

**HUMBOLDT STATE UNIVERSITY
SPONSORED PROGRAMS FOUNDATION**

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

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

Years Ended June 30, 2016 and 2015

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-12
BASIC FINANCIAL STATEMENTS:	
Statements of Net Position	13
Statements of Revenues, Expenses, and Changes in Net Position	14
Statements of Cash Flows	15-16
Notes to Financial Statements	17-28
SUPPLEMENTARY INFORMATION:	
Schedule of Net Position	29
Schedule of Revenues, Expenses, and Changes in Net Position	30
Other Information	31-37
Note to Supplementary Information	38
SINGLE AUDIT REPORTS:	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	39-40
Independent Auditors' Report on Compliance for Each Major Federal Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	41-42
Schedule of Expenditures of Federal Awards	43-52
Notes to Schedule of Expenditures of Federal Awards	53
Schedule of Findings and Questioned Costs	54-55
Summary Schedule of Prior Year Audit Findings	56



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Humboldt State University Sponsored Programs Foundation, a component unit of the Humboldt State University (HSU) as of and for the years ended June 30, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Humboldt State University Sponsored Programs Foundation as of June 30, 2016 and 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other 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, the schedule of revenues, expenses and changes in net position, and other information (supplementary information on pages 29 through 38) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of net position, the schedule of revenues, expenses and changes in net position, and other information referred to above and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Directors
Humboldt State University Sponsored Programs Foundation

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2016, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Bellevue, Washington
September 15, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Management's Discussion and Analysis

June 30, 2016, 2015 and 2014

This section of Humboldt State University Sponsored Programs Foundation (the Foundation) annual financial report presents the Foundation's discussion and analysis of the financial performance of the Foundation for the fiscal years ended June 30, 2016 and 2015. 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 GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. This standard is applicable to the Foundation as it is a component unit of Humboldt State University (the University). Consistent with the University, the Foundation has adopted the business-type activity (BTA) reporting model to represent its activities.

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

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

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

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

Analytical Overview

Summary

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

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Management's Discussion and Analysis

June 30, 2016, 2015 and 2014

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Assets:			
Current assets	\$ 10,909,248	\$ 8,839,226	\$ 8,488,026
Capital assets, net	1,877,008	1,197,455	1,486,321
Other noncurrent assets	19,500	19,500	19,500
Total assets	<u>12,805,756</u>	<u>10,056,181</u>	<u>9,993,847</u>
Liabilities:			
Current liabilities	4,118,101	2,662,006	2,837,821
Other noncurrent liabilities	243,214	120,729	351,956
Total liabilities	<u>4,361,315</u>	<u>2,782,735</u>	<u>3,189,777</u>
Net position:			
Investment in capital assets	1,877,008	1,197,455	1,486,321
Unrestricted	6,567,433	6,075,991	5,317,749
Total net position	<u>\$ 8,444,441</u>	<u>\$ 7,273,446</u>	<u>\$ 6,804,070</u>

Assets

Total assets increased \$2.7 million from FY 2015 to FY 2016 due to a \$2.1 million increase in current assets and a \$0.7 million increase in capital assets, net of accumulated depreciation due to purchasing capital assets in the current year. Total assets increased \$0.1 million from FY 2014 to FY 2015 due to a \$0.4 million increase in current assets and a \$0.3 million decrease in capital assets, net of accumulated depreciation due to FY 2015 depreciation.

Current assets increased \$2.1 million from FY 2015 to FY 2016 primarily due to an increase in cash and cash equivalents of \$0.6 million and an increase in receivables of \$1.7 million, offset by a decrease in short-term investments of \$0.3 million. Current assets increased \$0.4 million from FY 2014 to FY 2015 primarily due to an increase in cash and cash equivalents of \$0.4 million.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Management's Discussion and Analysis

June 30, 2016, 2015 and 2014

Capital Assets

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

	<u>June 30</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Land and land improvements	\$ 724,756	\$ 512,816	\$ 512,816
Works of art and historical treasures	25,000	25,000	25,000
Buildings	495,486	428,995	456,136
Equipment - net	631,766	230,644	492,369
Total capital assets, net of accumulated depreciation	<u>\$ 1,877,008</u>	<u>\$ 1,197,455</u>	<u>\$ 1,486,321</u>

Capital assets increased by \$0.7 million from FY 2015 to FY 2016 primarily due to a \$0.3 million land and building addition and \$0.5 million of equipment additions, offset by \$0.1 million in depreciation expense. Capital assets decreased \$0.3 million from FY 2014 to FY 2015 primarily due to equipment transferred to the University.

Liabilities

Total liabilities increased \$1.6 million from FY 2015 to FY 2016 due to a \$1.1 million increase in accounts payable and an increase in unearned revenue of \$0.5 million. Total liabilities decreased \$0.4 million from FY 2014 to FY 2015 due to a \$0.3 million decrease in accounts payable and a decrease in unearned revenue of \$0.3 million.

Net Position

Total net position increased \$1.2 million from FY 2015 to FY 2016 and increased \$0.5 million from FY 2014 to FY 2015 due to the net income generated for the year ended June 30, 2016 and 2015, respectively. Unrestricted net position represents all other net resources available to the Foundation for general institutional and research-related obligations.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Management's Discussion and Analysis

June 30, 2016, 2015 and 2014

Operating Results

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Operating revenues:			
Grants and contracts, noncapital	\$ 23,007,039	\$ 17,725,738	\$ 16,289,336
Indirect cost revenue	2,144,383	1,915,582	1,695,492
Other operating revenues	<u>277,465</u>	<u>319,732</u>	<u>378,940</u>
Total operating revenues	25,428,887	19,961,052	18,363,768
Operating expenses	<u>(24,572,542)</u>	<u>(19,765,865)</u>	<u>(18,541,770)</u>
Operating income (loss)	<u>856,345</u>	<u>195,187</u>	<u>(178,002)</u>
Nonoperating revenues (expenses):			
Gifts, noncapital	368,687	670,804	642,769
Investment income, net	16,811	13,805	13,452
Other nonoperating revenues (expenses), net	<u>(33,382)</u>	<u>(9,993)</u>	<u>25,090</u>
Net nonoperating revenues (expenses)	<u>352,116</u>	<u>674,616</u>	<u>681,311</u>
Income before other additions	1,208,461	869,803	503,309
Grants and gifts, capital	-	-	6,138
Transfers to other campus entities	<u>(37,466)</u>	<u>(400,427)</u>	<u>(64,567)</u>
Increase in net position	1,170,995	469,376	444,880
Net position at beginning of year	<u>7,273,446</u>	<u>6,804,070</u>	<u>6,359,190</u>
Net position at end of year	<u>\$ 8,444,441</u>	<u>\$ 7,273,446</u>	<u>\$ 6,804,070</u>

Operating Revenues and Expenses

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

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Management's Discussion and Analysis

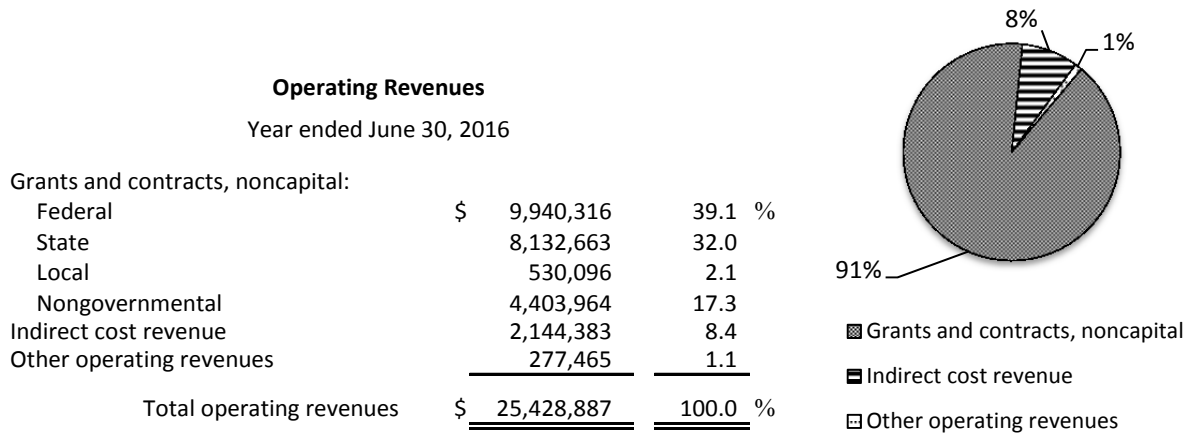
June 30, 2016, 2015 and 2014

Operating Revenues

Total operating revenues increased \$5.5 million, or 27%, from FY 2015 to FY 2016 due to a \$5.3 million increase in grants and contracts, noncapital and a \$0.2 million increase in indirect cost revenue. The increase in grants and contracts, noncapital is due to being awarded larger grants and an increase in the number of State grants in the FY 2016. The increase in indirect cost revenue is the result of an increase in grants and contracts activity and in the FY 2016.

Total operating revenues increased \$1.6 million, or 9%, from FY 2014 to FY 2015 due to a \$1.4 million increase in grants and contracts, noncapital, a \$0.2 million increase in indirect cost revenue and a \$0.1 million decrease in other operating revenues. The increase in grants and contracts, noncapital is due to being awarded larger grants in the FY 2015. The increase in indirect cost revenue is the result of an increase in grants and contracts activity in the FY 2015 and an overall increase in the effective indirect cost rate. The decrease in other operating revenues is due to a lease being terminated in the FY 2015 from a SBA center.

The following charts present the proportional share that each category of operating revenues contributed to the total for fiscal years 2016, 2015 and 2014:



HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

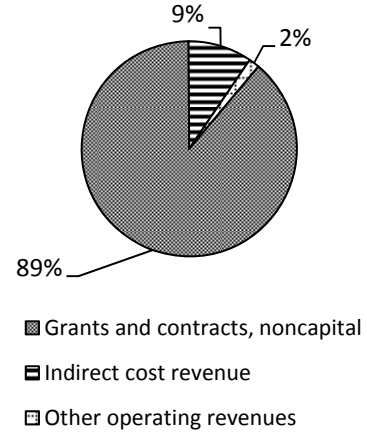
Management's Discussion and Analysis

June 30, 2016, 2015 and 2014

Operating Revenues

Year Ended June 30, 2015

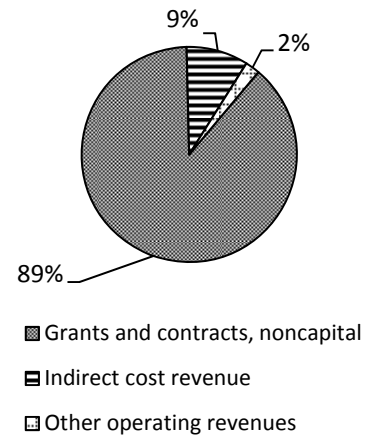
Grants and contracts, noncapital:		
Federal	\$ 7,736,835	38.8 %
State	5,570,944	27.9
Local	320,083	1.6
Nongovernmental	4,097,876	20.5
Indirect cost revenue	1,915,582	9.6
Other operating revenues	<u>319,732</u>	<u>1.6</u>
Total operating revenues	\$ <u>19,961,052</u>	<u>100.0 %</u>



Operating Revenues

Year Ended June 30, 2014

Grants and contracts, noncapital:		
Federal	\$ 7,557,877	41.2 %
State	5,085,966	27.7
Local	634,079	3.5
Nongovernmental	3,011,414	16.4
Indirect cost revenue	1,695,492	9.2
Other operating revenues	<u>378,940</u>	<u>2.0</u>
Total operating revenues	\$ <u>18,363,768</u>	<u>100.0 %</u>



Operating Expenses

Total operating expenses increased by \$4.8 million, or 24%, from FY 2015 to FY 2016 primarily due to a \$5.0 million aggregated increase in instruction, research, public service, student services, institutional support, scholarships and fellowships and auxiliary enterprises, offset by a \$0.2 million aggregated decrease in academic support and depreciation. The \$4.8 million increase is primarily related to increase spending in the FY 2016 on grants and contracts.

Total operating expenses increased by \$1.2 million, or 7%, from FY 2014 to FY 2015 primarily due to a \$1.6 million aggregated increase in research, academic support, auxiliary enterprises and instruction, offset by a \$0.4 million aggregated decrease in student grants and scholarships, public service, student service, institutional support, and depreciation. The \$1.2 million increase is primarily related to increase spending in the FY 2015 on grants and contracts.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

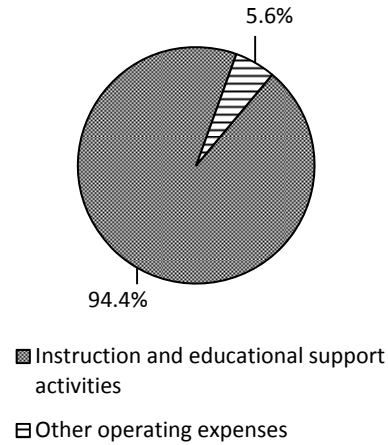
Management's Discussion and Analysis

June 30, 2016, 2015 and 2014

The following charts present the distribution of resources in support of the Foundation's mission for fiscal years 2016, 2015 and 2014:

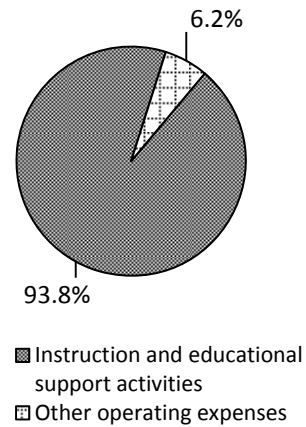
Operating Expenses
Year ended June 30, 2016

Instruction	\$ 13,140	0.1 %
Research	12,682,007	51.6
Public service	8,879,645	36.1
Academic support	322,194	1.3
Student services	1,076,443	4.4
Scholarships and fellowships	<u>225,232</u>	<u>0.9</u>
Total instruction and educational support activities	<u>23,198,661</u>	<u>94.4</u>
Institutional support	35,486	0.1
Auxiliary enterprises	1,232,434	5.0
Depreciation	<u>105,961</u>	<u>0.5</u>
Total other operating expenses	<u>1,373,881</u>	<u>5.6</u>
Total operating expenses	<u>\$ 24,572,542</u>	<u>100.0 %</u>



Operating Expenses
Year ended June 30, 2015

Instruction	\$ 9,151	0.0 %
Research	8,930,832	45.1
Public service	7,921,097	40.1
Academic support	476,156	2.4
Student services	1,026,149	5.2
Scholarships and fellowships	<u>168,531</u>	<u>0.9</u>
Total instruction and educational support activities	<u>18,531,916</u>	<u>93.7</u>
Institutional support	2,532	0.0
Auxiliary enterprises	1,124,815	5.7
Depreciation	<u>106,602</u>	<u>0.5</u>
Total other operating expenses	<u>1,233,949</u>	<u>6.2</u>
Total operating expenses	<u>\$ 19,765,865</u>	<u>99.9 %</u>



HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

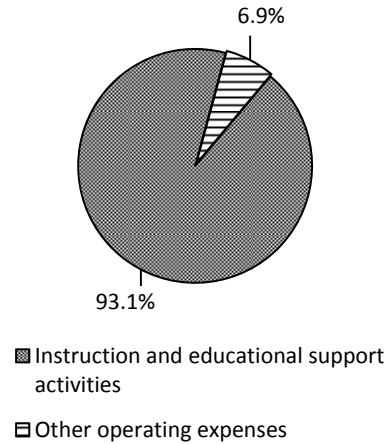
Management’s Discussion and Analysis

June 30, 2016, 2015 and 2014

Operating Expenses

Year ended June 30, 2014

Instruction	\$ —	0.0 %
Research	7,469,968	40.2
Public service	7,995,301	43.2
Academic support	384,915	2.1
Student services	1,040,129	5.6
Scholarships and fellowships	<u>371,332</u>	<u>2.0</u>
Total instruction and educational support activities	<u>17,261,645</u>	<u>93.1</u>
Institutional support	19,318	0.1
Auxiliary enterprises	1,103,256	6.0
Depreciation	<u>157,551</u>	<u>0.8</u>
Total other operating expenses	<u>1,280,125</u>	<u>6.9</u>
Total operating expenses	\$ <u>18,541,770</u>	<u>100.0 %</u>



Nonoperating Revenues (Expenses)

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

Total nonoperating revenues (expenses) decreased \$0.3 million from the FY 2015 to FY 2016 primarily due to a decrease in gifts, noncapital.

Total nonoperating revenues (expenses) remained consistent from the FY 2014 to FY 2015.

Transfers to other campus entities

Transfers to other campus entities decreased \$0.4 million from FY 2015 to FY 2016 primarily related to the Foundation’s decrease in equipment transferred to Humboldt State University.

Transfers to other campus entities increased \$0.3 million from FY 2014 to FY 2015 primarily related to the Foundation’s transfer of equipment to Humboldt State University. The main transfer was an Environmental Scanning Electron Microscope.

Factors That Will Affect the Future

Indirect Cost Revenue

Indirect cost revenue is a factor that greatly affects the Foundation’s ability to build and maintain a reserve adequate enough for supporting the grant and contract activity of the Foundation. Indirect cost revenue is earned as a percentage of spending on awarded grant and contracts. Indirect cost rates are generally dictated by the grant funder and are contractually agreed upon on all grants and contracts. Indirect cost revenue increased \$0.2 million, or 12%, from FY 2015 to FY 2016 and \$0.2 million, or 13%, from FY 2014 to FY 2015 due to an increase in grants and contracts activity.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Management's Discussion and Analysis

June 30, 2016, 2015 and 2014

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.

BASIC FINANCIAL STATEMENTS

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Statements of Net Position
June 30, 2016 and 2015

Assets	2016	2015
Current assets		
Cash and cash equivalents	\$ 2,442,894	\$ 1,837,798
Short-term investments	1,270,150	1,564,922
Accounts receivable, net	7,139,961	5,409,673
Prepaid expenses and other assets	56,243	26,833
Total current assets	<u>10,909,248</u>	<u>8,839,226</u>
Noncurrent assets		
Long-term investments	19,500	19,500
Capital assets, net	1,877,008	1,197,455
Total noncurrent assets	<u>1,896,508</u>	<u>1,216,955</u>
Total assets	<u>12,805,756</u>	<u>10,056,181</u>
Liabilities		
Current liabilities		
Accounts payable	2,046,207	961,233
Accrued salaries and benefits payable	462,123	491,405
Accrued compensated absences – current portion	138,148	119,397
Unearned revenue – current portion	1,450,989	1,046,089
Other liabilities	20,634	43,882
Total current liabilities	<u>4,118,101</u>	<u>2,662,006</u>
Noncurrent liabilities		
Accrued compensated absences, net of current portion	78,089	74,879
Unearned revenue, net of current portion	165,125	45,850
Total noncurrent liabilities	<u>243,214</u>	<u>120,729</u>
Total liabilities	<u>4,361,315</u>	<u>2,782,735</u>
Net position		
Investment in capital assets	1,877,008	1,197,455
Unrestricted	6,567,433	6,075,991
Total net position	<u>\$ 8,444,441</u>	<u>\$ 7,273,446</u>

See accompanying notes.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

**Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2016 and 2015**

Revenues:	<u>2016</u>	<u>2015</u>
Operating revenues:		
Grants and contracts, noncapital:		
Federal	\$ 9,940,316	\$ 7,736,835
State	8,132,663	5,570,944
Local	530,096	320,083
Nongovernmental	4,403,964	4,097,876
Indirect cost revenue	2,144,383	1,915,582
Other operating revenues	<u>277,465</u>	<u>319,732</u>
Total operating revenues	<u>25,428,887</u>	<u>19,961,052</u>
Expenses:		
Operating expenses:		
Instruction	13,140	9,151
Research	12,682,007	8,930,832
Public service	8,879,645	7,921,097
Academic support	322,194	476,156
Student services	1,076,443	1,026,149
Institutional support	35,486	2,532
Scholarships and fellowships	225,232	168,531
Auxiliary enterprises	1,232,434	1,124,815
Depreciation	<u>105,961</u>	<u>106,602</u>
Total operating expenses	<u>24,572,542</u>	<u>19,765,865</u>
Operating income (loss)	<u>856,345</u>	<u>195,187</u>
Nonoperating revenues (expenses):		
Gifts, noncapital	368,687	670,804
Investment income, net	16,811	13,805
Other nonoperating revenues (expenses), net	<u>(33,382)</u>	<u>(9,993)</u>
Net nonoperating revenues (expenses)	<u>352,116</u>	<u>674,616</u>
Income before other additions	1,208,461	869,803
Transfers to other campus entities	<u>(37,466)</u>	<u>(400,427)</u>
Increase in net position	1,170,995	469,376
Net position:		
Net position at beginning of year	<u>7,273,446</u>	<u>6,804,070</u>
Net position at end of year	<u>\$ 8,444,441</u>	<u>\$ 7,273,446</u>

See accompanying notes.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Statements of Cash Flows
Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Received from customers	\$ 24,226,418	\$ 19,653,946
Payments to employees and fringe benefits	(11,008,182)	(9,707,626)
Payments to vendors and suppliers	(12,104,584)	(9,699,225)
Payments for scholarships and fellowships	(328,820)	(324,352)
Transfers to other entities	(20,153)	(72,880)
Net cash used in operating activities	<u>764,679</u>	<u>(150,137)</u>
Cash flows from noncapital financing activities:		
Noncapital gifts received	368,687	670,804
Net cash provided by noncapital financing activities	<u>368,687</u>	<u>670,804</u>
Cash flows from capital and related financing activities:		
Capital grants received	-	3,144
Acquisition and construction of capital assets	(836,209)	(155,276)
Net cash used in capital and related financing activities	<u>(836,209)</u>	<u>(152,132)</u>
Cash flows from investing activities:		
Investment income	13,167	15,410
Transfers (to)/from cash, net of interest earned	294,772	(3,817)
Net cash provided by investing activities	<u>307,939</u>	<u>11,593</u>
Net increase (decrease) in cash and cash equivalents	605,096	380,128
Cash and cash equivalents at beginning of year	1,837,798	1,457,670
Cash and cash equivalents at end of year	<u>\$ 2,442,894</u>	<u>\$ 1,837,798</u>
Reconciliation to cash per Statements of Net Position		
Cash and cash equivalents	\$ 2,442,894	\$ 1,837,798
Total cash and cash equivalents at end of year	<u><u>\$ 2,442,894</u></u>	<u><u>\$ 1,837,798</u></u>

See accompanying notes.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Statements of Cash Flows

Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Reconciliation of operating income (loss) to net cash used in operating activities:		
Operating income (loss)	\$ 856,345	\$ 195,187
Adjustments to reconcile operating income (loss) to net cash used in operating activities:		
Depreciation expense	105,961	106,602
Transfers to other entities	(20,153)	(72,880)
Changes in assets and liabilities:		
Receivables, net	(1,726,644)	(53,714)
Prepaid items	(29,410)	81,710
Accounts payable and accrued liabilities	1,051,195	(182,797)
Unearned revenue, current	404,900	6,982
Compensated absences and unearned revenue, noncurrent	122,485	(231,227)
Total adjustments	<u>(91,666)</u>	<u>(345,324)</u>
Net cash used in operating activities	<u>\$ 764,679</u>	<u>\$ (150,137)</u>
Noncash investing, capital, and financing activities:		
Capital asset write-offs, net of depreciation	\$ 50,695	\$ 337,540
Increase in receivables related to nonoperating income	\$ 3,644	\$ -

See accompanying notes.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2016 and 2015

(1) Organization

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

Summary of Significant Accounting Policies

(a) Basis of Presentation

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

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

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

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

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2016 and 2015

(c) Cash and Cash Equivalents

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

(d) Investments

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

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

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

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

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

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

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

(e) Accounts Receivable

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

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2016 and 2015

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 and \$28,232 for the fiscal years ending June 30, 2016 and 2015, respectively.

(f) Capital Assets

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

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

(g) Unearned Revenue

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

(h) Compensated Absences

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

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

(i) Net Position

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

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

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

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2016 and 2015

(j) Classification of Revenues and Expenses

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

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

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

(k) Use of Estimates

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

(2) Cash and Cash Equivalents and Investments

The Foundation's cash and cash equivalents and investments as of June 30, 2016 and 2015 are classified in the accompanying statements of net position as follows:

	<u>2016</u>	<u>2015</u>
Cash and cash equivalents	\$ 2,442,894	\$ 1,837,798
Total cash and cash equivalents	<u>2,442,894</u>	<u>1,837,798</u>
Short-term investments - Net asset value	1,270,150	1,564,922
Other long-term investments - Level 2	<u>19,500</u>	<u>19,500</u>
Total investments	<u>1,289,650</u>	<u>1,584,422</u>
Total cash, cash equivalents and investments	\$ <u>3,732,544</u>	\$ <u>3,422,220</u>

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2016 and 2015

(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 \$2,442,894 and \$1,837,798 had a corresponding carrying balance with the commercial banks of \$2,687,865 and \$2,067,298 at June 30, 2016 and 2015, respectively. The differences related primarily to deposits in transit and outstanding checks.

Custodial Credit Risk for Deposits

The Foundation maintains its cash in bank deposit accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor. At June 30, 2016 and 2015, the Foundation's uninsured, uncollateralized cash balances were \$2,437,865 and \$1,817,298, respectively.

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

(b) Short-term Investments

At June 30, 2016 and 2015, 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, 2016 and 2015, cash in LAIF was \$1,270,150 and \$1,564,922, respectively.

(c) Long-term Investments

Long-term investments consist of land located in Shelter Cove, California, held as an investment and three shares of Baywood Golf and Country Club capital stock. All investments are stated at their fair market value. The fair value of the Shelter Cove land is based on an estimate of current market prices of comparable properties for sale. The fair value of the Baywood stock is based on estimated current selling price per share.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2016 and 2015

Long-term investment activity for the years ended June 30, 2016 and 2015 consisted of the following:

	<u>Balance at June 30, 2015</u>	<u>Purchases/ Additions</u>	<u>(Settlements)/ Deletions</u>	<u>Balance at June 30, 2016</u>
Stock	\$ 300	\$ —	\$ —	\$ 300
Land and other real estate	<u>19,200</u>	<u>—</u>	<u>—</u>	<u>19,200</u>
Total	<u>\$ 19,500</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 19,500</u>
	<u>Balance at June 30, 2014</u>	<u>Purchases/ Additions</u>	<u>(Settlements)/ Deletions</u>	<u>Balance at June 30, 2015</u>
Stock	\$ 300	\$ —	\$ —	\$ 300
Land and other real estate	<u>19,200</u>	<u>—</u>	<u>—</u>	<u>19,200</u>
Total	<u>\$ 19,500</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 19,500</u>

Investment income, net for the year ended June 30, 2016 and 2015, is summarized as follows:

	<u>2016</u>	<u>2015</u>
Interest income	\$ <u>16,811</u>	\$ <u>13,805</u>
Total	\$ <u>16,811</u>	\$ <u>13,805</u>

(3) Accounts Receivable

Billed and unbilled accounts receivables, net as of June 30, 2016 and 2015 are summarized as follows:

	<u>2016</u>	<u>2015</u>
Federal grants and contracts	\$ 2,259,437	\$ 2,202,201
State and local grants and contracts	3,980,118	2,265,317
Non-governmental grants and contracts	783,607	859,205
Other receivables	<u>116,799</u>	<u>82,950</u>
Total	\$ <u>7,139,961</u>	\$ <u>5,409,673</u>

The allowance for uncollectible accounts is \$0 and \$28,232 for the years ended June 30, 2016 and 2015, respectively. Unbilled grant and contract receivables are \$4,013,114 and \$4,231,588 as of June 30, 2016 and 2015, respectively.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2016 and 2015

(4) Capital Assets

Capital assets activity for the years ended June 30, 2016, consisted of the following:

	<u>Balance, June 30, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance, June 30, 2016</u>
Nondepreciable/nonamortizable capital assets:				
Land and land improvements	512,816	\$ 211,940	\$ —	\$ 724,756
Works of art and historical treasures	25,000	—	—	25,000
Construction work in progress	—	—	—	—
Total nondepreciable capital assets	<u>537,816</u>	<u>211,940</u>	<u>—</u>	<u>749,756</u>
Depreciable/amortizable capital assets:				
Buildings	814,231	95,219	—	909,450
Personal property:				
Equipment	<u>634,948</u>	<u>529,050</u>	<u>(183,312)</u>	<u>980,686</u>
Total depreciable capital assets	<u>1,449,179</u>	<u>624,269</u>	<u>(183,312)</u>	<u>1,890,136</u>
Total cost	<u>1,986,995</u>	<u>836,209</u>	<u>(183,312)</u>	<u>2,639,892</u>
Less accumulated depreciation/amortization:				
Buildings	(385,236)	(28,728)	—	(413,964)
Personal property:				
Equipment	<u>(404,304)</u>	<u>(77,233)</u>	<u>132,617</u>	<u>(348,920)</u>
Total accumulated depreciation	<u>(789,540)</u>	<u>(105,961)</u>	<u>132,617</u>	<u>(762,884)</u>
Net capital assets	\$ <u>1,197,455</u>	\$ <u>730,248</u>	\$ <u>(50,695)</u>	\$ <u>1,877,008</u>

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2016 and 2015

Capital assets activity for the years ended June 30, 2015, consisted of the following:

	<u>Balance, June 30, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance, June 30, 2015</u>
Nondepreciable/nonamortizable capital assets:				
Land and land improvements	\$ 512,816	\$ —	\$ —	\$ 512,816
Works of art and historical treasures	25,000	—	—	25,000
Construction work in progress	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total nondepreciable capital assets	<u>537,816</u>	<u>—</u>	<u>—</u>	<u>537,816</u>
Depreciable/amortizable capital assets:				
Buildings	814,231	—	—	814,231
Personal property: Equipment	<u>1,231,496</u>	<u>155,276</u>	<u>(751,824)</u>	<u>634,948</u>
Total depreciable capital assets	<u>2,045,727</u>	<u>155,276</u>	<u>(751,824)</u>	<u>1,449,179</u>
Total cost	<u>2,583,543</u>	<u>155,276</u>	<u>(751,824)</u>	<u>1,986,995</u>
Less accumulated depreciation/amortization:				
Buildings	(358,095)	(27,141)	—	(385,236)
Personal property: Equipment	<u>(739,127)</u>	<u>(79,461)</u>	<u>414,284</u>	<u>(404,304)</u>
Total accumulated depreciation	<u>(1,097,222)</u>	<u>(106,602)</u>	<u>414,284</u>	<u>(789,540)</u>
Net capital assets	\$ <u>1,486,321</u>	\$ <u>48,674</u>	\$ <u>(337,540)</u>	\$ <u>1,197,455</u>

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

For the years ended June 30, 2016 and 2015, capital assets with a net book value of \$17,313 and \$337,540 were transferred from the Foundation to the University, respectively. For the years ended June 30, 2016 and 2015, capital assets with a net book value of \$33,382 and \$0 were returned to the funder, respectively.

Total depreciation expense for the Foundation for the years ended June 30, 2016 and 2015 was \$105,961 and \$106,602, respectively.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2016 and 2015

(5) Long-term liabilities

Long-term liabilities activities for the years ended June 30, 2016 and 2015 is summarized as follows:

	<u>Balance at June 30, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2016</u>	<u>Current Portion</u>	<u>Long-Term Portion</u>
Accrued compensated absences	\$ 194,276	\$ 249,011	\$ (\$227,050)	\$ 216,237	\$ 138,148	\$ 78,089
Unearned revenue	<u>1,091,939</u>	<u>3,626,610</u>	<u>(\$3,102,435)</u>	<u>1,616,114</u>	<u>1,450,989</u>	<u>165,125</u>
Total	<u>\$ 1,286,215</u>	<u>\$ 3,875,621</u>	<u>\$ (\$3,329,485)</u>	<u>\$ 1,832,351</u>	<u>\$ 1,589,137</u>	<u>\$ 243,214</u>
	<u>Balance at June 30, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2015</u>	<u>Current Portion</u>	<u>Long-Term Portion</u>
Accrued compensated absences	\$ 148,155	\$ 218,813	\$ (\$172,692)	\$ 194,276	\$ 119,397	\$ 74,879
Unearned revenue	<u>1,345,331</u>	<u>1,507,623</u>	<u>(\$1,761,015)</u>	<u>1,091,939</u>	<u>1,046,089</u>	<u>45,850</u>
Total	<u>\$ 1,493,486</u>	<u>\$ 1,726,436</u>	<u>\$ (\$1,933,707)</u>	<u>\$ 1,286,215</u>	<u>\$ 1,165,486</u>	<u>\$ 120,729</u>

(6) Net Position

(a) Unrestricted net position

As of June 30, 2016 and 2015, the unrestricted portion of the Foundation's net position was designated for the following purposes:

	<u>2016</u>	<u>2015</u>
Funds held in trust:		
Sponsored programs related trusts	\$ 951,987	\$ 746,875
Campus program trusts	<u>710,934</u>	<u>1,050,603</u>
Total funds held in trust	1,662,921	1,797,478
Current operations and working capital	<u>4,904,512</u>	<u>4,278,513</u>
Total	<u>\$ 6,567,433</u>	<u>\$ 6,075,991</u>

The Board of Directors passed a resolution to establish a \$4,000,000 reserve for current operations and working capital, capital replacements, contingent liabilities, and planned future operations. The reserve was accumulated over a 36 month period beginning July 1, 2011. As of June 30, 2015, the Foundation achieved its reserve target and continues to maintain this reserve target as of June 30, 2016.

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, 2016 and 2015, \$120,172 and \$128,542 in unrestricted resources were expended to support these activities.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2016 and 2015

(7) 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.

(8) Classification of Operating Expenses

The Foundation has elected to report operating expenses by functional classification in the statements of revenues, expenses, and changes in net position, and to provide the natural classification of those expenses as an additional disclosure. For the years ended June 30, 2016 and 2015, operating expenses by natural classification consisted of the following:

	2016					
	<u>Salaries</u>	<u>Benefits</u>	<u>Scholarships and fellowships</u>	<u>Supplies and other services</u>	<u>Depreciation</u>	<u>Total</u>
Functional classification:						
Instruction	\$ 8,275	\$ 828	\$ -	\$ 4,037	\$ -	\$ 13,140
Research	4,489,266	1,088,284	68,035	7,036,422	-	12,682,007
Public service	2,979,957	987,753	237,896	4,674,039	-	8,879,645
Academic support	144,392	35,072	-	142,730	-	322,194
Student services	552,688	243,943	-	279,812	-	1,076,443
Institutional support				35,486	-	35,486
Scholarships and Fellowships	16,278	5,562	22,890	180,502	-	225,232
Auxiliary enterprise	285,143	163,420	-	783,871	-	1,232,434
Depreciation	-	-	-	-	105,961	105,961
Total	<u>\$ 8,475,999</u>	<u>\$ 2,524,862</u>	<u>\$ 328,821</u>	<u>\$ 13,136,899</u>	<u>\$ 105,961</u>	<u>\$ 24,572,542</u>
	2015					
	<u>Salaries</u>	<u>Benefits</u>	<u>Scholarships and fellowships</u>	<u>Supplies and other services</u>	<u>Depreciation</u>	<u>Total</u>
Functional classification:						
Instruction	\$ 6,643	\$ 690	\$ -	\$ 1,818	\$ -	\$ 9,151
Research	3,903,513	968,317	113,708	3,945,294	-	8,930,832
Public service	2,630,623	846,506	197,807	4,246,161	-	7,921,097
Academic support	177,660	56,088	-	242,408	-	476,156
Student services	538,208	271,203	1,200	215,538	-	1,026,149
Institutional support				2,532	-	2,532
Scholarships and Fellowships	13,062	1,554	11,637	142,278	-	168,531
Auxiliary enterprise	263,564	145,273	-	715,978	-	1,124,815
Depreciation	-	-	-	-	106,602	106,602
Total	<u>\$ 7,533,273</u>	<u>\$ 2,289,631</u>	<u>\$ 324,352</u>	<u>\$ 9,512,007</u>	<u>\$ 106,602</u>	<u>\$ 19,765,865</u>

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2016 and 2015

(9) Defined Contribution Plan

The Foundation maintains the Humboldt State University Foundation 403(b) DC plan with the Teachers Insurance and Annuity Association College Retirement Equities Fund (TIAA-CREF). The plan is qualified under IRS Section 403(b) and covers eligible employees, as defined by the plan.

(a) Plan Description

TIAA-CREF is an agent which provides 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 TIAA-CREF 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

Participants do not contribute any of their annual covered salary. Contributions to the plan are made at the discretion of the Board of Directors. The Foundation contributes 10% of the employees' annual covered payroll.

(c) Annual Contribution Costs and Pension Expense

The Foundation contributed \$373,552 and \$311,996 on behalf of covered employees for the years ended June 30, 2016 and 2015, respectively. These amounts are also the pension expense for these periods.

(10) Transfers to Other Campus Entities

Occasionally, the Foundation finds it appropriate to transfer certain fiscal responsibilities to the University or to other campus entities. During the years ended June 30, 2016 and 2015, the Foundation transferred the following to the University and HSU Advancement Foundation (HSUADV):

	<u>2016</u>	<u>2015</u>
Transfer of funds to the University	\$ —	\$ 1,763
Transfer of funds to HSUADV	20,154	61,124
Transfer of funds	<u>20,154</u>	<u>62,887</u>
Transfer of fixed assets to the University	<u>17,312</u>	<u>337,540</u>
Total	<u>\$ 37,466</u>	<u>\$ 400,427</u>

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2016 and 2015

(11) Transactions with Related Entities

(a) Business Services Agreement

The Foundation receives accounting and business services and human resource services from the University through a Business Services Agreement. For the fiscal years ended June 30, 2016 and 2015, the Foundation paid to the University \$540,000 and \$499,663, respectively, of which \$0 and \$0 was owed at June 30, 2016 and 2015, respectively.

(b) General Operations Payroll

The Foundation reimburses the University for salaries and benefits paid by the University of certain post-award employees of the Foundation's general operations. The amount reimbursed to the University for the years ended June 30, 2016 and 2015 were \$325,511 and \$319,218, respectively, of which \$0 and \$0 was owed at June 30, 2016 and June 30, 2015, respectively.

The University also supports the pre-award and compliance functionality, and 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 \$242,377 and \$495,140, respectively, for the year ended June 30, 2016 and \$177,872 and \$486,736, respectively, for the year ended June 30, 2015.

(c) Office Space Rental

The University provides office space to the general operations of the Foundation through a year-to-year space rental agreement. The rate assessed is based on square footage of the office space and includes custodial services and utilities. Rental expenses for the years ended June 30, 2016 and 2015 were \$0 and \$14,415, respectively. The rental expenses for the year ended June 30, 2016 were waived in the Business Management Service Agreement.

SUPPLEMENTARY INFORMATION

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Schedule of Net Position

June 30, 2016

(for inclusion in the California State University)

Assets:

Current assets:	
Cash and cash equivalents	\$ 2,442,894
Short-term investments	1,270,150
Accounts receivable, net	7,139,961
Leases receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other current assets	56,243
Total current assets	10,909,248

Noncurrent assets:	
Restricted cash and cash equivalents	—
Accounts receivable, net	—
Leases receivable, net of current portion	—
Notes receivable, net of current portion	—
Student loans receivable, net	—
Pledges receivable, net	—
Endowment investments	—
Other long-term investments	19,500
Capital assets, net	1,877,008
Other assets	—
Total noncurrent assets	1,896,508
Total assets	12,805,756

Deferred outflows of resources:	
Unamortized loss on debt refunding	—
Net pension liability	—
Others	—
Total deferred outflows of resources	—

Liabilities:

Current liabilities:	
Accounts payable	2,046,207
Accrued salaries and benefits	462,123
Accrued compensated absences, current portion	138,148
Unearned revenue	1,450,989
Capitalized lease obligations, current portion	—
Long-term debt obligations, current portion	—
Claims liability for losses and loss adjustment expenses, current portion	—
Depository accounts	—
Other liabilities	20,634
Total current liabilities	4,118,101

Noncurrent liabilities:	
Accrued compensated absences, net of current portion	78,089
Unearned revenue	165,125
Grants refundable	—
Capitalized lease obligations, net of current portion	—
Long-term debt obligations, net of current portion	—
Claims liability for losses and loss adjustment expenses, net of current portion	—
Depository accounts	—
Other postemployment benefits obligations	—
Net pension liability	—
Other liabilities	—
Total noncurrent liabilities	243,214
Total liabilities	4,361,315

Deferred inflows of resources:	
Service concession arrangements	—
Net pension liability	—
Unamortized gain on debt refunding	—
Nonexchange transactions	—
Others	—
Total deferred inflows of resources	—

Net Position:

Net investment in capital assets	1,877,008
Restricted for:	
Nonexpendable – endowments	—
Expendable:	
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Others	—
Unrestricted	6,567,433
Total net position	\$ 8,444,441

See the accompanying auditors' report and note to supplementary information.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Schedule of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2016

(for inclusion in the California State University)

Revenues:

Operating revenues:		
Student tuition and fees (net of scholarship allowances of \$ _____)	\$	—
Grants and contracts, noncapital:		
Federal		9,940,316
State		8,132,663
Local		530,096
Nongovernmental		4,403,964
Sales and services of educational activities		—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$ _____)		—
Other operating revenues		2,421,848
		<hr/>
Total operating revenues		25,428,887

Expenses:

Operating expenses:		
Instruction		13,140
Research		12,682,007
Public service		8,879,645
Academic support		322,194
Student services		1,076,443
Institutional support		35,486
Operation and maintenance of plant		—
Student grants and scholarships		225,232
Auxiliary enterprise expenses		1,232,434
Depreciation and amortization		105,961
		<hr/>
Total operating expenses		24,572,542
		<hr/>
Operating income (loss)		856,345

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		368,687
Investment income (loss), net		16,811
Endowment income (loss), net		—
Interest expense		—
Other nonoperating revenues (expenses)		(70,848)
		<hr/>
Net nonoperating revenues (expenses)		314,650
		<hr/>
Income (loss) before other revenues (expenses)		1,170,995

State appropriations, capital		—
Grants and gifts, capital		—
Additions (reductions) to permanent endowments		—
		<hr/>
Increase (decrease) in net position		1,170,995

Net position:

Net position at beginning of year, as previously reported		7,273,446
Restatements		—
Net position at beginning of year, as restated		<hr/> 7,273,446
Net position at end of year	\$	<hr/> <hr/> 8,444,441

See the accompanying auditors' report and note to supplementary information.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
 Other Information
 June 30, 2016
 (for inclusion in the California State University)

1 Restricted cash and cash equivalents at June 30, 2016:

Portion of restricted cash and cash equivalents related to endowments	\$	—
All other restricted cash and cash equivalents		<u>—</u>
Total restricted cash and cash equivalents	\$	<u><u>—</u></u>

2.1 Composition of investments at June 30, 2016:

	Current Unrestricted	Current Restricted	Total Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
State of California Surplus Money Investment Fund (SMIF)	\$	—	—	—	—	—	—
State of California Local Agency Investment Fund (LAIF)	1,270,150	—	1,270,150	—	—	—	1,270,150
Corporate bonds	—	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—	—
Mutual funds	—	—	—	—	—	—	—
Money Market funds	—	—	—	—	—	—	—
Repurchase agreements	—	—	—	—	—	—	—
Commercial paper	—	—	—	—	—	—	—
Asset backed securities	—	—	—	—	—	—	—
Mortgage backed securities	—	—	—	—	—	—	—
Municipal bonds	—	—	—	—	—	—	—
U.S. agency securities	—	—	—	—	—	—	—
U.S. treasury securities	—	—	—	—	—	—	—
Equity securities	—	—	—	300	—	300	300
Exchange traded funds (ETFs)	—	—	—	—	—	—	—
Alternative investments:							
Private equity (including limited partnerships)	—	—	—	—	—	—	—
Hedge funds	—	—	—	—	—	—	—
Managed futures	—	—	—	—	—	—	—
Real estate investments (including REITs)	—	—	—	—	—	—	—
Commodities	—	—	—	—	—	—	—
Derivatives	—	—	—	—	—	—	—
Other alternative investment types	—	—	—	—	—	—	—
Other external investment pools (excluding SWIFT)							
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Other major investments:							
Land	—	—	—	19,200	—	19,200	19,200
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Total investments	<u>1,270,150</u>	<u>—</u>	<u>1,270,150</u>	<u>19,500</u>	<u>—</u>	<u>19,500</u>	<u>1,289,650</u>
Less endowment investments (enter as negative number)							
Total investments	<u>1,270,150</u>	<u>—</u>	<u>1,270,150</u>	<u>19,500</u>	<u>—</u>	<u>19,500</u>	<u>1,289,650</u>

2.2 Investments held by the University under contractual agreements at June 30, 2016:

Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2016 :	—	—	—	—	—	—	—
---	---	---	---	---	---	---	---

2.3 Restricted current investments at June 30, 2016 related to:

	<u>Amount</u>
Add description	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total restricted current investments at June 30, 2016	\$ —

See the accompanying auditors' report and note to supplementary information.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Other Information

June 30, 2016

(for inclusion in the California State University)

2.4 Restricted noncurrent investments at June 30, 2016 related to:

	<u>Amount</u>
Endowment investment	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
	<u>—</u>

Total restricted noncurrent investments at June 30, 2016 \$ —

2.5 Fair value hierarchy in investments at June 30, 2016:

	Total	Fair Value Measurements Using			Net Asset Value (NAV)
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
State of California Surplus Money Investment Fund (SMIF)	\$ —	—	—	—	—
State of California Local Agency Investment Fund (LAIF)	1,270,150	—	—	—	1,270,150
Corporate bonds	—	—	—	—	—
Certificates of deposit	—	—	—	—	—
Mutual funds	—	—	—	—	—
Money Market funds	—	—	—	—	—
Repurchase agreements	—	—	—	—	—
Commercial paper	—	—	—	—	—
Asset backed securities	—	—	—	—	—
Mortgage backed securities	—	—	—	—	—
Municipal bonds	—	—	—	—	—
U.S. agency securities	—	—	—	—	—
U.S. treasury securities	—	—	—	—	—
Equity securities	300	—	—	—	300
Exchange traded funds (ETFs)	—	—	—	—	—
Alternative investments:					
Private equity (including limited partnerships)	—	—	—	—	—
Hedge funds	—	—	—	—	—
Managed futures	—	—	—	—	—
Real estate investments (including REITs)	—	—	—	—	—
Commodities	—	—	—	—	—
Derivatives	—	—	—	—	—
Other alternative investment types	—	—	—	—	—
Other external investment pools (excluding SWIFT)					
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Other major investments:					
Land	19,200	—	—	—	19,200
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total investments	<u>1,289,650</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,289,650</u>

See the accompanying auditors' report and note to supplementary information.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
Other Information
June 30, 2016
(for inclusion in the California State University)

3.1 Composition of capital assets at June 30, 2016:

	Balance June 30, 2015	Prior period Adjustments	Reclassifications	Balance June 30, 2015 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2016
Nondepreciable/nonamortizable capital assets:								
Land and land improvements	\$ 512,816	—	—	512,816	211,940	—	—	724,756
Works of art and historical treasures	25,000	—	—	25,000	—	—	—	25,000
Construction work in progress (CWIP)	—	—	—	—	—	—	—	—
Intangible assets:								
Rights and easements	—	—	—	—	—	—	—	—
Patents, copyrights and trademarks	—	—	—	—	—	—	—	—
Internally generated intangible assets in progress	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total nondepreciable/nonamortizable capital assets	537,816	—	—	537,816	211,940	—	—	749,756
Depreciable/amortizable capital assets:								
Buildings and building improvements	814,231	—	—	814,231	95,219	—	—	909,450
Improvements, other than buildings	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—
Leasehold improvements	—	—	—	—	—	—	—	—
Personal property:								
Equipment	634,948	—	—	634,948	529,050	(183,312)	—	980,686
Library books and materials	—	—	—	—	—	—	—	—
Intangible assets:								
Software and websites	—	—	—	—	—	—	—	—
Rights and easements	—	—	—	—	—	—	—	—
Patents, copyright and trademarks	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total depreciable/amortizable capital assets	1,449,179	—	—	1,449,179	624,269	(183,312)	—	1,890,136
Total capital assets	1,986,995	—	—	1,986,995	836,209	(183,312)	—	2,639,892
Less accumulated depreciation/amortization:								
Buildings and building improvements	(385,236)	—	—	(385,236)	(28,728)	—	—	(413,964)
Improvements, other than buildings	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—
Leasehold improvements	—	—	—	—	—	—	—	—
Personal property:								
Equipment	(404,304)	—	—	(404,304)	(77,233)	132,617	—	(348,920)
Library books and materials	—	—	—	—	—	—	—	—
Intangible assets:								
Software and websites	—	—	—	—	—	—	—	—
Rights and easements	—	—	—	—	—	—	—	—
Patents, copyright and trademarks	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total accumulated depreciation/amortization	(789,540)	—	—	(789,540)	(105,961)	132,617	—	(762,884)
Total capital assets, net	\$ 1,197,455	—	—	1,197,455	730,248	(50,695)	—	1,877,008

See the accompanying auditors' report and note to supplementary information.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Other Information

June 30, 2016

(for inclusion in the California State University)

3.2 Detail of depreciation and amortization expense for the year ended June 30, 2016:

Depreciation and amortization expense related to capital assets	\$ 105,961
Amortization expense related to other assets	<u>—</u>
Total depreciation and amortization	<u>\$ 105,961</u>

4 Long-term liabilities activity schedule:

	Balance June 30, 2015	Prior period adjustments	Reclassifications	Balance June 30, 2015 (restated)	Additions	Reductions	Balance June 30, 2016	Current portion	Long-term portion
Accrued compensated absences	\$ 194,276	—	—	194,276	249,011	(227,050)	216,237	138,148	78,089
Claims liability for losses and loss adjustment expenses	—	—	—	—	—	—	—	—	—
Capitalized lease obligations:									
Gross balance	—	—	—	—	—	—	—	—	—
Unamortized premium / (discount) on capitalized lease obligations	—	—	—	—	—	—	—	—	—
Total capitalized lease obligations	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Long-term debt obligations:									
Auxiliary revenue bonds	—	—	—	—	—	—	—	—	—
Commercial paper	—	—	—	—	—	—	—	—	—
Notes payable related to SRB	—	—	—	—	—	—	—	—	—
Others: (list by type)									
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Total long-term debt obligations	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Unamortized bond premium / (discount)	—	—	—	—	—	—	—	—	—
Total long-term debt obligations, net	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total long-term liabilities	<u>\$ 194,276</u>	<u>—</u>	<u>—</u>	<u>194,276</u>	<u>249,011</u>	<u>(227,050)</u>	<u>216,237</u>	<u>138,148</u>	<u>78,089</u>

5 Future minimum lease payments - capitalized lease obligations:

	Capitalized lease obligations related to SRB			All other capitalized lease obligations			Total capitalized lease obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2017	—	—	—	—	—	—	—	—	—
2018	—	—	—	—	—	—	—	—	—
2019	—	—	—	—	—	—	—	—	—
2020	—	—	—	—	—	—	—	—	—
2021	—	—	—	—	—	—	—	—	—
2022 - 2026	—	—	—	—	—	—	—	—	—
2027 - 2031	—	—	—	—	—	—	—	—	—
2032 - 2036	—	—	—	—	—	—	—	—	—
2037 - 2041	—	—	—	—	—	—	—	—	—
2042 - 2046	—	—	—	—	—	—	—	—	—
2047 - 2051	—	—	—	—	—	—	—	—	—
2052 - 2056	—	—	—	—	—	—	—	—	—
2057 - 2061	—	—	—	—	—	—	—	—	—
2062 - 2066	—	—	—	—	—	—	—	—	—
Total minimum lease payments	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Less amounts representing interest	—	—	—	—	—	—	—	—	—
Present value of future minimum lease payments	—	—	—	—	—	—	—	—	—
Unamortized net premium (discount)	—	—	—	—	—	—	—	—	—
Total capitalized lease obligations	—	—	—	—	—	—	—	—	—
Less: current portion	—	—	—	—	—	—	—	—	—
Capitalized lease obligation, net of current portion	—	—	—	—	—	—	—	—	<u>\$ —</u>

See the accompanying auditors' report and note to supplementary information.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
 Other Information
 June 30, 2016
 (for inclusion in the California State University)

6 Long-term debt obligation schedule

	Auxiliary revenue bonds			All other long-term debt obligations			Total long-term debt obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2017	\$ —	—	—	—	—	—	—	—	—
2018	—	—	—	—	—	—	—	—	—
2019	—	—	—	—	—	—	—	—	—
2020	—	—	—	—	—	—	—	—	—
2021	—	—	—	—	—	—	—	—	—
2022 - 2026	—	—	—	—	—	—	—	—	—
2027 - 2031	—	—	—	—	—	—	—	—	—
2032 - 2036	—	—	—	—	—	—	—	—	—
2037 - 2041	—	—	—	—	—	—	—	—	—
2042 - 2046	—	—	—	—	—	—	—	—	—
2047 - 2051	—	—	—	—	—	—	—	—	—
2052 - 2056	—	—	—	—	—	—	—	—	—
2057 - 2061	—	—	—	—	—	—	—	—	—
2062 - 2066	—	—	—	—	—	—	—	—	—
Total minimum payments	—	—	—	—	—	—	—	—	—
Less amounts representing interest									—
Present value of future minimum payments									—
Unamortized net premium (discount)									—
Total long-term debt obligations									—
Less: current portion									—
Long-term debt obligations, net of current portion									\$ —

7 Calculation of net position

7.1 Calculation of net position - net investment in capital assets

Capital assets, net of accumulated depreciation	\$ 1,877,008
Capitalized lease obligations, current portion	—
Capitalized lease obligations, net of current portion	—
Long-term debt obligations, current portion	—
Long-term debt obligations, net of current portion	—
Portion of outstanding debt that is unspent at year-end	—
Other adjustments: (please list)	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Net position - net investment in capital asset	<u>\$ 1,877,008</u>

7.2 Calculation of net position - restricted for nonexpendable - endowments

Portion of restricted cash and cash equivalents related to endowments	\$ —
Endowment investments	—
Other adjustments: (please list)	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Net position - Restricted for nonexpendable - endowments per SNP	<u>\$ —</u>

See the accompanying auditors' report and note to supplementary information.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Other Information

June 30, 2016

(for inclusion in the California State University)

8 Transactions with related entities

	<u>Amount</u>
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 876,929
Payments to University for other than salaries of University personnel	2,391,559
Payments received from University for services, space, and programs	759,790
Gifts-in-kind to the University from discretely presented component units	—
Gifts (cash or assets) to the University from discretely presented component units	17,313
Accounts (payable to) University (enter as negative number)	(38,538)
Other amounts (payable to) University (enter as negative number)	—
Accounts receivable from University	14,687
Other amounts receivable from University	—

9 Other postemployment benefits obligation (OPEB)

Annual required contribution (ARC)	\$ —
Contributions during the year	<u>—</u>
Increase (decrease) in net OPEB obligation (NOO)	—
Other adjustments	—
NOO - beginning of year	—
NOO - end of year	\$ <u><u>—</u></u>

10 Pollution remediation liabilities under GASB Statement No. 49:

<u>Description</u>	<u>Amount</u>
Add description	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total pollution remediation liabilities	\$ <u>—</u>
Less: current portion	<u>—</u>
Pollution remediation liabilities, net of current portion	<u><u>—</u></u>

See the accompanying auditors' report and note to supplementary information.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Other Information

June 30, 2016

(for inclusion in the California State University)

11 The nature and amount of the prior period adjustment(s) recorded to beginning net position

	Net Position Class	Amount	
		Dr.	Cr.
Net position as of June 30, 20PY, as previously reported		\$	7,273,446
Prior period adjustments:			
1 (list description of each adjustment)			—
2 (list description of each adjustment)			—
3 (list description of each adjustment)			—
4 (list description of each adjustment)			—
5 (list description of each adjustment)			—
6 (list description of each adjustment)			—
7 (list description of each adjustment)			—
8 (list description of each adjustment)			—
9 (list description of each adjustment)			—
10 (list description of each adjustment)			—
Net position as of June 30, 2015, as restated		\$	<u>7,273,446</u>

Provide a detailed breakdown of the journal entries (at the financial statement line item level) booked to record each prior period adjustment:

	Debit	Credit
Net position class: _____ 1 (breakdown of adjusting journal entry)	\$ —	—
Net position class: _____ 2 (breakdown of adjusting journal entry)	—	—
Net position class: _____ 3 (breakdown of adjusting journal entry)	—	—
Net position class: _____ 4 (breakdown of adjusting journal entry)	—	—
Net position class: _____ 5 (breakdown of adjusting journal entry)	—	—
Net position class: _____ 6 (breakdown of adjusting journal entry)	—	—
Net position class: _____ 7 (breakdown of adjusting journal entry)	—	—
Net position class: _____ 8 (breakdown of adjusting journal entry)	—	—
Net position class: _____ 9 (breakdown of adjusting journal entry)	—	—
Net position class: _____ 10 (breakdown of adjusting journal entry)	—	—

See the accompanying auditors' report and note to supplementary information.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Note to Supplementary Information

Year Ended June 30, 2016

(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, 2016, is as follows:

	2016
Statement of Revenues, Expenses, and Changes in Net Position	
Indirect cost revenue	\$ 2,144,383
Other operating revenues	277,465
Total other operating revenues	\$ <u>2,421,848</u>
Supplementary Schedule	
Statement of Revenues, Expenses, and Changes in Net Position	
Other operating revenues	\$ <u>2,421,848</u>

SINGLE AUDIT REPORTS



**INDEPENDENT AUDITORS' REPORT 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 business-type activities of Humboldt State University Sponsored Programs Foundation, a component unit of Humboldt State University (HSU) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Humboldt State University Sponsored Programs Foundation's basic financial statements, and have issued our report thereon dated September 15, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Humboldt State University Sponsored Programs Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Humboldt State University Sponsored Programs Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of Humboldt State University Sponsored Programs Foundation's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.



CliftonLarsonAllen LLP

Bellevue, Washington
September 15, 2016



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited Humboldt State University Sponsored Programs Foundation's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Humboldt State University Sponsored Programs Foundation's major federal programs for the year ended June 30, 2016. Humboldt State University Sponsored Programs Foundation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Humboldt State University Sponsored Programs Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

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

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

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

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



CliftonLarsonAllen LLP

Bellevue, Washington
September 15, 2016

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER:				
Department of Agriculture Direct Programs				
Cooperative Forestry Research	10.202			\$ 3,573
Total Department of Agriculture Direct Programs				<u>3,573</u>
Department of Agriculture - Forest Service Direct Programs				
Department of Agriculture	10.XXX			33,257
Department of Agriculture	10.XXX			12,301
Department of Agriculture	10.XXX			3,741
Department of Agriculture	10.XXX			29,601
Department of Agriculture	10.XXX			19,276
Department of Agriculture	10.XXX			28,511
Department of Agriculture	10.XXX			1,680
Department of Agriculture	10.XXX			21,185
Department of Agriculture	10.XXX			849
Department of Agriculture	10.XXX			38,378
Department of Agriculture	10.XXX			7,250
Department of Agriculture	10.XXX			44,978
Forestry Research	10.652		\$ 9,728	52,061
Forestry Research	10.652			29,227
Total Department of Agriculture - Forest Service Direct Programs			<u>9,728</u>	<u>322,295</u>
Department of Agriculture - National Institute of Food & Agriculture Direct Programs				
Cooperative Forestry Research	10.202			6,985
Cooperative Forestry Research	10.202			4,732
Cooperative Forestry Research	10.202			(522)
Cooperative Forestry Research	10.202			187
Cooperative Forestry Research	10.202			2,010
Cooperative Forestry Research	10.202			5,691
Cooperative Forestry Research	10.202			8,270
Cooperative Forestry Research	10.202			19,199
Cooperative Forestry Research	10.202			8,129
Cooperative Forestry Research	10.202			13,115

See the accompanying auditors' report and Notes to Schedule of Federal Expenditures

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Cooperative Forestry Research	10.202			7,860
Cooperative Forestry Research	10.202			19,868
Cooperative Forestry Research	10.202			15,919
Cooperative Forestry Research	10.202			11,186
Cooperative Forestry Research	10.202			7,006
Cooperative Forestry Research	10.202			3,639
Cooperative Forestry Research	10.202			17,621
Cooperative Forestry Research	10.202			2,970
Total Department of Agriculture - National Institute of Food & Agriculture Direct Programs				153,865
Department of Agriculture - Natural Resources Conservation Services Direct Programs				
Soil and Water Conservation	10.902		7,324	84,795
Total Department of Agriculture - Natural Resources Conservation Services Direct Programs			7,324	84,795
Department of Commerce - National Oceanic Atmospheric Administration Direct Programs				
Department of Commerce	11.XXX			178,509
Department of Commerce	11.XXX		29,691	42,866
Department of Commerce	11.XXX			1,005
Marine Mammal Data Program	11.439			15,814
Marine Mammal Data Program	11.439			20,958
Total Department of Commerce - National Oceanic Atmospheric Administration Direct Programs			29,691	259,152
Department of Commerce - National Oceanic Atmospheric Administration Pass-Through Programs From:				
Monterey Bay Aquarium Research Institute	11.012	1411313		68,271
University of California, San Diego	11.432	CIMBT02		87,183
University of California, San Diego	11.432	CIMDW14		52,596
University of California, San Diego	11.432	INDEX: CIMODWT		14,224
University of California, San Diego	11.432	CIMBT03		15,393
University of California, San Diego	11.417	R/SSFS-03		6,516
University of California, San Diego	11.417	R/SSFS-03TR		15,000
Total Department of Commerce - National Oceanic Atmospheric Administration Pass-Through Programs				259,183

See the accompanying auditors' report and Notes to Schedule of Federal Expenditures

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Department Of Defense Pass-Through Programs From:				
Michigan State University, Department of Kinesiology	12.42	3003497433		113,424
Total Department Of Defense Pass-Through Programs				<u>113,424</u>
Department of Education Pass-Through Programs From:				
Del Norte County Unified School District	84.01	C2276		9,797
Total Department of Education Pass-Through Programs				<u>9,797</u>
Department of Energy Direct Programs				
Renewable Energy Research and Development	81.087		375,572	737,398
Renewable Energy Research and Development	81.087			26,643
Renewable Energy Research and Development	81.087		178,516	507,863
Renewable Energy Research and Development	81.087		622,389	637,378
Total Department of Energy Direct Programs			<u>1,176,477</u>	<u>1,909,282</u>
Department of Energy Pass-Through Programs From:				
Alliance for Sustainable Energy, LLC	81.XXX	XGG-4-42173-01		1,244
Regents of the University of California	81.XXX	7014205		104,213
Regents of the University of California	81.XXX	7211520		3,340
Battelle Energy Alliance, LLC	81.XXX	161662		86,541
The Cal Poly Corporation	81.087	14-21-45059		40
Total Department of Energy Pass-Through Programs				<u>195,378</u>
Department of Health and Human Services Direct Programs				
Allergy, Immunology and Transplantation Research	93.855			84,716
Total Department of Health and Human Services Direct Programs				<u>84,716</u>
Department of the Interior - Bureau of Land Management Direct Programs				
Cultural Resource Management	15.224			6,728
Department of the Interior	15.XXX			12,659
Fish, Wildlife and Plant Conservation Resource Management	15.231			34,247
Fish, Wildlife and Plant Conservation Resource Management	15.231			42,080
Forests and Woodlands Resource Management	15.233			29,911
Forests and Woodlands Resource Management	15.233			2,645

See the accompanying auditors' report and Notes to Schedule of Federal Expenditures

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Forests and Woodlands Resource Management	15.233			4,108
Forests and Woodlands Resource Management	15.233			27,542
Recreation Resource Management	15.225		14,004	27,825
Total Department of the Interior - Bureau of Land Management Direct Programs			14,004	187,745
Department of the Interior - Fish and Wildlife Services Direct Programs				
Cooperative Research Units Program	15.812			34,652
Endangered Species Conservation - Recovery Implementation Funds	15.657			2,563
Endangered Species Conservation - Recovery Implementation Funds	15.657			8,745
Endangered Species Conservation - Recovery Implementation Funds	15.657			5,390
Endangered Species Conservation - Recovery Implementation Funds	15.657			15,621
Endangered Species Conservation - Recovery Implementation Funds	15.657			4,635
Fish and Wildlife Management Assistance	15.608			24,129
Fish and Wildlife Management Assistance	15.608			6,126
Fish and Wildlife Management Assistance	15.608			40,683
Fish and Wildlife Management Assistance	15.608			29,142
Natural Resource Damage Assessment, Restoration and Implementation	15.658			231,313
Total Department of the Interior - Fish and Wildlife Services Direct Programs				402,999
Department of the Interior - Fish and Wildlife Services Pass-Through Programs From:				
Fish and Wildlife, Department of (DFW)	15.XXX	P1540034		9,552
Fish and Wildlife, Department of (DFW)	15.615	P1482001		402
Fish and Wildlife, Department of (DFW)	15.634	P1480015	14,490	67,915
Total Department of the Interior - Fish and Wildlife Services Pass-Through Programs			14,490	77,869
Department of the Interior - National Park Service Direct Programs				
Cooperative Research and Training Programs ¿ Resources of the National Park System	15.945			6,275
Cooperative Research and Training Programs ¿ Resources of the National Park System	15.945		16,757	24,005

See the accompanying auditors' report and Notes to Schedule of Federal Expenditures

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
National Park Service Conservation, Protection, Outreach. and Education	15.954			10,370
National Park Service Conservation, Protection, Outreach. and Education	15.954			2,040
National Park Service Conservation, Protection, Outreach. and Education	15.954			13,137
National Park Service Conservation, Protection, Outreach. and Education	15.954			16,410
National Park Service Conservation, Protection, Outreach. and Education	15.954			8,792
National Park Service Conservation, Protection, Outreach. and Education	15.954			19,744
Natural Resource Stewardship	15.944			4,805
Natural Resource Stewardship	15.944			2,715
Department of the Interior - National Park Service Direct Programs			16,757	108,293
Department of the Interior - U.S. Geological Survey Direct Programs				
Cooperative Research Units Program	15.812			36,214
Cooperative Research Units Program	15.812			(3,313)
Cooperative Research Units Program	15.812			15,941
Cooperative Research Units Program	15.812			13,253
Earthquake Hazards Reduction Program	15.807			7,112
Total Department of the Interior - U.S. Geological Survey Direct Programs				69,207
National Science Foundation Direct Programs				
Biological Sciences	47.074			61,635
Biological Sciences	47.074			457,004
Biological Sciences	47.074			30,072
Education and Human Resources	47.076			28,333
International Science and Engineering (OISE)	47.079			26,255
Mathematical and Physical Sciences	47.049			43,827
Total National Science Foundation Direct Programs				647,126
National Science Foundation Pass-Through Programs From:				
Other	47.074	7361		23,379
University of California, Santa Cruz	47.05	S0184226		3,185
Total National Science Foundation Pass-Through Programs				26,564

See the accompanying auditors' report and Notes to Schedule of Federal Expenditures

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Strategic Environmental Research and Development Program Pass-Through Programs From:				
University of Southern California	81.XXX	60051189		51,201
Total Strategic Environmental Research and Development Program Pass-Through Programs				<u>51,201</u>
Total Research and Development Cluster			1,268,471	4,966,464
 SMALL BUSINESS DEVELOPMENT CENTERS:				
Small Business Administration Direct Programs				
Small Business Development Centers	59.037		13,233	187,900
Small Business Development Centers	59.037		19,262	19,262
Small Business Development Centers	59.037		127,285	127,285
Small Business Development Centers	59.037			94,202
Small Business Development Centers	59.037		88,553	88,553
Small Business Development Centers	59.037		54,321	54,321
Small Business Development Centers	59.037		182,950	182,950
Small Business Development Centers	59.037		166,926	166,926
Small Business Development Centers	59.037		99,764	99,764
Small Business Development Centers	59.037		51,461	51,461
Small Business Development Centers	59.037		226,855	226,855
Small Business Development Centers	59.037		134,799	134,799
Small Business Development Centers	59.037		85,750	85,750
Small Business Development Centers	59.037			59,809
Small Business Development Centers	59.037			272,943
Small Business Development Centers	59.037			196,007
Small Business Development Centers	59.037			34,397
Small Business Development Centers	59.037			387,425
Small Business Development Centers	59.037		53,821	53,821
Small Business Development Centers	59.037		22,545	22,545
Small Business Development Centers	59.037		63,104	63,104
Small Business Development Centers	59.037		1,330	14,413
Small Business Development Centers	59.037		20,918	20,918
Small Business Development Centers	59.037		19,994	19,994
Small Business Development Centers	59.037		65,826	65,826
Small Business Development Centers	59.037		35,868	35,868

See the accompanying auditors' report and Notes to Schedule of Federal Expenditures

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Small Business Development Centers	59.037		20,148	20,147
Small Business Development Centers	59.037			201,123
Small Business Development Centers	59.037		2,500	82,153
Small Business Development Centers	59.037			51,320
Small Business Development Centers	59.037		50,629	50,629
Total Small Business Administration Direct Programs			<u>1,607,842</u>	<u>3,172,470</u>
Total Small Business Development Centers			1,607,842	3,172,470
TRIO CLUSTER:				
Department of Education Direct Programs				
TRIO - Student Support Services	84.042			61,194
TRIO - Student Support Services	84.042			276,394
TRIO - Talent Search	84.044			373,417
TRIO - Upward Bound	84.047			251,673
Total Department of Education Direct Programs				<u>962,678</u>
TOTAL TRIO CLUSTER:				<u>962,678</u>
OTHER:				
Center for Disease Control and Prevention Pass-Through Programs From:				
United Indian Health Service	93.524	07282015HSU-1		45,611
Total Center for Disease Control and Prevention Pass-Through Programs				<u>45,611</u>
Department of Agriculture Direct Programs				
Farmers' Market Promotion Program	10.168		14,208	52,685
Total Department of Agriculture Direct Programs			<u>14,208</u>	<u>52,685</u>
Department of Agriculture - Forest Service Direct Programs				
Department of Agriculture	10.XXX			4,400
Total Department of Agriculture - Forest Service Direct Programs				<u>4,400</u>

See the accompanying auditors' report and Notes to Schedule of Federal Expenditures

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Department of Agriculture - National Institute of Food & Agriculture Direct Programs				
Higher Education Challenge Grants	10.217			4,557
Hispanic Serving Institutions Education Grants	10.223		18,349	124,735
Total Department of Agriculture - National Institute of Food & Agriculture Direct Programs			<u>18,349</u>	<u>129,292</u>
Department of Commerce - National Oceanic Atmospheric Administration Direct Programs				
Department of Commerce	11.XXX			2,408
Total Department of Commerce - National Oceanic Atmospheric Administration Direct Programs				<u>2,408</u>
Department of Commerce - National Oceanic Atmospheric Administration Pass-Through Programs From:				
University of California, San Diego	11.432	CIMBTS1B		7,778
Total Department of Commerce - National Oceanic Atmospheric Administration Pass-Through Programs				<u>7,778</u>
Department Of Defense Direct Programs				
Procurement Technical Assistance For Business Firms	12.002			(17,098)
Procurement Technical Assistance For Business Firms	12.002			(7,039)
Procurement Technical Assistance For Business Firms	12.002			241,875
Department Of Defense Direct Programs				<u>217,738</u>
Department of Education Direct Programs				
Child Care Access Means Parents in School	84.335			186,965
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334		45,400	438,191
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325			247,378
Total Department of Education Direct Programs			<u>45,400</u>	<u>872,534</u>
Department of Education Pass-Through Programs From:				
National Writing Project	84.367	92-CA01-SEED2012 4A		376
Regents of the University of California	84.367	NCLB11-CWP-HUMBOLDT		(100)
Regents of the University of California	84.367	NCLB12-CWP-HUMBOLDT		23,175
Education, Department of (CDE)	84.367	15-15196-3060-00	46,217	89,258
Fortuna Elementary School District	84.366	S366B110005		57,033
City of Eureka	84.351	C2276	(500)	124,982
Total Department of Education Pass-Through Programs			<u>45,717</u>	<u>294,724</u>

See the accompanying auditors' report and Notes to Schedule of Federal Expenditures

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Department of Health and Human Services Pass-Through Programs From:				
Regents of the University of California	93.658	8513		15,599
Regents of the University of California	93.658	8513		(8,504)
Regents of the University of California	93.658	8885	17,500	962,880
Regents of the University of California	93.658	8885		213,351
Regents of the University of California	93.658	8885	2,500	346,397
Regents of the University of California	93.658	8885		52,524
Total Department of Health and Human Services Pass-Through Programs			20,000	1,582,247
Department of Justice Direct Programs				
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525		17,737	58,871
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525		9,668	63,214
Total Department of Justice Direct Programs			27,405	122,085
Department of the Interior - Bureau of Land Management Direct Programs				
Forests and Woodlands Resource Management	15.233			4,393
Total Department of the Interior - Bureau of Land Management Direct Programs				4,393
Department of the Interior - Fish and Wildlife Services Direct Programs				
Department of Interior	15.XXX			2,308
Total Department of the Interior - Fish and Wildlife Services Direct Programs				2,308
Department of the Interior - National Park Service Direct Programs				
Cooperative Research and Training Programs & Resources of the National Park System	15.945			956
Total Department of the Interior - National Park Service Direct Programs				956
Housing & Urban Development Pass-Through Programs From:				
Agency for International Development	14.XXX			(936)
Total Housing & Urban Development Pass-Through Programs				(936)

See the accompanying auditors' report and Notes to Schedule of Federal Expenditures

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
National Science Foundation Direct Programs				
Education and Human Resources	47.076			37,500
Education and Human Resources	47.076			44,890
Total National Science Foundation Direct Programs				<u>82,390</u>
National Science Foundation Pass-Through Programs From:				
University Enterprises, Inc.	47.076	523811		3,107
University Enterprises, Inc.	47.076	523811		15,000
Total National Science Foundation Pass-Through Programs				<u>18,107</u>
Small Business Administration Direct Programs				
7(j) Technical Assistance	59.007			11,130
Small Business Administration Direct Programs				<u>11,130</u>
TOTAL OTHER:			<u>171,079</u>	<u>3,449,850</u>
Total Expenditures of Federal Awards			\$ 3,047,392.00	<u><u>\$ 12,551,462</u></u>

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2016

(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, 2016. The information in this Schedule is presented in accordance with the requirements of 2 CFR 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 assets, or cash flows of the Foundation.

(2) Summary of Significant Accounting Policies

(a) Expenditures

Expenditures reported on the Schedule 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. The Foundation has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

(b) Pass-through Entities

Pass-through entity identifying numbers are presented where available.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Schedule of Findings and Questioned Costs

Year Ended June 30, 2016

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes X none reported

Type of auditors’ report issued on compliance for for major programs?

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this schedule? _____ yes X no

Identification of major programs:

CFDA Number(s)
Various

Name of Federal Program or Cluster
Research and Development Cluster

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee? X yes _____ no

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Schedule of Findings and Questioned Costs

Year Ended June 30, 2016

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2016

Finding 2015-001:

Trio Cluster US Department of Education
CFDA # 84.044 Talent Search 11/16
Grant Award #PO44A110451

During this year's testing of eligibility, we determined that corrective action was implemented. No similar findings were noted during the current year audit.