financial statement presentation and terminology but did not affect beginning net position or the total change in net position.

During the fiscal year ended June 30, 2026, SPF implemented GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The Statement requires separate note disclosure of certain capital assets, including lease assets, intangible right-to-use assets arising from public-private or public-public partnerships, subscription assets, other intangible assets, and capital assets held for sale. SPF applied the requirements retroactively to all periods presented, as applicable. Implementation did not affect any financial statement line items or result in additional capital asset disclosures as of June 30, 2026.

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, 2026. 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. \$121,282 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, 2025	Additions	Deletions	Balance, June 30, 2026
Right-to-use assets				
Buildings	\$ 759,059	\$ -	\$ (317,608)	\$ 441,451
Total right-to-use assets	759,059	-	(317,608)	441,451
Less accumulated amortization				
Buildings	(328,818)	(79,072)	285,265	(122,625)
Net right-to-use assets	<u>\$ 430,241</u>	<u>\$ (79,072)</u>	<u>\$ (32,343)</u>	<u>\$ 318,826</u>

SPF recognized \$79,072 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.

Cal Poly Humboldt Sponsored Programs Foundation

Notes to Financial Statements

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.

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 have had an 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, 2026, operating expenses by natural classification consisted of the following:

Functional classification	Salaries	Benefits	Scholarships and Fellowships	Supplies and Other Services	Depreciation	Total
Research	\$ 10,944,410	\$ 3,201,550	\$ -	\$ 16,405,060	\$ -	\$ 30,551,020
Public service	7,287,105	2,618,672	-	16,448,751	-	26,354,528
Auxiliary enterprise	1,104,475	629,610	-	3,374,600	-	5,108,685
Scholarships and fellowships	-	-	2,311,628	-	-	2,311,628
Student services	256,678	27,637	-	701,734	-	986,049
Academic support	63,226	8,213	-	328,496	-	399,935
Institutional support	46,434	4,984	-	14,550	-	65,968
Operation and maintenance of plant	-	-	-	-	-	-
Depreciation	-	-	-	-	290,748	290,748
Total	<u>\$ 19,702,328</u>	<u>\$ 6,490,666</u>	<u>\$ 2,311,628</u>	<u>\$ 37,273,191</u>	<u>\$ 290,748</u>	<u>\$ 66,068,561</u>

Note 12 – Defined Contribution Plan

SPF maintains the Cal Poly Humboldt Sponsored 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.

Cal Poly Humboldt Sponsored Programs Foundation

Notes to Financial Statements

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.

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 \$1,188,830 on behalf of covered employees for the year ended June 30, 2026. These amounts are also the pension expense for this period.

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, 2026, SPF transferred the following to Cal Poly Humboldt and other campus entities:

	2026
Transfer of fixed assets to the University	\$ 16,874
Transfer of cash to Cal Poly Humboldt Foundation	16,925
Total	<u>\$ 33,799</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, 2026, SPF paid Cal Poly Humboldt \$7,202,176, of which \$229,798 was owed at June 30, 2026.

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, 2026, was \$3,119,770.

Cal Poly Humboldt Sponsored Programs Foundation

Notes to Financial Statements

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 \$757,121, for the year ended June 30, 2026.

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, 2026:

Payments to Cal Poly Humboldt for salaries of University personnel working on contracts, grants, and other programs	\$ 3,119,770
Payments to Cal Poly Humboldt for other than salaries of University personnel	7,202,176
Payments received from Cal Poly Humboldt for services, space, and programs	757,121
Gifts (cash or assets) to Cal Poly Humboldt	16,874
Gifts (cash or assets) to Cal Poly Humboldt Foundation	16,925
Accounts (payable to) Cal Poly Humboldt	(229,798)
Accounts receivable from Cal Poly Humboldt	3,500
Accounts receivable from Cal Poly Humboldt Foundation	221,477
Payments to Cal Poly Humboldt Foundation	190,351
Payments received from Cal Poly Humboldt Foundation	924,465

Supplementary Information

Cal Poly Humboldt Sponsored Programs Foundation
Schedule of Net Position
June 30, 2026

Assets:

Current assets:

Cash and cash equivalents	10,620,289
Short-term investments	7,356,109
Accounts receivable, net	15,149,149
Lease receivable, current portion	—
P3 receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net, current portion	—
Prepaid expenses and other current assets	55,256
Total current assets	33,180,803

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	1,293,897
Other assets	—
Total noncurrent assets	1,294,197
Total assets	34,475,000

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, 2026

Liabilities:

Current liabilities:

Accounts payable	1,981,497
Accrued salaries and benefits payable	1,102,344
Accrued compensated absences - current portion	1,247,491
Unearned revenues	13,563,770
Lease Liabilities - current portion	66,105
SBITA liabilities - current portion	—
P3 liabilities - current portion	—
Long-term debt obligations - current portion	—
Claims liability for losses and loss adjustment expenses, current portion	—
Depository accounts - current portion	—
Other liabilities, current	37,146
Total current liabilities	17,998,353

Noncurrent liabilities:

Accrued compensated absences, net of current portion	41,638
Unearned revenues	5,044,524
Grants refundable	—
Lease liabilities, net of current portion	270,580
SBITA liabilities, net of current portion	—
P3 liabilities, 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	5,356,742
Total liabilities	23,355,095

Deferred inflows of resources:

Service concession arrangements	—
Net pension liability	—
Net OPEB liability	—
Unamortized gain on debt refunding(s)	—
Nonexchange transactions	—
Leases	—
P3	—
Others	—
Total deferred inflows of resources	—

Cal Poly Humboldt Sponsored Programs Foundation
Schedule of Net Position
June 30, 2026

Net position:

Net investment in capital assets	957,212
Restricted for:	
Endowments	—
Expendable:	
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Others	—
Unrestricted	<u>10,162,693</u>
Total net position	<u><u>11,119,905</u></u>

Cal Poly Humboldt Sponsored Programs Foundation
Schedule of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2026

Revenues:

Operating revenues:

Student Tuition & Fees, gross	—
Scholarship allowances, enter as negative	—

Student Financial Aid Grants:

Federal Financial Aid Grants	—
State Financial Aid Grants	—
Local Financial Aid Grants	—
Nongovernmental and Other Financial Aid Grants	—

Grants and contracts, noncapital:

Federal	21,662,457
State	25,893,586
Local	833,350
Nongovernmental	10,717,849
Sales and services of Educational Activities	—
Sales and services Auxiliary Enterprises, gross	—
Scholarship allowances for sales of auxiliary enterprises	—
Other operating revenues	6,997,558
Total operating revenues	66,104,800

Expenses:

Operating expenses:

Instruction	—
Research	30,551,020
Public service	26,354,528
Academic support	399,935
Student services	986,049
Institutional support	65,968
Operation and maintenance of plant	—
Student grants and scholarships	2,311,628
Auxiliary enterprise expenses	5,108,685
Depreciation and amortization	290,748
Total operating expenses	66,068,561

Cal Poly Humboldt Sponsored Programs Foundation
Schedule of Revenues, Expenses, and Changes in Net Position
June 30, 2026

NonCapital Subsidies:

State appropriations	—
Gifts	—
Other Noncapital Subsidies received/(provided)	(33,799)
Federal Noncapital Subsidies received/(provided)	—
Total NonCapital Subsidies Provided:	<u>(33,799)</u>

Operating Income (Loss) and NonCapital Subsidies: 2,440

Nonoperating revenues (expenses):

Federal Subsidies, capital received/(provided)	—
State appropriations, capital	—
Capital Subsidies received/(provided)	—
Grants and gifts, capital	—
Investment income (loss), net	350,183
Endowment income (loss), net	—
Interest Revenue	—
Interest Expense	(18,965)
Gains or losses on capital assets	—
Additions/reductions to permanent endowments	—
Total nonoperating revenues (expenses)	<u>331,218</u>
Increase (decrease) in net position	<u>333,658</u>

Net position:

Net position at beginning of year, as previously reported	10,786,247
Restatements	—
Net position at beginning of year, as restated	<u>10,786,247</u>
Net position at end of year	<u><u>11,119,905</u></u>

Cal Poly Humboldt Sponsored Programs Foundation
Other Information
June 30, 2026

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

Total

0
10,620,289
\$ 10,620,289

2.1 Composition of investments

Investment Type	Current	Noncurrent	Total
Money market funds			0
Repurchase agreements			0
Certificates of deposit			0
U.S. agency securities			0
U.S. treasury securities			0
Municipal bonds			0
Corporate bonds			0
Asset backed securities			0
Mortgage backed securities			0
Commercial paper			0
Supranational			0
Mutual funds			0
Exchange traded funds			0
Equity securities			0
Alternative investments:			
Private equity (including limited partnerships)			0
Hedge funds			0
Managed futures			0
Real estate investments (including REITs)			0
Commodities			0
Derivatives			0
Other alternative investment types			0
Other external investment pools			0
CSU Consolidated Investment Pool (formerly SWIFT)			0
State of California Local Agency Investment Fund (LAIF)	7,356,109		7,356,109
State of California Surplus Money Investment Fund (SMIF)			0
Other investments:			
Stock		300	300
			0
			0
			0
			0
Total other investments:	0	300	300
Total investments	7,356,109	300	7,356,409
Less endowment investments (enter as negative number)	0	0	0
Total investments, net of endowments	\$ 7,356,109	300	7,356,409

Cal Poly Humboldt Sponsored Programs Foundation

Other Information

June 30, 2026

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	0				
Repurchase agreements	0				
Certificates of deposit	0				
U.S. agency securities	0				
U.S. treasury securities	0				
Municipal bonds	0				
Corporate bonds	0				
Asset backed securities	0				
Mortgage backed securities	0				
Commercial paper	0				
Supranational	0				
Mutual funds	0				
Exchange traded funds	0				
Equity securities	0				
Alternative investments:					
Private equity (including limited partnerships)	0				
Hedge funds	0				
Managed futures	0				
Real estate investments (including REITs)	0				
Commodities	0				
Derivatives	0				
Other alternative investment types	0				
Other external investment pools	0				
CSU Consolidated Investment Pool (formerly SWIFT)	0	0	0	0	
State of California Local Agency Investment Fund (LAIF)	7,356,109	0	0	0	7,356,109
State of California Surplus Money Investment Fund (SMIF)	0	0	0	0	
Other investments:					
Stock	300		300	0	
	0				
	0				
	0				
	0				
Total other investments:	300	0	300	0	0
Total investments	\$ 7,356,409	0	300	0	7,356,109

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):			\$ 0

Cal Poly Humboldt Sponsored Programs Foundation

Other Information

June 30, 2026

3.1 Capital Assets

Composition of capital assets, excluding ROU assets:

	Balance June 30, 2025	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2025 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2026
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements	0				0				0
Works of art and historical treasures	0				0				0
Construction work in progress (CWIP)	0				0				0
Intangible assets:									
Rights and easements	0				0				0
Patents, copyrights and trademarks	0				0				0
Intangible assets in progress (PWIP)	0				0				0
Licenses and permits	0				0				0
Other intangible assets:	0				0				0
	0				0				0
	0				0				0
	0				0				0
	0				0				0
Total Other intangible assets	0	0	0	0	0	0	0	0	0
Total intangible assets	0	0	0	0	0	0	0	0	0
Total non-depreciable/non-amortizable capital assets	0	0	0	0	0	0	0	0	0
Depreciable/Amortizable capital assets:									
Buildings and building improvements	81,999				81,999		-81,999		0
Improvements, other than buildings	0				0				0
Infrastructure	0				0				0
Leasehold improvements	0				0				0
Personal property:									
Equipment	1,160,689				1,160,689	469,628	-152,750		1,477,567
Library books and materials	0				0				0
Intangible assets:									
Software and websites	0				0				0
Rights and easements	0				0				0
Patents, copyrights and trademarks	0				0				0
Licenses and permits	0				0				0
Other intangible assets:	0				0				0
	0				0				0
	0				0				0
	0				0				0
Total Other intangible assets	0	0	0	0	0	0	0	0	0
Total intangible assets	0	0	0	0	0	0	0	0	0
Total depreciable/amortizable capital assets	1,242,688	0	0	0	1,242,688	469,628	(234,749)	0	1,477,567
Total capital assets	1,242,688	0	0	0	1,242,688	469,628	(234,749)	0	1,477,567
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Buildings and building improvements	(15,033)				(15,033)	-911	15944		0
Improvements, other than buildings	0				0				0
Infrastructure	0				0				0
Leasehold improvements	0				0				0
Personal property:									
Equipment	(348,779)			1	(348,778)	-210,765	57,047		(502,496)
Library books and materials	0				0				0
Intangible assets:									
Software and websites	0				0				0
Rights and easements	0				0				0
Patents, copyrights and trademarks	0				0				0
Licenses and permits	0				0				0
Other intangible assets:	0				0				0
	0				0				0
	0				0				0
	0				0				0
Total Other intangible assets	0	0	0	0	0	0	0	0	0
Total intangible assets	0	0	0	0	0	0	0	0	0
Total accumulated depreciation/amortization	(363,812)	0	0	1	(363,811)	(211,676)	72,991	0	(502,496)
Total capital assets, net excluding ROU assets	878,876	0	0	1	878,877	257,952	(161,758)	0	975,071

Does the component unit have any capital assets held for sale?

No

Date sale approved:	Item	Asset Category	Asset Cost (+)	Accumulated Depreciation (-)	NBV	Is asset pledged as collateral?	Debt Outstanding Balance	Sale probable within one year?
					\$ 0.00			
					\$ 0.00			
					\$ 0.00			
					\$ 0.00			

Cal Poly Humboldt Sponsored Programs Foundation

Other Information

June 30, 2026

Capital Assets - Right of Use, net

Composition of capital assets - Lease ROU, net:	Balance June 30, 2025	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2025 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2026
Non-depreciable/Non-amortizable lease assets:									
Land and land improvements	0				0				0
Total non-depreciable/non-amortizable lease assets	0	0	0	0	0	0	0	0	0
Depreciable/Amortizable lease assets:									
Land and land improvements	0				0				0
Buildings and building improvements	759,059				759,059		-317,608		441,451
Improvements, other than buildings	0				0				0
Infrastructure	0				0				0
Personal property:									
Equipment	0				0				0
Total depreciable/amortizable lease assets	759,059	0	0	0	759,059	0	(317,608)	0	441,451
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Land and land improvements	0				0				0
Buildings and building improvements	(328,818)				(328,818)	-79,072	285,265		(122,625)
Improvements, other than buildings	0				0				0
Infrastructure	0				0				0
Personal property:									
Equipment	0				0				0
Total accumulated depreciation/amortization	(328,818)	0	0	0	(328,818)	(79,072)	285,265	0	(122,625)
Total capital assets - lease ROU, net	430,241	0	0	0	430,241	(79,072)	(32,343)	0	318,826
Composition of capital assets - SBITA ROU, net	Balance June 30, 2025	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2025 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2026
Depreciable/Amortizable SBITA assets:									
Software	0				0				0
Total depreciable/amortizable SBITA assets	0	0	0	0	0	0	0	0	0
Less accumulated depreciation/amortization:									
Software	0				0				0
Total accumulated depreciation/amortization	0	0	0	0	0	0	0	0	0
Total capital assets - SBITA ROU, net	0	0	0	0	0	0	0	0	0
Composition of capital assets - P3 ROU, net:	Balance June 30, 2025	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2025 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2026
Non-depreciable/Non-amortizable P3 assets:									
Land and land improvements	0				0				0
Total non-depreciable/non-amortizable P3 assets	0	0	0	0	0	0	0	0	0
Depreciable/Amortizable P3 assets:									
Land and land improvements	0				0				0
Buildings and building improvements	0				0				0
Improvements, other than buildings	0				0				0
Infrastructure	0				0				0
Personal property:									
Equipment	0				0				0
Total depreciable/amortizable P3 assets	0	0	0	0	0	0	0	0	0
Less accumulated depreciation/amortization:									
Land and land improvements	0				0				0
Buildings and building improvements	0				0				0
Improvements, other than buildings	0				0				0
Infrastructure	0				0				0
Personal property:									
Equipment	0				0				0
Total accumulated depreciation/amortization	0	0	0	0	0	0	0	0	0
Total capital assets - P3 ROU, net	0	0	0	0	0	0	0	0	0
Total capital assets, net including ROU assets									1,293,897

Cal Poly Humboldt Sponsored Programs Foundation

Other Information

June 30, 2026

3.2 Detail of depreciation and amortization expense

Depreciation and amortization expense related to capital assets	\$ 211,676
Amortization expense - Leases ROU	79,072
Amortization expense - SBITA ROU	0
Amortization expense - P3 ROU	0

Depreciation and Amortization expense - Others

Provide explanation
for others:

\$ 290,748

4. Long-term liabilities

	Balance June 30, 2025	Prior Period Adjustments/Reclas sifications	Balance June 30, 2025 (Restated)	Additions	Reductions	Balance June 30, 2026	Current Portion	Noncurrent Portion
1. Accrued compensated absences	1,122,718		1,122,718	166,411	0	1,289,129	124,749	41,638
2. Claims liability for losses and loss adjustment expenses	0		0			0		0
3. Capital lease obligations (pre-ASC 842):								
Gross balance	0		0			0		0
Unamortized net premium/(discount)	0		0			0	0	0
Total capital lease obligations (pre ASC 842)	0	0	0	0	0	0	0	0
4. Long-term debt obligations:								
4.1 Auxiliary revenue bonds (non-SRB related)	0		0			0	0	0
4.2 Commercial paper	0		0			0		0
4.3 Notes payable (SRB related)	0		0			0		0
4.4 Finance purchase of capital assets	0		0			0		0
4.5 Others:								
	0		0			0		0
	0		0			0		0
	0		0			0		0
	0		0			0		0
Total others	0	0	0	0	0	0	0	0
Sub-total long-term debt	0	0	0	0	0	0	0	0
4.6 Unamortized net bond premium/(discount)	0		0			0	0	0
Total long-term debt obligations	0	0	0	0	0	0	0	0
5. Lease, SBITA, P3 liabilities:								
Lease liabilities	449,714		0		-113,029	336,685	66,105	270,580
SBITA liabilities	0					0		0
P3 liabilities - SCA	0					0		0
P3 liabilities - non-SCA	0					0		0
Sub-total P3 liabilities	0	0	0	0	0	0	0	0
Total Lease, SBITA, P3 liabilities	\$ 449,714	\$ 0	\$ 0	\$ 0	\$ (113,029)	\$ 336,685	\$ 66,105	\$ 270,580
Total long-term liabilities						\$ 1,625,814	\$ 1,313,596	\$ 312,218

Cal Poly Humboldt Sponsored Programs Foundation

Other Information

June 30, 2026

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:												
2027	66,105	15,855	81,960			0			0	66,105	15,855	81,960
2028	74,600	12,280	86,880			0			0	74,600	12,280	86,880
2029	81,112	8,228	89,340			0			0	81,112	8,228	89,340
2030	85,406	3,934	89,340			0			0	85,406	3,934	89,340
2031	29,462	318	29,780			0			0	29,462	318	29,780
2032 - 2036			0			0			0	0	0	0
2037 - 2041			0			0			0	0	0	0
2042 - 2046			0			0			0	0	0	0
2047 - 2051			0			0			0	0	0	0
2052 - 2056			0			0			0	0	0	0
Thereafter			0			0			0	0	0	0
Total minimum lease payments	\$ 336,685	\$ 40,615	\$ 377,300	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 336,685	\$ 40,615	\$ 377,300
Less: amounts representing interest												(40,615)
Present value of future minimum lease payments												336,685
Total Leases, SBITA, P3 liabilities												336,685
Less: current portion												(66,105)
Leases, SBITA, P3 liabilities, net of current portion												\$ 270,580

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	Interest	Principal Only	Interest Only	Interest	Principal Only	Interest Only	Interest
Year ending June 30:									
2027			0			0	0	0	0
2028			0			0	0	0	0
2029			0			0	0	0	0
2030			0			0	0	0	0
2031			0			0	0	0	0
2032 - 2036			0			0	0	0	0
2037 - 2041			0			0	0	0	0
2042 - 2046			0			0	0	0	0
2047 - 2051			0			0	0	0	0
2052 - 2056			0			0	0	0	0
Thereafter			0			0	0	0	0
Total minimum payments	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Less: amounts representing interest									0
Present value of future minimum payments									0
Unamortized net premium/(discount)									0
Total long-term debt obligations									0
Less: current portion									0
Long-term debt obligations, net of current portion									\$ 0

Cal Poly Humboldt Sponsored Programs Foundation

Other Information

June 30, 2026

7. Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	3,119,770
Payments to University for other than salaries of University personnel	7,202,176
Payments received from University for services, space, and programs	757,121
Gifts-in-kind to the University from discretely presented component units	
Gifts (cash or assets) to the University from discretely presented component units	16,874
Accounts (payable to) University (enter as negative number)	-229,798
Other amounts (payable to) University (enter as negative number)	
Accounts receivable from University (enter as positive number)	3,500
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:

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

Restatement #1

Enter transaction description

Debit/(Credit)

Restatement #2

Enter transaction description

\$ 0

\$ 0

Cal Poly Humboldt Sponsored Programs Foundation

Other Information

June 30, 2026

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	0	0	0	0		0		0
Research	10,944,410	2,620,079	581,471	0		16,405,060		30,551,020
Public service	7,287,105	2,114,548	504,124	0		16,448,751		26,354,528
Academic support	63,226	5,509	2,704	0		328,496		399,935
Student services	256,678	24,013	3,624	0		701,734		986,049
Institutional support	46,434	4,984	0	0		14,550		65,968
Operation and maintenance of plant	0	0	0	0		0		0
Student grants and scholarships					2,311,628			2,311,628
Auxiliary enterprise expenses	1,104,475	556,044	73,566	0		3,374,600		5,108,685
Depreciation and amortization							290,748	290,748
Total operating expenses	\$ 19,702,328	\$ 5,325,177	\$ 1,165,489	\$ 0	\$ 2,311,628	\$ 37,273,191	\$ 290,748	\$ 66,068,561

Select type of pension plan >>

Defined
Contribution Plan

Cal Poly Humboldt Sponsored Programs Foundation
Other Information
June 30, 2026

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	<u>0</u>
Total deferred outflows of resources	<u>\$ 0</u>

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>0</u>
Total deferred inflows of resources	<u>\$ 0</u>

Cal Poly Humboldt Sponsored Programs Foundation

Note to Supplementary Information

Note 1 – Organization

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, 2026, is as follows:

Statement of revenues, expenses, and changes in net position	
Indirect cost revenue	\$ 6,227,225
Other operating revenues	<u>770,333</u>
Total other operating revenues	<u>\$ 6,997,558</u>
Supplementary schedule	
Statement of revenues, expenses, and changes in net position	
Other operating revenues	<u>\$ 6,997,558</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

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 (*Government Auditing Standards*), the financial statements of Cal Poly Humboldt Sponsored Programs Foundation (SPF), a component unit of Cal Poly Humboldt, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise SPF's basic financial statements, and have issued our report thereon dated September 16, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SPF's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 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 16, 2026

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