

**HUMBOLDT STATE UNIVERSITY  
SPONSORED PROGRAMS FOUNDATION**

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

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

**Year Ended June 30, 2022**

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## **Report of Independent Auditors**

The Board of Directors  
Humboldt State University Sponsored Programs Foundation

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the business-type activities of Humboldt State University Sponsored Programs Foundation (the Foundation), a component unit of Humboldt State University, as of and for the years ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Foundation'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 Foundation as of June 30, 2022, and the respective changes in financial position and cash flows thereof for the years 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 (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 Foundation 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 opinions.

#### ***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 the Foundation'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 the Foundation'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 the Foundation'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 10 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 opinions on the financial statements that collectively comprise the Humboldt State University Sponsored Programs Foundation's basic financial statements. The schedule of net position, schedule of revenues, expenses, and changes in net position, other information, note to supplementary information as listed in the table of contents on pages 29 through 39, and the schedule of expenditures of federal awards and related notes on pages 45 through 51, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (collectively, supplementary information), are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 7, 2022 on our consideration of Humboldt State University 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 Humboldt State University 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 Humboldt State University Sponsored Programs Foundation's internal control over financial reporting and compliance.

*Moss Adams LLP*

Medford, Oregon  
September 7, 2022

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

## Management's Discussion and Analysis

June 30, 2022 and 2021

This section of Humboldt State University Sponsored Programs Foundation's (the Foundation) annual financial report presents the Foundation's discussion and analysis of the financial performance of the Foundation for the fiscal years ended June 30, 2022 and 2021. This discussion has been prepared by management and should be read in conjunction with the financial statements and notes.

### **Introduction to the Financial Statements**

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

The financial statements include the 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 the Foundation.

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

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

**Statement of Cash Flows** – The statement of cash flows present 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 the Foundation's financial activities. Included are comparative analyses of current year and prior year's activities and balances and a discussion of restrictions of the Foundation's net position.

**HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION**

Management's Discussion and Analysis

June 30, 2022 and 2021

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

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
<b>Assets:</b>				
Current assets	\$ 17,247,694	\$ 15,136,640	\$ 2,111,054	14%
Capital assets, net	728,186	854,394	(126,208)	-15%
Capital lease assets, net	331,350	—	331,350	
Other noncurrent assets	300	300	—	0%
Total assets	<u>18,307,530</u>	<u>15,991,334</u>	<u>2,316,196</u>	14%
<b>Liabilities:</b>				
Current liabilities	8,568,571	6,642,593	1,925,978	29%
Other noncurrent liabilities	646,645	511,906	134,739	26%
Total liabilities	<u>9,215,216</u>	<u>7,154,499</u>	<u>2,060,717</u>	29%
<b>Net position:</b>				
Investment in capital assets	728,186	854,394	(126,208)	-15%
Unrestricted	8,364,128	7,982,441	381,687	5%
Total net position	\$ <u>9,092,314</u>	\$ <u>8,836,835</u>	\$ <u>255,479</u>	3%

**Assets**

Total assets increased \$2.3 million from FY 2021 to FY 2022 due to a \$2.1 million increase in current assets, a \$0.1 million decrease in capital assets, net of accumulated depreciation due to depreciation and a \$0.3 million increase in capital lease assets due to recognizing capital leases - buildings.

Current assets increased \$2.1 million from FY 2021 to FY 2022 due to an increase in cash and cash equivalents of \$1.2 million, increase in accounts receivable, net of \$1.0 million.

# HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

## Management's Discussion and Analysis

June 30, 2022 and 2021

### **Capital Assets**

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

	June 30		Increase (Decrease)	Percent Change
	2022	2021		
Buildings - net	\$ 150,016	\$ 166,360	\$ (16,344)	-10%
Equipment - net	578,170	688,034	(109,864)	-16%
Total capital assets, net of accumulated depreciation	\$ 728,186	\$ 854,394	\$ (126,208)	-15%

Capital assets decreased by \$0.1 million from FY 2021 to FY 2022 primarily due to \$0.1 million in depreciation expense.

### **Liabilities**

Total liabilities increased \$2.1 million from FY 2021 to FY 2022 due to a \$1.8 million increase in the line of credit and \$0.3 million increase in capitalized lease obligations, net of current portion.

The Foundation renewed a line of credit with a bank on October 12, 2021. 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, 2024. There was \$1.75 million outstanding on the loan as of June 30, 2022.

### **Net Position**

Total net position increased \$0.3 million from FY 2021 to FY 2022 due to the net income generated for the year ended June 30, 2022.

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

# HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

## Management's Discussion and Analysis

June 30, 2022 and 2021

### Operating Results

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

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

	2022	2021	Increase (Decrease)	Percent Change
Operating revenues:				
Grants and contracts, noncapital	\$ 33,328,225	\$ 34,377,720	\$ (1,049,495)	-3%
Indirect cost revenue	2,959,433	3,077,749	(118,316)	-4%
Other operating revenues	479,215	311,103	168,112	54%
Total operating revenues	36,766,873	37,766,572	(999,699)	-3%
Operating expenses	(36,487,486)	(37,486,049)	998,563	-3%
Operating income	279,387	280,523	(1,136)	0%
Nonoperating revenues (expenses):			-	
Investment income, net	5,307	6,453	(1,146)	-18%
Other nonoperating revenues (expenses), net	-	(6,452)	6,452	-100%
Net nonoperating revenues (expenses)	5,307	1	5,306	530600%
Income before other additions	284,694	280,524	4,170	1%
Transfers to other campus entities	(29,215)	(139,755)	110,540	-79%
Increase in net position	255,479	140,769	114,710	81%
Net position at beginning of year	8,836,835	8,696,066	140,769	2%
Net position at end of year	\$ 9,092,314	\$ 8,836,835	\$ 255,479	3%

### Operating Revenues and Expenses

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

# HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

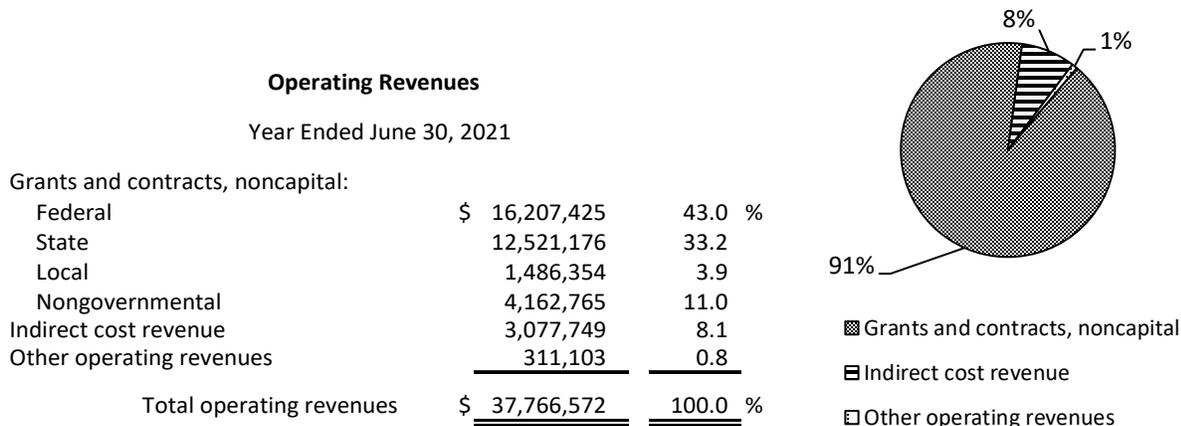
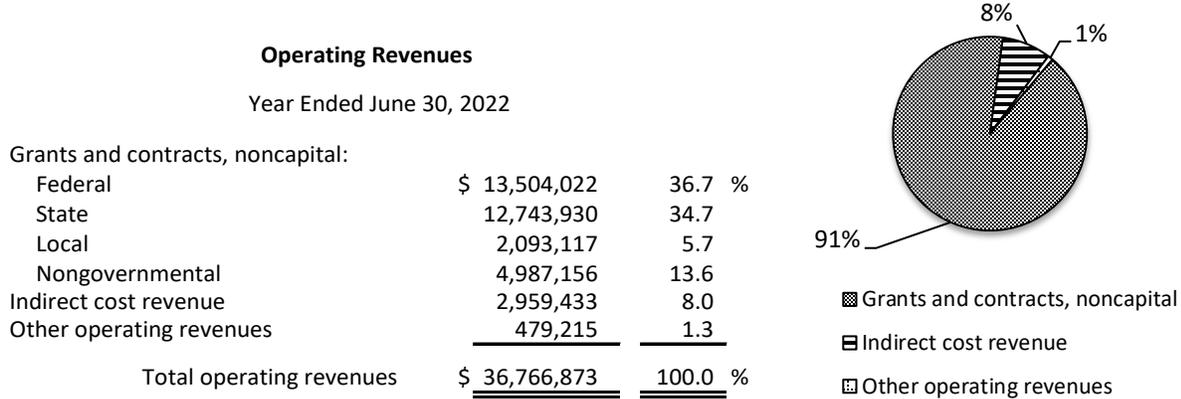
## Management's Discussion and Analysis

June 30, 2022 and 2021

### **Operating Revenues**

Total operating revenues decreased \$1.0 million, or -3%, from FY 2021 to FY 2022 due to a \$1.1 million decrease in grants and contracts, noncapital, a \$0.1 million decrease in indirect cost revenue and a \$0.2 million increase in other operating revenues. The increase in grants and contracts, noncapital is due to a decrease in federal grants and an increase in the state, local, and nongovernmental grants project activity. The increase in other operating revenues is the result of an increase in administrative fees income.

The following charts present the proportional share that each category of operating revenues contributed to the total for fiscal years 2022 and 2021:



# HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

## Management's Discussion and Analysis

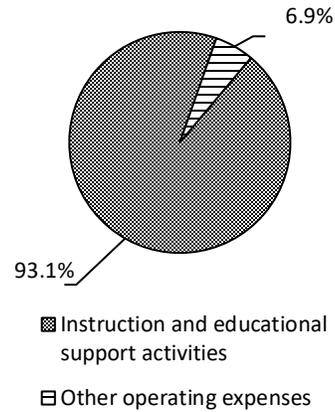
June 30, 2022 and 2021

### Operating Expenses

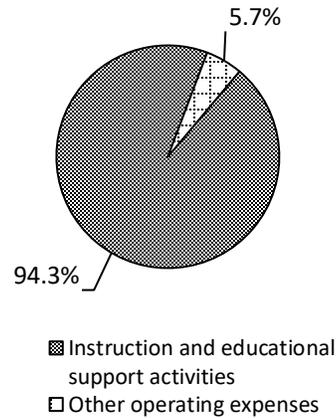
Total operating expenses decreased by \$1.0 million, or -3%, from FY 2021 to FY 2022 primarily due to a \$2.1 million aggregated increase in research, academic support, student services, institutional support, operation and maintenance of plant, auxiliary enterprises and depreciation, offset by a \$3.1 million aggregated decrease in public service and scholarships and fellowships. The \$1.0 million decrease is primarily related to decreased spending in the FY 2022 on grants and contracts.

The following charts present the distribution of resources in support of the Foundation's mission for fiscal years 2022 and 2021:

<b>Operating Expenses</b>		
Year ended June 30, 2022		
Research	\$ 12,846,978	35.3
Public service	19,792,073	54.3
Academic support	568,285	1.5
Student services	642,802	1.7
Scholarships and fellowships	<u>114,953</u>	<u>0.3</u>
<b>Total instruction and educational support activities</b>	<b><u>33,965,091</u></b>	<b><u>93.1</u></b>
Institutional support	32,498	0.1
Auxiliary enterprises	2,244,426	6.2
Operation and maintenance of plant	76,335	0.2
Depreciation	<u>169,136</u>	<u>0.4</u>
<b>Total other operating expenses</b>	<b><u>2,522,395</u></b>	<b><u>6.9</u></b>
<b>Total operating expenses</b>	<b><u>\$ 36,487,486</u></b>	<b><u>100.0 %</u></b>



<b>Operating Expenses</b>		
Year ended June 30, 2021		
Research	\$ 11,300,843	30.1
Public service	22,838,820	61.0
Academic support	425,507	1.1
Student services	610,043	1.7
Scholarships and fellowships	<u>157,573</u>	<u>0.4</u>
<b>Total instruction and educational support activities</b>	<b><u>35,332,786</u></b>	<b><u>94.3</u></b>
Institutional support	31,690	0.1
Auxiliary enterprises	1,975,550	5.3
Operation and maintenance of plant	37,018	0.1
Depreciation	<u>109,005</u>	<u>0.2</u>
<b>Total other operating expenses</b>	<b><u>2,153,263</u></b>	<b><u>5.7</u></b>
<b>Total operating expenses</b>	<b><u>\$ 37,486,049</u></b>	<b><u>100.0 %</u></b>



## HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Management's Discussion and Analysis

June 30, 2022 and 2021

### ***Nonoperating Revenues (Expenses)***

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

### ***Transfers to other campus entities***

Transfers to other campus entities decreased \$0.1 million from FY 2021 to FY 2022 primarily related to a decrease in equipment of \$0.1 million transferred to Humboldt State University.

### **Factors That Will Affect the Future**

#### ***Indirect Cost Revenue***

Indirect cost revenue is a factor that greatly affects the Foundation's ability to build and maintain a reserve adequate enough for supporting the grant and contract activity of the Foundation. Indirect cost revenue is earned as a percentage of spending on awarded grant and contracts. Indirect cost rates are generally dictated by the grant funder and are contractually agreed upon on all grants and contracts. Indirect cost revenue decreased \$0.1 million, or -4%, from FY 2021 to FY 2022 due to an decrease in federal grants and contracts activity due to funds received from the federal government for COVID-19 epidemic in the prior year.

#### ***Continued University Support***

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

### **Contact Information**

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

## **BASIC FINANCIAL STATEMENTS**

## HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

### Statement of Net Position

June 30, 2022

<b>Assets</b>	<b>2022</b>
Current assets:	
Cash and cash equivalents	\$ 2,712,121
Short-term investments	36,318
Accounts receivable, net	14,465,911
Prepaid expenses and other assets	33,344
Total current assets	<u>17,247,694</u>
Noncurrent assets:	
Long-term investments	300
Capital assets, net	728,186
Capital lease assets, net	331,350
Total noncurrent assets	<u>1,059,836</u>
<b>Total assets</b>	<b><u>18,307,530</u></b>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	2,575,955
Accrued salaries and benefits payable	736,134
Accrued compensated absences – current portion	269,509
Unearned revenue - current portion	3,124,262
Capitalized lease obligations – current portion	56,588
Line of credit	1,750,000
Other liabilities	56,123
Total current liabilities	<u>8,568,571</u>
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	129,801
Unearned revenue, net of current portion	240,866
Capitalized lease obligations, net of current portion	275,978
Total noncurrent liabilities	<u>646,645</u>
<b>Total liabilities</b>	<b><u>9,215,216</u></b>
<b>Net position:</b>	
Investment in capital assets	728,186
Unrestricted	8,364,128
<b>Total net position</b>	<b>\$ <u>9,092,314</u></b>

See accompanying notes.

## HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

### Statement of Revenues, Expenses, and Changes in Net Position Year Ended June 30, 2022

Revenues:	<u>2022</u>
Operating revenues:	
Grants and contracts, noncapital:	
Federal	\$ 13,504,022
State	12,743,930
Local	2,093,117
Nongovernmental	4,987,156
Indirect cost revenue	2,959,433
Other operating revenues	479,215
Total operating revenues	<u>36,766,873</u>
Expenses:	
Operating expenses:	
Research	12,846,978
Public service	19,792,073
Academic support	568,285
Student services	642,802
Institutional support	32,498
Operation and maintenance of plant	76,335
Scholarships and fellowships	114,953
Auxiliary enterprise	2,244,426
Depreciation	169,136
Total operating expenses	<u>36,487,486</u>
Operating income	<u>279,387</u>
Nonoperating revenues:	
Investment income	5,307
Nonoperating revenues	<u>5,307</u>
Income before other additions	<u>284,694</u>
Transfers to other campus entities	<u>(29,215)</u>
Increase in net position	255,479
Net position:	
Net position at beginning of year	8,836,835
Net position at end of year	\$ <u><u>9,092,314</u></u>

See accompanying notes.

## HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

### Statement of Cash Flows Year Ended June 30, 2022

	<u>2022</u>
<b>Cash flows from operating activities:</b>	
Received from customers	\$ 35,721,470
Payments to employees and fringe benefits	(17,357,677)
Payments to vendors and suppliers	(18,138,951)
Payments for scholarships and fellowships	(732,466)
<b>Net cash used in operating activities</b>	<u><b>(507,624)</b></u>
<b>Cash flows from capital and related financing activities:</b>	
Proceeds from capital debt	4,150,000
Acquisition and construction of capital assets	(14,773)
Principal paid on capital debt and leases	(2,456,154)
<b>Net cash provided by capital and related financing activities</b>	<u><b>1,679,073</b></u>
<b>Cash flows from investing activities:</b>	
Investment income	5,268
Transfers to cash, net of interest earned	(101)
<b>Net cash provided by investing activities</b>	<u><b>5,167</b></u>
<b>Net increase in cash and cash equivalents</b>	1,176,616
Cash and cash equivalents at beginning of year	1,535,505
<b>Cash and cash equivalents at end of year</b>	<u><b>\$ 2,712,121</b></u>
<b>Reconciliation to cash per Statement of Net Position</b>	
Cash and cash equivalents	\$ 2,712,121
Total cash and cash equivalents at end of year	<u><b>\$ 2,712,121</b></u>

See accompanying notes.

## HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

### Statement of Cash Flows Year Ended June 30, 2022

	<u>2022</u>
<b>Reconciliation of operating income to net cash used in operating activities:</b>	
Operating income	\$ 279,387
<b>Adjustments to reconcile operating income to net cash used in operating activities:</b>	
Depreciation expense	169,136
<b>Changes in assets and liabilities:</b>	
Receivables, net	(943,083)
Prepaid items	8,785
Accounts payable and accrued liabilities	126,971
Unearned revenue, current	(7,581)
Compensated absences and unearned revenue, noncurrent	(141,239)
Total adjustments	<u>(787,011)</u>
<b>Net cash used in operating activities</b>	<u><u>\$ (507,624)</u></u>
<b>Noncash investing, capital, and financing activities:</b>	
Assets acquired through assumption of a liability	\$ 388,720
Capital asset transfers, net of depreciation	\$ 29,215
Increase in receivables related to nonoperating income	\$ 39

See accompanying notes.

# HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Year Ended June 30, 2022

## (1) Organization

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

### *Summary of Significant Accounting Policies*

#### **(a) Basis of Presentation**

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

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

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

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

## HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Year Ended June 30, 2022

**(c) Cash and Cash Equivalents**

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

**(d) Investments**

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

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

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

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

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

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

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

**(e) Accounts Receivable**

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

## HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

### Notes to the Financial Statements

Year Ended June 30, 2022

The Foundation provides a reserve for uncollectible accounts based upon a review of outstanding receivables. Accounts receivable, net considered uncollectible are charged against the reserve account in the year they are deemed to be uncollectible. The reserve for uncollectible accounts was \$0 for the fiscal year ending June 30, 2022.

**(f) Capital Assets**

Capital assets, net are stated at cost or estimated historical cost if purchased, or if donated, at estimated fair value at date of donation. Capital assets, net with a value of \$5,000 or more and with a useful life of one year or more are capitalized. Capital assets, net with the exception of land and land improvements, 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.

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

**(g) Leases**

The Foundation recognizes lease contracts or equivalents that have a term exceeding one year and that meet the definition of an other than short-term lease. The Foundation uses a discount rate that is explicitly stated or implicit in the contract. When a readily determinable discount rate is not available, the discount rate is determined using the Foundation's incremental borrowing rate at start of the lease for a similar asset type and term length to the contract short-term lease payments are expensed when incurred.

**(h) 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.

**(i) Compensated Absences**

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

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

# HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Year Ended June 30, 2022

**(j) Net Position**

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

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

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

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, 2022, \$316,297 in unrestricted resources were expended to support these activities.

**(k) Classification of Revenues and Expenses**

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

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

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

**(l) Use of Estimates**

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

# HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

## Notes to the Financial Statements

Year Ended June 30, 2022

### (2) Cash and Cash Equivalents and Investments

The Foundation's cash and cash equivalents and investments as of June 30, 2022 are classified in the accompanying statements of net position as follows:

	<u>2022</u>
Cash and cash equivalents	\$ <u>2,712,121</u>
Total cash and cash equivalents	<u>2,712,121</u>
Short-term investments - Net asset value	36,318
Other long-term investments - Level 2	<u>300</u>
Total investments	<u>36,618</u>
Total cash, cash equivalents and investments	\$ <u><u>2,748,739</u></u>

#### (a) Cash and Cash Equivalents

Cash and cash equivalents consisted of demand deposits held at commercial banks and petty cash. Total cash and cash equivalents of \$2,712,121 had a corresponding carrying balance with the commercial banks of \$3,009,037 at June 30, 2022. The differences related primarily to deposits in transit and outstanding checks.

#### Custodial Credit Risk for Deposits

The Foundation maintains its cash in bank deposit accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor. At June 30, 2022, the Foundation's uninsured, uncollateralized cash balances was \$2,750,376.

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

#### (b) Short-term Investments

At June 30, 2022, the Foundation's short-term investments portfolio consists entirely of investments in the Local Agency Investment Fund (LAIF), a voluntary program created by statute as an alternative for California's local governments and special districts that allow affiliates to participate in a major investment portfolio. It is under the administration of the California State Treasurer's Office. LAIF is valued at net asset value calculated by fair market value of the pool divided by the amortized cost of the investments in the pool. Withdrawals can be made within 24 hours. There are no significant interest rate risks or credit risks to be disclosed in accordance with GASB Statement No. 40, Deposit and Investment Risk Disclosures - an amendment of GASB Statement No. 3.

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, 2022, cash in LAIF was \$36,318.

**HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION**

Notes to the Financial Statements

Year Ended June 30, 2022

Investment income, net for the year ended June 30, 2022, is summarized as follows:

	<u>2022</u>
Interest income	\$ <u>5,307</u>
Total	\$ <u><u>5,307</u></u>

**(c) Long-term Investments**

For the year ended June 30, 2022, long-term investments consist of shares of capital stock previously gifted to the Foundation. All investments are stated at their fair market value. The fair value of the Baywood stock is based on estimated current selling price per share.

Long-term investment activity for the years ended June 30, 2022 consisted of the following:

	<u>Balance at June 30, 2021</u>	<u>Purchases/ Additions</u>	<u>(Settlements)/ Deletions</u>	<u>Balance at June 30, 2022</u>
Stock	\$ <u>300</u>	\$ <u>—</u>	\$ <u>—</u>	\$ <u>300</u>
Total	\$ <u><u>300</u></u>	\$ <u><u>—</u></u>	\$ <u><u>—</u></u>	\$ <u><u>300</u></u>

**(d) Investments Reported at Fair Market Value**

As of June 30, 2022, the investments included within the Foundation’s financial statements are classified as follows.

**Level 2 - \$300 (100%) at June 30, 2022**

Investments included in this level are the capital stock investments that were gifted to the Foundation. 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, the Foundation would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Financial instruments that potentially subject the Foundation to custodial risk are investments in excess of amounts insured by the FDIC or the Securities Investor Protector Corporation (SIPC). No policy exists related to custodial risk specifically. The Foundation does not have an investment policy.

**HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION**

Notes to the Financial Statements

Year Ended June 30, 2022

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

**(3) Accounts Receivable**

Billed and unbilled accounts receivables, net as of June 30, 2022 is summarized as follows:

	<b>2022</b>
Federal grants and contracts	\$ 7,467,559
State and local grants and contracts	5,669,402
Non-governmental grants and contracts	1,251,538
Other receivables	<u>77,412</u>
Total	\$ <u><u>14,465,911</u></u>

The allowance for uncollectible accounts is \$0 for the year ended June 30, 2022. Unbilled grant and contract receivables are \$9,163,109 as of June 30, 2022. The accounts receivable are pledged as collateral for the \$4,000,000 line of credit at a bank. Related party receivables at June 30, 2022 totaled \$10,163.

**(4) Capital Assets**

Capital assets activity for the year ended June 30, 2022, consisted of the following:

	<b>Balance, June 30, 2021</b>	<b>Additions</b>	<b>Transfers / Retirements</b>	<b>Balance, June 30, 2022</b>
Depreciable/amortizable capital assets:				
Buildings	490,279	—	—	490,279
Equipment	<u>989,367</u>	<u>14,773</u>	<u>(45,983)</u>	<u>958,157</u>
Total depreciable capital assets	<u>1,479,646</u>	<u>14,773</u>	<u>(45,983)</u>	<u>1,448,436</u>
Total cost	<u>1,479,646</u>	<u>14,773</u>	<u>(45,983)</u>	<u>1,448,436</u>
Less accumulated depreciation/amortization:				
Buildings	(323,920)	(16,343)	—	(340,263)
Equipment	<u>(301,332)</u>	<u>(95,423)</u>	16,768	<u>(379,987)</u>
Total accumulated depreciation	<u>(625,252)</u>	<u>(111,766)</u>	16,768	<u>(720,250)</u>
Net capital assets, excluding lease assets	\$ <u>854,394</u>	\$ <u>(96,993)</u>	\$ <u>(29,215)</u>	\$ <u>728,186</u>
Capital lease assets, net				<u>331,350</u>
Total Capital Assets, net as reported in the statement of net position				\$ <u><u>1,059,536</u></u>

**HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION**

Notes to the Financial Statements

Year Ended June 30, 2022

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

For the year ended June 30, 2022, capital assets with a net book value of \$29,215 were transferred from the Foundation to the University.

Total depreciation expense for the Foundation for the year ended June 30, 2022 was \$169,136.

**(5) Long-term liabilities**

Long-term liabilities activities for the year ended June 30, 2022 is summarized as follows:

	<u>Balance at June 30, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2022</u>	<u>Current Portion</u>	<u>Long-Term Portion</u>
Accrued compensated absences	\$ 383,525	\$ 350,134	\$ (334,349)	\$ 399,310	\$ 269,509	\$ 129,801
Unearned revenue	<u>3,467,448</u>	<u>5,193,752</u>	<u>(5,296,072)</u>	<u>3,365,128</u>	<u>3,124,262</u>	<u>240,866</u>
	<u>3,850,973</u>	<u>5,543,886</u>	<u>(\$5,630,421)</u>	<u>3,764,438</u>	<u>3,393,771</u>	<u>370,667</u>
Capitalized lease obligations, net of current portion						<u>275,978</u>
Total long-term obligations as reported in the statement of Net Position						<u>\$ 646,645</u>

**(6) Line of Credit**

The Foundation renewed a line of credit with a bank on October 12, 2021. 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, 2024. There was \$1,750,000 outstanding on the loan as of June 30, 2022.

Total interest incurred on all borrowings was approximately \$39,391 for the year ended June 30, 2022.

# HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

## Notes to the Financial Statements

Year Ended June 30, 2022

### (7) Net Position

As of June 30, 2022, the unrestricted portion of the Foundation's net position was designated for the following purposes:

Funds:		<u>2022</u>
Sponsored programs related funds	\$	3,298,720
Campus program funds		<u>12,885</u>
Total funds		3,311,605
Current operations and working capital		<u>5,052,523</u>
Total	\$	<u><u>8,364,128</u></u>

The Board of Directors passed a resolution to increase the reserve from \$4,000,000 to \$5,000,000. This reserve is for current operations and working capital, capital replacements, contingent liabilities, and planned future operations. The Foundation will build up the reserve by setting aside \$4,000,000 and 20% of their cash & cash equivalents over \$4,000,000 each fiscal year beginning with the fiscal year ending June 30, 2020. As of June 30, 2022, the Foundation requires an additional \$602,080 to meet its reserve target.

### (8) Adoption of GASB 87

The Foundation implemented GASB No. 87 Leases (GASB 87) as of July 1, 2021. The Foundation evaluated contracts that were formerly accounted for as operating leases to determine whether they meet the definition of a lease as defined in GASB 87. The contracts to lease office space met the definition of a lease and the Foundation calculated and recognized a right-to-use assets of \$388,720 and lease liabilities \$388,720 as of July 1, 2021. The beginning net position was \$0 for the adoption of GASB 87.

### (9) Leases

The Foundation is a lessee for cancellable lease of office space with lease terms through 2026. There are no residual value guarantees included in the measurement of Foundation's lease liability nor recognized as an expense for the year ended June 30, 2022. The Foundation does not have any commitments that were incurred at the commencement of the leases. The Foundation is subject to variable office space usage payments that are expensed when incurred. \$146,632 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.

**HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION**

Notes to the Financial Statements

Year Ended June 30, 2022

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

	<u>Balance, June 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2022</u>
GOVERNMENTAL ACTIVITIES				
Right-to-use assets				
Buildings	<u>—</u>	<u>388,720</u>	<u>—</u>	<u>388,720</u>
Total right-to-use assets	<u>—</u>	<u>388,720</u>	<u>—</u>	<u>388,720</u>
Less accumulated depreciation/ amortization:				
Buildings	<u>0</u>	<u>(57,370)</u>	<u>—</u>	<u>(57,370)</u>
Net right-to-use assets	<u>\$ —</u>	<u>\$ 331,350</u>	<u>\$ —</u>	<u>\$ 331,350</u>

The Foundation recognized \$57,370 in depreciation expense included in the operating expenses on the Statement of Revenues, Expenses, and Changes in Net Position.

**(10) Commitments and Contingencies**

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

## HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

### Notes to the Financial Statements

Year Ended June 30, 2022

#### (11) Classification of Operating Expenses

The Foundation has elected to report operating expenses by functional classification in the statements of revenues, expenses, and changes in net position, and to provide the natural classification of those expenses as an additional disclosure. For the year ended June 30, 2022, operating expenses by natural classification consisted of the following:

2022						
Functional classification:	Salaries	Benefits	Scholarships and fellowships	Supplies and other services	Depreciation	Total
Research	\$ 5,616,858	\$ 1,436,138	\$ -	\$ 5,793,982	\$ -	\$ 12,846,978
Public service	6,133,702	2,298,378	-	11,359,993	-	19,792,073
Academic support	287,659	68,340	-	212,286	-	568,285
Student services	357,254	106,339	-	179,209	-	642,802
Institutional support	3,755	1,234	-	27,509	-	32,498
Plant	36,170	17,992	-	22,173	-	76,335
Scholarships and Fellowships	-	-	114,953	-	-	114,953
Auxiliary enterprise	665,666	337,940	-	1,240,820	-	2,244,426
Depreciation	-	-	-	-	169,136	169,136
Total	\$ 13,101,064	\$ 4,266,361	\$ 114,953	\$ 18,835,972	\$ 169,136	\$ 36,487,486

## HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Year Ended June 30, 2022

### **(12) Defined Contribution Plan**

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

#### **(a) Plan Description**

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

#### **(b) Funding Policy**

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

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

#### **(c) Annual Contribution Costs and Pension Expense**

The Foundation contributed \$663,426 on behalf of covered employees for the year ended June 30, 2022. These amounts are also the pension expense for these periods.

**HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION**

Notes to the Financial Statements

Year Ended June 30, 2022

**(13) Transfers to Other Campus Entities**

Occasionally, the Foundation finds it appropriate to transfer certain fiscal responsibilities to the University or to other campus entities. During the year ended June 30, 2022, the Foundation transferred the following to the University:

	<u>2022</u>
Transfer of fixed assets to the University	\$ <u>29,215</u>
Total	\$ <u><u>29,215</u></u>

**(14) Transactions with Related Entities**

**(a) Business Services Agreement**

The Foundation receives accounting and business services and human resource services from the University through a Business Services Agreement. For the fiscal year ended June 30, 2022, the Foundation paid to the University \$767,943, of which \$0 was owed at June 30, 2022. (Included in Payments to University for other than salaries of University personnel below.)

**(b) General Operations Payroll**

The Foundation reimburses the University for salaries and benefits paid by the University of certain post-award employees and one-half of the research administration of the Foundation's general operations. The amount reimbursed to the University for the year ended June 30, 2022 was \$507,405, of which \$47,046 was owed at June 30, 2022. (Included in Payments to University for salaries of University personnel working on contracts, grants, and other programs and Accounts (payable to) University below.)

The University also supports the pre-award and compliance functionality, and one-half of the research administration functionality of the Foundation as a state function. The University provided support for the pre-award and compliance functionality and the research administration functionality at an unreimbursed value of \$614,081, for the year ended June 30, 2022.

# HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

## Notes to the Financial Statements

Year Ended June 30, 2022

### (c) *Summary of Transactions with related entities*

The accompanying financial statements also include the following transactions with the University and related auxiliary organizations for the years ended June 30, 2022:

	<u>2022</u>
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 1,887,401
Payments to University for other than salaries of University personnel	3,212,352
Payments received from University for services, space, and programs	354,534
Gifts (cash or assets) to the University from discretely presented component units	29,215
Accounts (payable to) University	(121,041)
Accounts receivable from University	10,163
Payments to HSU Foundation	1,721
Payments received from HSU Foundation	719,534

### (15) COVID-19

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

## **SUPPLEMENTARY INFORMATION**

**Humboldt State University Sponsored Programs Foundation**  
Schedule of Net Position  
June 30, 2022  
(for inclusion in the California State University Financial Statements)

**Assets:**

**Current assets:**

Cash and cash equivalents	2,712,121
Short-term investments	36,318
Accounts receivable, net	14,465,911
Lease receivables, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	33,344
	<hr/>
<b>Total current assets</b>	<b>17,247,694</b>

**Noncurrent assets:**

Restricted cash and cash equivalents	-
Accounts receivable, net	-
Lease receivables, 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	728,186
Other assets	331,350
	<hr/>
<b>Total noncurrent assets</b>	<b>1,059,836</b>

<b>Total assets</b>	<b>18,307,530</b>
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**Deferred outflows of resources:**

Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	-
Leases	-
Others	-
	<hr/>
<b>Total deferred outflows of resources</b>	<b>-</b>

**Liabilities:**

**Current liabilities:**

Accounts payable	2,575,955
Accrued salaries and benefits	736,134
Accrued compensated absences, current portion	269,509
Unearned revenues	3,124,262
Lease liabilities, current portion	56,588
Long-term debt obligations, current portion	-

Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	1,806,123
<b>Total current liabilities</b>	<b>8,568,571</b>
<b>Noncurrent liabilities:</b>	
Accrued compensated absences, net of current portion	129,801
Unearned revenues	240,866
Grants refundable	-
Lease liabilities, net of current portion	275,978
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	-
<b>Total noncurrent liabilities</b>	<b>646,645</b>
<b>Total liabilities</b>	<b>9,215,216</b>
<b>Deferred inflows of resources:</b>	
Service concession arrangements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Lease	-
Others	-
<b>Total deferred inflows of resources</b>	<b>-</b>
<b>Net position:</b>	
Net investment in capital assets	728,186
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	8,364,128
<b>Total net position</b>	<b>9,092,314</b>

**Humboldt State University Sponsored Programs Foundation**  
Schedule of Revenues, Expenses, and Changes in Net Position  
Year ended June 30, 2022  
(for inclusion in the California State University Financial Statements)

**Revenues:**

**Operating revenues:**

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

**Grants and contracts, noncapital:**

Federal	13,504,022
State	12,743,930
Local	2,093,117
Nongovernmental	4,987,156
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	-
Scholarship allowances (enter as negative)	-
Other operating revenues	3,438,648

<b>Total operating revenues</b>	<b>36,766,873</b>
---------------------------------	-------------------

**Expenses:**

**Operating expenses:**

Instruction	-
Research	12,846,978
Public service	19,792,073
Academic support	568,285
Student services	642,802
Institutional support	32,498
Operation and maintenance of plant	76,335
Student grants and scholarships	114,953
Auxiliary enterprise expenses	2,244,426
Depreciation and amortization	169,136

<b>Total operating expenses</b>	<b>36,487,486</b>
---------------------------------	-------------------

<b>Operating income (loss)</b>	<b>279,387</b>
--------------------------------	----------------

**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	5,307
Endowment income (loss), net	-
Interest expense	-
Other nonoperating revenues (expenses)	<u>(29,215)</u>
<b>Net nonoperating revenues (expenses)</b>	<b><u>(23,908)</u></b>
<b>Income (loss) before other revenues (expenses)</b>	<b><u>255,479</u></b>
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	<u>-</u>
<b>Increase (decrease) in net position</b>	<b>255,479</b>
<b>Net position:</b>	
Net position at beginning of year, as previously reported	8,836,835
Restatements	<u>-</u>
<b>Net position at beginning of year, as restated</b>	<b><u>8,836,835</u></b>
<b>Net position at end of year</b>	<b><u><u>9,092,314</u></u></b>



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	-	-	-	-	-
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	-	-	-	-	-
Other external investment pools	-	-	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	36,318	-	-	-	36,318
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments:	-	-	-	-	-
Stock	300	-	300	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Total Other investments	\$ 300	-	300	-	-
<b>Total investments</b>	<b>36,618</b>	<b>-</b>	<b>300</b>	<b>-</b>	<b>36,318</b>

2.3 Investments held by the University under contractual agreements:

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

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

3.1 Composition of capital assets:

	Balance June 30, 2021	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2021 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2022
<b>Non-depreciable/Non-amortizable capital assets:</b>									
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					-				-
<b>Total intangible assets</b>					-				-
<b>Total non-depreciable/non-amortizable capital assets</b>					\$ -				\$ -
<b>Depreciable/Amortizable capital assets:</b>									
Buildings and building improvements	490,279				490,279				490,279
Improvements, other than buildings					-				-
Infrastructure					-				-
Leasehold improvements					-				-
Personal property:									
Equipment	989,367				989,367	14,773	(45,983)		958,157
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:					-				-
<b>Total intangible assets</b>					-				-
<b>Total depreciable/amortizable capital assets</b>	<b>1,479,646</b>				<b>1,479,646</b>	<b>14,773</b>	<b>(45,983)</b>		<b>1,448,436</b>
<b>Total capital assets</b>	<b>1,479,646</b>				<b>1,479,646</b>	<b>14,773</b>	<b>(45,983)</b>		<b>1,448,436</b>
<b>Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)</b>									
Buildings and building improvements	(323,920)				(323,920)	(16,343)			(340,263)
Improvements, other than buildings					-				-
Infrastructure					-				-
Leasehold improvements					-				-
Personal property:									
Equipment	(301,332)				(301,332)	(95,423)	16,768		(379,987)
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:					-				-
<b>Total intangible assets</b>					-				-
<b>Total accumulated depreciation/amortization</b>	<b>(625,252)</b>				<b>(625,252)</b>	<b>(111,766)</b>	<b>16,768</b>		<b>(720,250)</b>
<b>Total capital assets, net excluding lease assets</b>	<b>\$ 854,394</b>				<b>\$ 854,394</b>	<b>(96,993)</b>	<b>(29,215)</b>		<b>728,186</b>

Lease assets, net  
Total capital assets, net

331,350  
1,059,536

Composition of lease assets:	Balance June 30, 2021	Additions	Remeasurements	Reductions	Balance June 30, 2022
<b>Non-depreciable/Non-amortizable lease assets:</b>					
Land and land improvements					\$ -
<b>Total non-depreciable/non-amortizable lease assets</b>	-	-	-	-	\$ -
<b>Depreciable/Amortizable lease assets:</b>					
Land and land improvements					-
Buildings and building improvements		388,720			388,720
Improvements, other than buildings					-
Infrastructure					-
Personal property:					-
Equipment					-
<b>Total depreciable/amortizable lease assets</b>	-	388,720	-	-	388,720
<b>Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)</b>					
Land and land improvements					-
Buildings and building improvements		(57,370)			(57,370)
Improvements, other than buildings					-
Infrastructure					-
Personal property:					-
Equipment					-
<b>Total accumulated depreciation/amortization</b>	-	(57,370)	-	-	(57,370)
<b>Total lease assets, net</b>	\$ -	331,350	-	-	\$ 331,350

### 3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense related to capital assets	\$ 169,136
Amortization expense related to other assets	
<b>Total depreciation and amortization</b>	<b>\$ 169,136</b>

### 4 Long-term liabilities:

	Balance June 30, 2021	Prior Period Adjustments/Reclassifications	Balance June 30, 2021 (Restated)	Additions	Reductions	Balance June 30, 2022	Current Portion	Noncurrent Portion
<b>1. Accrued compensated absences</b>	\$ 383,525		383,525	350,134	(334,349)	\$ 399,310	\$ 269,509	129,801
<b>2. Claims liability for losses and loss adjustment expenses</b>	-		-			-		-
<b>3. Capital lease obligations:</b>								
Gross balance	-		-	332,566		332,566	56,588	275,978
Unamortized net premium/(discount)	-		-			-	-	-
<b>Total capital lease obligations</b>	\$ -	-	-	332,566	-	332,566	56,588	275,978
<b>4. Long-term debt obligations:</b>								
4.1 Auxiliary revenue bonds (non-SRB related)	\$ -		-			\$ -	-	-
4.2 Commercial paper	-		-			-	-	-
4.3 Notes payable (SRB related)	-		-			-	-	-
4.4 Others:	-		-			-	-	-
	-		-			-	-	-
	-		-			-	-	-
	-		-			-	-	-
	-		-			-	-	-
Total others	-	-	-	-	-	-	-	-
<b>Sub-total long-term debt</b>	\$ -	-	-	-	-	\$ -	-	-
4.5 Unamortized net bond premium/(discount)	-		-			-	-	-
<b>Total long-term debt obligations</b>	-	-	-	-	-	-	-	-
<b>5. Lease Liabilities</b>						332,566		332,566
<b>Total long-term liabilities</b>						332,566	-	332,566
<b>Lease liabilities</b>						332,566	56,588	275,978
<b>Total</b>	\$ -	332,566	-	-	332,566	\$ 56,588	275,978	

5 Lease Liabilities schedule:

	Lease Liabilities related to SRB			All other lease liabilities			Total lease liabilities		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
<b>Year ending June 30:</b>									
2023	-	-	-	56,588	5,688	62,276	56,588	5,688	62,276
2024	-	-	-	48,016	5,397	53,413	48,016	5,397	53,413
2025	-	-	-	38,819	4,670	43,489	38,819	4,670	43,489
2026	-	-	-	21,967	3,977	25,944	21,967	3,977	25,944
2027	-	-	-	20,887	3,495	24,382	20,887	3,495	24,382
2028 - 2032	-	-	-	21,303	3,086	24,389	21,303	3,086	24,389
2033 - 2037	-	-	-	124,986	8,091	133,077	124,986	8,091	133,077
2038 - 2042	-	-	-	-	-	-	-	-	-
2043 - 2047	-	-	-	-	-	-	-	-	-
2048 - 2052	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
<b>Total minimum lease payments</b>	\$ -	-	-	<b>332,566</b>	<b>34,404</b>	<b>366,970</b>	<b>332,566</b>	<b>34,404</b>	<b>366,970</b>
Less: amounts representing interest									(34,404)
<b>Present value of future minimum lease payments</b>									<b>332,566</b>
<b>Total lease liabilities</b>									<b>332,566</b>
Less: current portion									(56,588)
<b>Lease liabilities, net of current portion</b>									<b>\$ 275,978</b>

6 Long-term debt obligations schedule:

	Auxiliary revenue bonds (non-SRB related)			All other long-term debt obligations			Total long-term debt obligations		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
<b>Year ending June 30:</b>									
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-
2028 - 2032	-	-	-	-	-	-	-	-	-
2033 - 2037	-	-	-	-	-	-	-	-	-
2038 - 2042	-	-	-	-	-	-	-	-	-
2043 - 2047	-	-	-	-	-	-	-	-	-
2048 - 2052	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
<b>Total minimum payments</b>	\$ -	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
<b>Present value of future minimum payments</b>									-
Unamortized net premium/(discount)									-
<b>Total long-term debt obligations</b>									-
Less: current portion									-
<b>Long-term debt obligations, net of current portion</b>									-

7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	1,887,401
Payments to University for other than salaries of University personnel	3,212,352
Payments received from University for services, space, and programs	354,534
Gifts-in-kind to the University from discretely presented component units	
Gifts (cash or assets) to the University from discretely presented component units	29,215
Accounts (payable to) University (enter as negative number)	(121,041)
Other amounts (payable to) University (enter as negative number)	
Accounts receivable from University (enter as positive number)	10,163
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:

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

9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	-	-	-	-	-	-	-	-
Research	5,616,858	1,194,976	241,162	-	-	5,793,982	-	12,846,978
Public service	6,133,702	1,917,297	381,081	-	-	11,359,993	-	19,792,073
Academic support	287,659	64,230	4,110	-	-	212,286	-	568,285
Student services	357,254	88,277	18,062	-	-	179,209	-	642,802
Institutional support	3,755	969	265	-	-	27,509	-	32,498
Operation and maintenance of plant	36,170	14,494	3,498	-	-	22,173	-	76,335
Student grants and scholarships	-	-	-	-	114,953	-	-	114,953
Auxiliary enterprise expenses	665,666	322,871	15,069	-	-	1,240,820	-	2,244,426
Depreciation and amortization	-	-	-	-	-	-	169,136	169,136
<b>Total operating expenses</b>	<b>\$ 13,101,064</b>	<b>3,603,114</b>	<b>663,247</b>	<b>-</b>	<b>114,953</b>	<b>18,835,972</b>	<b>169,136</b>	<b>36,487,486</b>

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 - 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**

-
-
<b>\$ -</b>

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 - others:
  - Sales/intra-entity transfers of future revenues
  - Gain/loss on sale leaseback
  - Loan origination fees and costs
  - Change in fair value of hedging derivative instrument
  - Irrevocable split-interest agreements

Total deferred inflows - others

**Total deferred inflows of resources**

-
-
<b>\$ -</b>

11 Other nonoperating revenues (expenses)

- Other nonoperating revenues
- Other nonoperating (expenses)

**Total other nonoperating revenues (expenses)**

(29,215)
<b>\$ (29,215)</b>

# HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Note to Supplementary Information

Year Ended June 30, 2022

## (1) Organization

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

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

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

A reconciliation of other operating revenue as of June 30, 2022, is as follows:

	2022
Statement of Revenues, Expenses, and Changes in Net Position	
Indirect cost revenue	\$ 2,959,433
Other operating revenues	<u>479,215</u>
Total other operating revenues	\$ <u><u>3,438,648</u></u>
Supplementary Schedule	
Statement of Revenues, Expenses, and Changes in Net Position	
Other operating revenues	\$ <u><u>3,438,648</u></u>

# **SINGLE AUDIT REPORTS**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Humboldt State University Sponsored Programs Foundation (the Foundation), a component unit of Humboldt State University as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon September 20, 2022.

### **Report on Internal Control Over Financial Reporting**

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

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

Draft

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 have not been identified.

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Moss Adams LLP*

Medford, Oregon  
September 7, 2022

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

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

### **Report on Compliance for Major Federal Program**

#### ***Opinion on Major Federal Program***

We have audited Humboldt State University Sponsored Programs Foundation's (the Foundation) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Foundation's major federal program for the year ended June 30, 2022. The Foundation's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Foundation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

#### ***Basis for Opinion on Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Foundation's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Foundation's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Foundation's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Foundation's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Foundation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*Moss Adams LLP*

Medford, Oregon  
September 7, 2022

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>RESEARCH AND DEVELOPMENT CLUSTER:</b>				
<b>Bureau of Ocean Energy Management (BOEM) Environmental Studies (ES)</b>				
Minerals Management Service (MMS) Environmental Studies Program (ESP)	15.423		\$ 110,764	\$ 156,767
<b>Total Bureau of Ocean Energy Management (BOEM) Environmental Studies (ES)</b>			<u>110,764</u>	<u>156,767</u>
<b>Department of Agriculture - Forest Service</b>				
Monitoring of Aspen Restoration Treatments	10.RD1			8,918
Pass-Through From Transcon Environmental Transcon 2 Siskiyou	10.RD2	TSF2021-HSU02		7,894
Meadow Restoration and Wildfire	10.RD3			41,744
Research Joint Venture and Cost Reimbursable Agreements	10.707			6,165
Forest Health Protection	10.68			27,378
Partnership Agreements Department of Agriculture Forest Service	10.699			18,553
Partnership Agreements Department of Agriculture Forest Service	10.699			145,523
Partnership Agreements Department of Agriculture Forest Service	10.699			242,686
Partnership Agreements Department of Agriculture Forest Service	10.699			202,496
Partnership Agreements Department of Agriculture Forest Service	10.699			176,569
Partnership Agreements Department of Agriculture Forest Service	10.699			40,888
Research Joint Venture and Cost Reimbursable Agreements	10.707			25,017
Research Joint Venture and Cost Reimbursable Agreements	10.707			12,453
Research Joint Venture and Cost Reimbursable Agreements	10.707			2,500
Research Joint Venture and Cost Reimbursable Agreements	10.707			<u>52,251</u>
<b>Total Department of Agriculture - Forest Service</b>				<u>1,011,035</u>
<b>Department of Agriculture - National Institute of Food &amp; Agriculture</b>				
Cooperative Forestry Research	10.202			1,650
Cooperative Forestry Research	10.202			14,161
Cooperative Forestry Research	10.202			26,092
Cooperative Forestry Research	10.202			1,716
Cooperative Forestry Research	10.202			2,738
Cooperative Forestry Research	10.202			15,945
Cooperative Forestry Research	10.202			4,002
Cooperative Forestry Research	10.202			15,212
Cooperative Forestry Research	10.202			21,658
Cooperative Forestry Research	10.202			7,965
Cooperative Forestry Research	10.202			11,376
Cooperative Forestry Research	10.202			9,725
Cooperative Forestry Research	10.202			145
Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	10.326			22,421
Pass-Through From University of Washington Grants for Agricultural Research, Special Research Grants	10.2	UWSC13085		<u>11,555</u>
<b>Total Department of Agriculture - National Institute of Food &amp; Agriculture</b>				<u>166,361</u>
<b>Department of Agriculture - Natural Resources Conservation Services</b>				
Soil and Water Conservation	10.902			<u>98,511</u>
<b>Total Department of Agriculture - Natural Resources Conservation Services</b>				<u>98,511</u>

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>Department of Commerce - National Oceanic Atmospheric Administration</b>				
Pass-Through From Monterey Bay Aquarium Research Institute				
Integrated Ocean Observing System (IOOS)	11.012	1611120		17,922
Integrated Ocean Observing System (IOOS)	11.012	NA21NOS0120090		74,690
Pass-Through From Regents of the University of California				
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432	704727		162,909
Pass-Through From Regents of the University of California				
Sea Grant Support	11.417	130741187		20,695
Pass-Through From University of California, San Diego				
Sea Grant Support	11.417	KR 704277		31,871
Sea Grant Support	11.417	KR 704278		24,919
Pass-Through From University of California, San Diego				
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432	704024		24,718
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432	704086		44,727
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432	704730		4,706
Marine Mammal Data Program	11.439			16,172
Marine Mammal Data Program	11.439			13,990
Marine Mammal Data Program	11.439			34,697
Marine Mammal Data Program	11.439			7,902
Global Monitoring Laboratory Ozone/Sonde Monitoring	11.RD1			28,754
<b>Total Department of Commerce - National Oceanic Atmospheric Administration</b>				<u>508,672</u>
<b>Department of Education</b>				
Higher Education_Institutional Aid	84.031			431,138
Pass-Through From Humboldt County Office of Education				
Arts in Education	84.351	U351D180055		556
<b>Total Department of Education</b>				<u>431,694</u>
<b>Department of the Interior - Bureau of Land Management</b>				
Cultural and Paleontological Resources Management	15.224			49,816
Invasive and Noxious Plant Management	15.230			2,874
Recreation Resource Management	15.225			15,418
Pass-Through From Oregon Institute of Technology				
Environmental Quality and Protection Resource Management	15.236	L16AC00292-S		16,854
Fisheries and Aquatic Resources Management	15.244			3,811
Threatened and Endangered Species	15.246			4,244
Wildlife Resource Management	15.247			2,804
Carrizo Plain Ecosystem Projects Surveys	15.RD1			11,813
<b>Total Department of the Interior - Bureau of Land Management</b>				<u>107,634</u>
<b>Department of the Interior - Fish and Wildlife Services</b>				
Pass-Through From National Fish and Wildlife Foundation				
Fish and Wildlife Management Assistance	15.608	0208.21.070872		43,937
Endangered Species Conservation - Recovery Implementation Funds	15.657			9,433
Endangered Species Conservation - Recovery Implementation Funds	15.657			23,591
Endangered Species Conservation - Recovery Implementation Funds	15.657			8,602
Natural Resource Damage Assessment, Restoration and Implementation	15.658			251,227
Cooperative Ecosystem Studies Units	15.678			8,690
Cooperative Ecosystem Studies Units	15.678			11,756
Cooperative Ecosystem Studies Units	15.678			10,646
<b>Total Department of the Interior - Fish and Wildlife Services</b>				<u>367,882</u>

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>Department of the Interior - National Park Service</b>				
National Park Service Conservation, Protection, Outreach, and Education	15.954			23,940
<b>Total Department of the Interior - National Park Service</b>				<u>23,940</u>
<b>Department of the Interior - U.S. Geological Survey</b>				
Cooperative Research Units Program	15.812			35,910
Cooperative Research Units Program	15.812			35,094
<b>Total Department of the Interior - U.S. Geological Survey</b>				<u>71,004</u>
<b>Department of Justice</b>				
Pass-Through From Humboldt County Sheriff's Office Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A		1,689
<b>Total Department of Justice</b>				<u>1,689</u>
<b>Environmental Protection Agency</b>				
Wildfire Smoke Impacts on Outdoor and Indoor Air Quality	66.RD1			37,547
<b>Total Environmental Protection Agency</b>				<u>37,547</u>
<b>Institute of Museum and Library Services</b>				
Pass-Through From Library, California State (CSL) Grants to States	45.310	40-8949		2,844
<b>Total Institute of Museum and Library Services</b>				<u>2,844</u>
<b>National Science Foundation</b>				
Mathematical and Physical Sciences	47.049			6,511
Mathematical and Physical Sciences	47.049			25,359
Pass-Through From Occidental College Mathematical and Physical Sciences	47.049	OXY-CURM0037		265
Pass-Through From University of California, Davis Geosciences	47.050	A22-4072-S001		17,717
Pass-Through From Oregon State University, Post Award Administration Geosciences	47.050	S2295C-B		12,847
Geosciences	47.050			11,104
Geosciences	47.050			19,652
Biological Sciences	47.074			8,639
Biological Sciences	47.074			72,405
Biological Sciences	47.074			133,605
Social, Behavioral, and Economic Sciences	47.075			15,770
Education and Human Resources	47.076			9,877
Education and Human Resources	47.076			34,000
Pass-Through From Santa Clara College Education and Human Resources	47.076	NSF123-01		13,404
<b>Total National Science Foundation</b>				<u>381,155</u>
<b>Pacific Southwest Center of Excellence in Vector-Borne Diseases</b>				
Prevalence of Two Emerging Rickettsia Species	93.RD1			22,673
<b>Total Pacific Southwest Center of Excellence in Vector-Borne Diseases</b>				<u>22,673</u>
<b>Substance Abuse and Mental Health Services Administration</b>				
Pass-Through From United Indian Health Service Opioid STR	93.788	2020.12.01HSU		4,071
<b>Total Substance Abuse and Mental Health Services Administration</b>				<u>4,071</u>

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>US Army Corps of Engineers</b>				
Pass-Through From Dr Reed and Associates				
Humboldt Bay Edna	12.RD1	N/A		47,081
<b>Total US Army Corps of Engineers</b>				<u>47,081</u>
<b>Total Research and Development Cluster</b>			<b>110,764</b>	<b>3,440,560</b>
 <b>SMALL BUSINESS DEVELOPMENT CENTERS:</b>				
<b>Small Business Administration</b>				
Small Business Development Centers	59.037		-	(13,715)
Small Business Development Centers	59.037		52,732	52,732
Small Business Development Centers	59.037		-	1,152,306
Small Business Development Centers	59.037		-	18,589
Small Business Development Centers	59.037		-	88,900
Small Business Development Centers	59.037		-	9,511
Small Business Development Centers	59.037		-	107,847
Small Business Development Centers	59.037		-	321,252
COVID - 19 Small Business Development Centers	59.037		66,003	66,003
COVID - 19 Small Business Development Centers	59.037		24,298	24,298
COVID - 19 Small Business Development Centers	59.037		199,118	199,118
COVID - 19 Small Business Development Centers	59.037		-	986,469
COVID - 19 Small Business Development Centers	59.037		603	603
COVID - 19 Small Business Development Centers	59.037		20,264	20,263
COVID - 19 Small Business Development Centers	59.037		78,010	78,010
COVID - 19 Small Business Development Centers	59.037		-	4,477
COVID - 19 Small Business Development Centers	59.037		18,590	18,590
COVID - 19 Small Business Development Centers	59.037		74,152	74,152
COVID - 19 Small Business Development Centers	59.037		198,489	198,489
COVID - 19 Small Business Development Centers	59.037		-	32,203
COVID - 19 Small Business Development Centers	59.037		10,645	10,645
COVID - 19 Small Business Development Centers	59.037		61,768	61,768
COVID - 19 Small Business Development Centers	59.037		-	521,411
Small Business Development Centers	59.037		3,767	35,391
Small Business Development Centers	59.037		204,197	204,197
Small Business Development Centers	59.037		159,202	159,202
Small Business Development Centers	59.037		299,960	299,960
Small Business Development Centers	59.037		108,498	108,498
Small Business Development Centers	59.037		44,211	44,211
Small Business Development Centers	59.037		226,000	226,000
Small Business Development Centers	59.037		162,109	162,109
Small Business Development Centers	59.037		134,107	134,107
Small Business Development Centers	59.037		249,615	249,615
Small Business Development Centers	59.037		160,000	160,000
Small Business Development Centers	59.037		139,516	139,516
Small Business Development Centers	59.037		40,000	40,000
Small Business Development Centers	59.037		137,000	137,000
Small Business Development Centers	59.037		82,280	82,280
Small Business Development Centers	59.037		-	269,278
Small Business Development Centers	59.037		46,791	46,791
Small Business Development Centers	59.037		34,671	34,671
Small Business Development Centers	59.037		17,521	17,521
Small Business Development Centers	59.037		-	102,116
Small Business Development Centers	59.037		68,922	68,922

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Small Business Development Centers	59.037		3,653	3,653
Small Business Development Centers	59.037		-	75,799
Small Business Development Centers	59.037		59,808	59,809
Small Business Development Centers	59.037		11,585	11,585
Small Business Development Centers	59.037		28,999	28,999
Small Business Development Centers	59.037		-	117,215
<b>Total Small Business Development Centers</b>			<u>3,227,084</u>	<u>7,052,366</u>
Veteran Business Development	59.044		-	186,484
<b>Total Small Business Administration</b>			<u>3,227,084</u>	<u>7,238,850</u>
<b>Total Small Business Development Centers</b>			<u>3,227,084</u>	<u>7,238,850</u>
<b>TRIO CLUSTER:</b>				
<b>Department of Education</b>				
TRIO - Student Support Services	84.042			347,104
TRIO - Talent Search	84.044			173,005
TRIO - Talent Search	84.044			442,162
TRIO - Talent Search	84.044			149,410
TRIO - Upward Bound	84.047			296,979
<b>Total Department of Education</b>				<u>1,408,660</u>
<b>Total TRIO Cluster</b>				<u>1,408,660</u>
<b>HIGHWAY PLANNING, RESEARCH AND CONSTRUCTION CLUSTER:</b>				
<b>Department of Transportation</b>				
Pass-Through From Transportation, Department of (DOT, CALTRANS) Highway Planning and Construction	20.205	65A0762		106,414
<b>Total Department of Transportation</b>				<u>106,414</u>
<b>Department of Transportation-Federal Highway Administration</b>				
Pass-Through From Transportation, Department of (DOT, CALTRANS) Highway Planning and Construction	20.205	88a0125		55,910
<b>Total Department of Transportation-Federal Highway Administration</b>				<u>55,910</u>
<b>Total Highway Planning, Research and Construction Cluster</b>				<u>162,324</u>
<b>OTHER:</b>				
<b>Army Educational Outreach Program</b>				
Basic, Applied, and Advanced Research in Science and Engineering	12.630			20,421
<b>Total Army Educational Outreach Program</b>				<u>20,421</u>
<b>Defense Logistics Agency</b>				
Procurement Technical Assistance For Business Firms	12.002			409,606
<b>Total Defense Logistics Agency</b>				<u>409,606</u>
<b>Department of Agriculture</b>				
Rural Business Development Grant	10.351			100,000
<b>Total Department of Agriculture</b>				<u>100,000</u>
<b>Department of Agriculture - Forest Service</b>				
Partnership Agreements Department of Agriculture Forest Service	10.699			180
Wintu Place Names and Digital Database Project	10.U01			2,387
<b>Total Department of Agriculture - Forest Service</b>				<u>2,567</u>

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>Department of Agriculture - National Institute of Food &amp; Agriculture</b>				
Higher Education Multicultural Scholars Program	10.220			50,310
Hispanic Serving Institutions Education Grants	10.223			64,643
Hispanic Serving Institutions Education Grants	10.223			<u>28,601</u>
<b>Total Department of Agriculture - National Institute of Food &amp; Agriculture</b>				<u>143,554</u>
<b>Department Of Defense</b>				
Procurement Technical Assistance For Business Firms	12.002			<u>134,181</u>
<b>Total Department Of Defense</b>				<u>134,181</u>
<b>Department of Education</b>				
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325			317,056
Pass-Through From Del Norte County Office of Education				
Safe and Drug-Free Schools and Communities_National Programs	84.184	S184x190024		74,412
Pass-Through From Eureka City Schools				
Safe and Drug-Free Schools and Communities_National Programs	84.184	N/A		109,624
Higher Education_Institutional Aid	84.031			527,660
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334		(79,300)	132,621
Child Care Access Means Parents in School	84.335			44,954
Child Care Access Means Parents in School	84.335			105,420
Pass-Through From Regents of the University of California				
Supporting Effective Instruction State Grants	84.367	ESSA20-CWP-HUMBOLDT		175
Pass-Through From Chico State Enterprises				
Student Support and Academic Enrichment Program	84.424	SUB21-004		42,618
Supporting Effective Instruction State Grants	84.367			<u>22,632</u>
<b>Total Department of Education</b>			<u>(79,300)</u>	<u>1,377,172</u>
<b>Department of Energy</b>				
Pass-Through From Blue Lake Rancheria				
Indian Education - Special Programs for Indian Children	84.299b	N/A		<u>8,448</u>
<b>Total Department of Energy</b>				<u>8,448</u>
<b>Department of Health and Human Services</b>				
Pass-Through From Round Valley Indian Health Center				
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	1101		12,630
Pass-Through From Hoopa Valley Tribal Council				
Promote the Survival and Continuing Vitality of Native American Language	93.587	N/A		32,111
Pass-Through From North Coast Clinics Network				
AHEC Scholars Program 2020-21	93.U01	N/A		10,004
Pass-Through From San Jose State University, Research Foundation				
Mental and Behavioral Health Education and Training Grants	93.732	22-1019-5840		5,258
Pass-Through From Regents of the University of California				
Foster Care_Title IV-E	93.658	10505	1,500	6,304
Foster Care_Title IV-E	93.658	10505	<u>35,000</u>	<u>1,670,605</u>
<b>Total Foster Care_Title IV-E</b>			<u>36,500</u>	<u>1,676,909</u>
<b>Total Department of Health and Human Services</b>			<u>36,500</u>	<u>1,736,912</u>

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>Department of Justice</b>				
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525			80,399
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525			<u>3,836</u>
<b>Total Department of Justice</b>				<u>84,235</u>
<b>Department of the Interior - Fish and Wildlife Services</b>				
Pass-Through From Hoopa Valley Tribal Council Hoopa Lamprey Passage	15.U01	N/A		<u>810</u>
<b>Total Department of the Interior - Fish and Wildlife Services</b>				810
<b>Department of the Treasury</b>				
Pass-Through From California Volunteers				
COVID - 19 Coronavirus St & Lcl Fisc Rcvy Fds (CSLFRF), Coronavirus St Fisc Rcvy Fd (CSFRF) & Coronavirus Lcl Fisc Rcvy Fd (CLFRF)	21.027	CCSFRF007		<u>14,147</u>
<b>Total Department of the Treasury</b>				14,147
<b>Health Resources and Services Administration</b>				
Pass-Through From Regents of the University of California Mental and Behavioral Health Education and Training Grants	93.732	9922		13,190
Mental and Behavioral Health Education and Training Grants	93.732			<u>104,857</u>
<b>Total Health Resources and Services Administration</b>				118,047
<b>National Endowment For The Humanities</b>				
Pass-Through From National Writing Project Promotion of the Humanities_Public Programs	45.164	92-CA01-2022BMPU		<u>4,875</u>
<b>Total National Endowment For The Humanities</b>				4,875
<b>National Science Foundation</b>				
Pass-Through From UC Berkeley, Energy and Resources Group Education and Human Resources	47.076	10779		<u>5,481</u>
<b>Total National Science Foundation</b>				5,481
<b>Substance Abuse and Mental Health Services Administration</b>				
Pass-Through From United Indian Health Service Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	20201001HSU		<u>3,936</u>
<b>Total Substance Abuse and Mental Health Services Administration</b>				3,936
<b>U.S. Office of Minority Health</b>				
Pass-Through From Yurok Tribe Community Programs to Improve Minority Health Grant Programs	93.137	N/A		<u>202</u>
<b>Total U.S. Office of Minority Health</b>				202
<b>United States Coast Guard</b>				
Pass-Through From Boating & Waterways, California Department of (DBW) Boating Safety Financial Assistance	97.012	C8962320		(800)
Boating Safety Financial Assistance	97.012	C8964321		<u>3,326</u>
<b>Total United States Coast Guard</b>				2,526
<b>U.S. Bureau of Reclamation</b>				
Pass-Through From Hoopa Valley Tribal Council Assess Hoopa Valley Tribal Drinking Water	15.U01	N/A		<u>3,898</u>
<b>Total U.S. Bureau of Reclamation</b>				3,898
<b>Total Other</b>			<u>(42,800)</u>	<u>4,171,018</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 3,295,048</u>	<u>\$ 16,421,412</u>

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

## HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2022

### (1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Humboldt State University Sponsored Programs Foundation (the Foundation) under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Foundation, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Foundation.

### (2) Summary of Significant Accounting Policies

#### (a) Expenditures

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

#### (b) Pass-through Entities

Pass-through entity identifying numbers are presented where available.

### (3) Indirect Cost Rate

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

**HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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**Section I - Summary of Auditor's Results**

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**Financial Statements**

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

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal control over major federal programs:

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

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

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

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor's Report Issued on Compliance for Major Federal Programs</i>
59.037	Small Business Development Center	<i>Unmodified</i>

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

Auditee qualified as low-risk auditee?  Yes  No

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**Section II - Financial Statement Findings**

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None reported

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**Section III - Federal Award Findings and Questioned Costs**

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None reported