

**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, 2015 and 2014

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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, 2015 and 2014, 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 an opinion 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Humboldt State University Sponsored Programs Foundation as of June 30, 2015 and 2014, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise 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 28-36) 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 10, 2015, 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 10, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Management's Discussion and Analysis

June 30, 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, 2015 and 2014. 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, 2015 and 2014

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

Condensed Summary of Net Position

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Assets:			
Current assets	\$ 8,839,226	\$ 8,488,026	\$ 7,599,086
Capital assets, net	1,197,455	1,486,321	1,613,601
Other noncurrent assets	19,500	19,500	19,500
Total assets	<u>10,056,181</u>	<u>9,993,847</u>	<u>9,232,187</u>
Liabilities:			
Current liabilities	2,662,006	2,837,821	2,581,021
Other noncurrent liabilities	120,729	351,956	291,976
Total liabilities	<u>2,782,735</u>	<u>3,189,777</u>	<u>2,872,997</u>
Net position:			
Investment in capital assets	1,197,455	1,486,321	1,613,601
Unrestricted	6,075,991	5,317,749	4,745,589
Total net position	<u>\$ 7,273,446</u>	<u>\$ 6,804,070</u>	<u>\$ 6,359,190</u>

Assets

Total assets increased \$0.06 million from FY 2014 to FY 2015 due to a \$0.35 million increase in current assets and a \$0.29 million decrease in capital assets, net of accumulated depreciation due to current year depreciation. Total assets increased \$0.8 million from FY 2013 to FY 2014 due to a \$0.9 million increase in current assets and a \$0.1 million decrease in capital assets, net of accumulated depreciation due to FY 2014 depreciation.

Current assets increased \$0.35 million from FY 2014 to FY 2015 primarily due to an increase in cash and cash equivalents of \$0.38 million and an increase in receivables of \$0.05 million, offset by a decrease in prepaid expenses and other assets of \$0.08 million. Current assets increased \$0.9 million from FY 2013 to FY 2014 primarily due to an increase in receivables of \$1.0 million and an increase in prepaid expenses and other assets of \$0.1 million, offset by a decrease in cash and short term investments of \$0.2 million. The decrease in cash and short term investments is primarily due to the increase in accounts receivable from grants.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Management's Discussion and Analysis

June 30, 2015 and 2014

Capital Assets

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

	June 30		
	2015	2014	2013
Land and land improvements	\$ 512,816	\$ 512,816	\$ 512,816
Works of art and historical treasures	25,000	25,000	25,000
Buildings	428,995	456,136	483,277
Equipment - net	230,644	492,369	592,508
Total capital assets, net of accumulated depreciation	<u>\$ 1,197,455</u>	<u>\$ 1,486,321</u>	<u>\$ 1,613,601</u>

Capital assets decreased by \$0.3 million from FY 2014 to FY 2015 primarily due to equipment transferred to the University. Capital assets decreased \$0.1 million from FY 2013 to FY 2014 primarily due to \$0.15 million in depreciation expense which was partially offset by \$0.04 million of equipment additions.

Liabilities

Total liabilities decreased \$0.4 million from FY 2014 to FY 2015 due to a \$0.29 million decrease in accounts payable and a decrease in unearned revenue of \$0.25 million, offset by an increase in other liabilities of \$0.14 million. Total liabilities increased \$0.3 million from FY 2013 to FY 2014 due to a \$0.3 million increase in current liabilities.

Net Position

Total net position increased \$0.47 million from FY 2014 to FY 2015 and \$0.4 million from FY 2013 to FY 2014 due to the net income generated for the year ended June 30, 2015 and 2014, 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, 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

	2015	2014	2013
Operating revenues:			
Grants and contracts, noncapital	\$ 17,725,738	\$ 16,289,336	\$ 15,391,662
Indirect cost revenue	1,915,582	1,695,492	1,453,246
Other operating revenues	319,732	378,940	469,869
Total operating revenues	19,961,052	18,363,768	17,314,777
Operating expenses	(19,765,865)	(18,541,770)	(17,770,321)
Operating income (loss)	195,187	(178,002)	(455,544)
Nonoperating revenues (expenses):			
Gifts, noncapital	670,804	642,769	716,081
Investment income, net	13,805	13,452	13,934
Other nonoperating revenues (expenses), net	(9,993)	25,090	-
Net nonoperating revenues (expenses)	674,616	681,311	730,015
Income before other additions	869,803	503,309	274,471
Grants and gifts, capital	-	6,138	52,899
Transfers to other campus entities	(400,427)	(64,567)	(1,514,712)
Increase in net position	469,376	444,880	(1,187,342)
Net position at beginning of year	6,804,070	6,359,190	7,546,532
Net position at end of year	\$ 7,273,446	\$ 6,804,070	\$ 6,359,190

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.

Operating Revenues

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 \$0.06 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

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

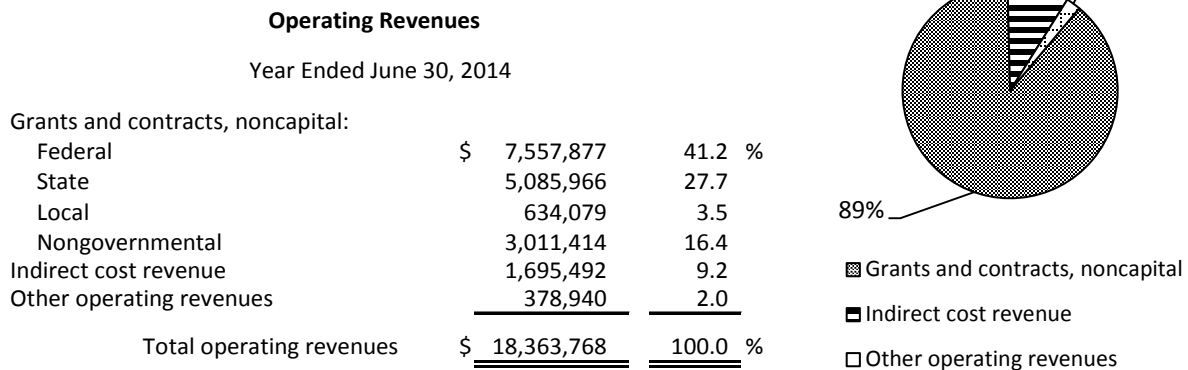
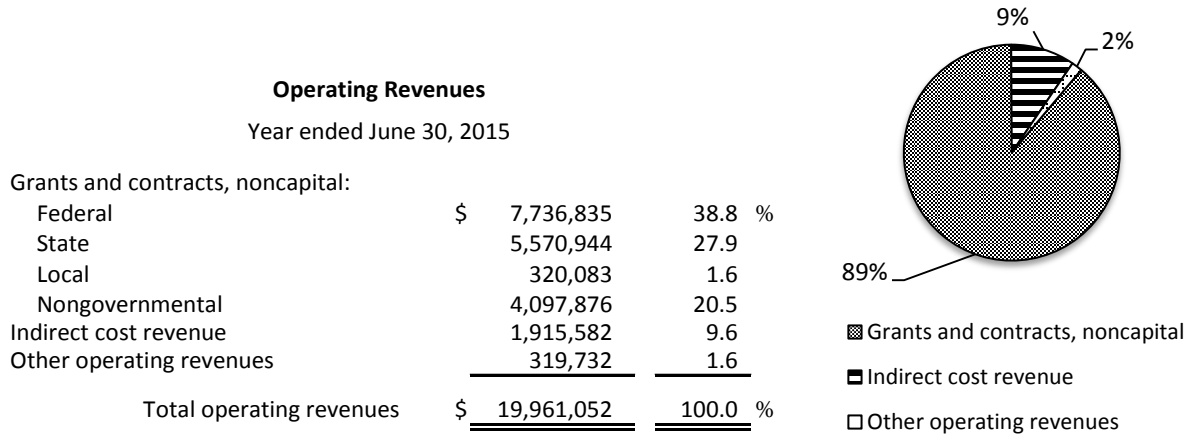
Management's Discussion and Analysis

June 30, 2015 and 2014

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.

Total operating revenues increased \$1 million, or 6%, from FY 2013 to FY 2014 primarily due to a \$0.9 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 following charts present the proportional share that each category of operating revenues contributed to the total for fiscal years 2015, 2014 and 2013:



HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

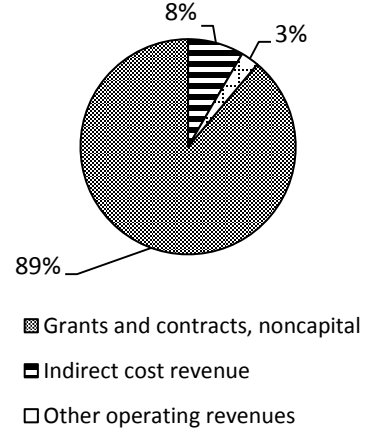
Management's Discussion and Analysis

June 30, 2015 and 2014

Operating Revenues

Year Ended June 30, 2013

Grants and contracts, noncapital:		
Federal	\$ 7,734,674	44.7 %
State	4,228,056	24.5
Local	399,963	2.4
Nongovernmental	3,028,969	17.4
Indirect cost revenue	1,453,246	8.3
Other operating revenues	<u>469,869</u>	<u>2.7</u>
 Total operating revenues	 \$ <u>17,314,777</u>	 <u>100.0 %</u>



Operating Expenses

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.

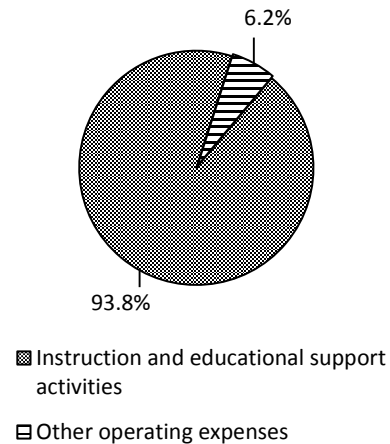
Total operating expenses increased by \$0.8 million, or 4%, from FY 2013 to FY 2014 primarily due to a \$0.9 million aggregated increase in research, public service, institutional support, and scholarships and fellowships, offset by a \$0.1 million aggregated decrease in instruction, academic support, student services, auxiliary enterprises, and depreciation. The \$0.8 million increase is primarily related to increase spending in the FY 2014 on grants and contracts.

The following charts present the distribution of resources in support of the Foundation's mission for fiscal years 2015, 2014 and 2013:

Operating Expenses

Year ended June 30, 2015

Instruction	\$ 9,151	0.0 %
Research	8,930,832	45.2
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	 18,531,916	 93.8
Institutional support	2,532	0.0
Auxiliary enterprises	1,124,815	5.7
Depreciation	106,602	0.5
Total other operating expenses	<u>1,233,949</u>	<u>6.2</u>
Total operating expenses	 \$ <u>19,765,865</u>	 <u>100.0 %</u>



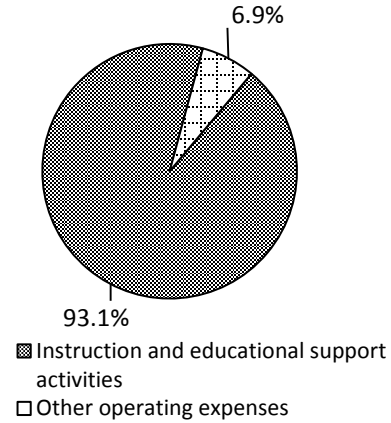
HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Management's Discussion and Analysis

June 30, 2015 and 2014

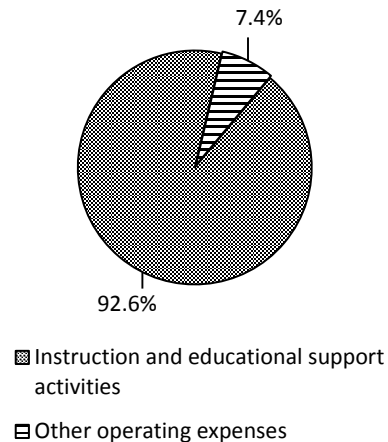
Operating Expenses
Year ended June 30, 2014

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	17,261,645	93.1
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>



Operating Expenses
Year ended June 30, 2013

Instruction	\$ 44,939	0.3 %
Research	6,820,108	38.3
Public service	7,766,337	43.7
Academic support	413,614	2.3
Student services	1,075,658	6.1
Scholarships and fellowships	<u>327,207</u>	<u>1.9</u>
Total instruction and educational support activities	16,447,863	92.6
Institutional support	4,394	0.0
Auxiliary enterprises	1,126,168	6.3
Depreciation	<u>191,896</u>	<u>1.1</u>
Total other operating expenses	<u>1,322,458</u>	<u>7.4</u>
Total operating expenses	\$ <u>17,770,321</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) remained consistent from the FY 2014 to FY 2015.

Total nonoperating revenues (expenses) decreased \$0.05 million from the FY 2013 to FY 2014 primarily due to a decrease in gifts, noncapital.

Transfers to other campus entities

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.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Management's Discussion and Analysis

June 30, 2015 and 2014

Transfers to other campus entities decreased \$1.4 million from FY 2013 to FY 2014. Transfers to other campus entities decreased by \$0.9 million from the FY 2013 primarily related to the Foundation's transfer of custodial trust accounts to Humboldt State University Advancement Foundation (HSU Advancement) as one time transfers of funds and a \$0.5 million transfer to the HSU Advancement to pay down the principal of the CSURMA loan for the Industrial Electric Building in the FY 2013.

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 13%, from FY 2014 to FY 2015 and \$0.2 million, or 17%, from FY 2013 to FY 2014 due to an increase in grants and contracts activity.

Continued University Support

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

BASIC FINANCIAL STATEMENTS

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Statements of Net Position
June 30, 2015 and 2014

Assets	2015	2014
Current assets		
Cash and cash equivalents	\$ 1,837,798	\$ 1,457,670
Short-term investments	1,564,922	1,561,105
Accounts receivable, net	5,409,673	5,360,708
Prepaid expenses and other assets	26,833	108,543
Total current assets	<u>8,839,226</u>	<u>8,488,026</u>
Noncurrent assets		
Long-term investments	19,500	19,500
Capital assets, net	1,197,455	1,486,321
Total noncurrent assets	<u>1,216,955</u>	<u>1,505,821</u>
Total assets	<u>10,056,181</u>	<u>9,993,847</u>
Liabilities		
Current liabilities		
Accounts payable	961,233	1,257,150
Accrued salaries and benefits payable	491,405	422,248
Accrued compensated absences – current portion	119,397	102,423
Unearned revenue – current portion	1,046,089	1,039,107
Other liabilities	43,882	16,893
Total current liabilities	<u>2,662,006</u>	<u>2,837,821</u>
Noncurrent liabilities		
Accrued compensated absences, net of current portion	74,879	45,732
Unearned revenue, net of current portion	45,850	306,224
Total noncurrent liabilities	<u>120,729</u>	<u>351,956</u>
Total liabilities	<u>2,782,735</u>	<u>3,189,777</u>
Net position		
Investment in capital assets	1,197,455	1,486,321
Unrestricted	6,075,991	5,317,749
Total net position	<u>\$ 7,273,446</u>	<u>\$ 6,804,070</u>

See accompanying notes.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

**Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2015 and 2014**

Revenues:	2015	2014
Operating revenues:		
Grants and contracts, noncapital:		
Federal	\$ 7,736,835	\$ 7,557,877
State	5,570,944	5,085,966
Local	320,083	634,079
Nongovernmental	4,097,876	3,011,414
Indirect cost revenue	1,915,582	1,695,492
Other operating revenues	319,732	378,940
Total operating revenues	19,961,052	18,363,768
Expenses:		
Operating expenses:		
Instruction	9,151	-
Research	8,930,832	7,469,968
Public service	7,921,097	7,995,301
Academic support	476,156	384,915
Student services	1,026,149	1,040,129
Institutional support	2,532	19,318
Scholarships and fellowships	168,531	371,332
Auxiliary enterprises	1,124,815	1,103,256
Depreciation	106,602	157,551
Total operating expenses	19,765,865	18,541,770
Operating income (loss)	195,187	(178,002)
Nonoperating revenues (expenses):		
Gifts, noncapital	670,804	642,769
Investment income, net	13,805	13,452
Other nonoperating revenues (expenses), net	(9,993)	25,090
Net nonoperating revenues (expenses)	674,616	681,311
Income before other additions	869,803	503,309
Grants and gifts, capital	-	6,138
Transfers to other campus entities	(400,427)	(64,567)
Increase in net position	469,376	444,880
Net position:		
Net position at beginning of year	6,804,070	6,359,190
Net position at end of year	\$ 7,273,446	\$ 6,804,070

See accompanying notes.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Statements of Cash Flows

Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Received from customers	\$ 19,653,946	\$ 17,410,892
Payments to employees and fringe benefits	(9,707,626)	(8,803,368)
Payments to vendors and suppliers	(9,699,225)	(9,052,748)
Payments for scholarships and fellowships	(324,352)	(362,344)
Transfers to other entities	(72,880)	(26,184)
Net cash used in operating activities	<u>(150,137)</u>	<u>(833,752)</u>
Cash flows from noncapital financing activities:		
Noncapital gifts received	670,804	642,769
Net cash provided by noncapital financing activities	<u>670,804</u>	<u>642,769</u>
Cash flows from capital and related financing activities:		
Capital grants received	3,144	2,994
Acquisition and construction of capital assets	(155,276)	(43,564)
Net cash used in capital and related financing activities	<u>(152,132)</u>	<u>(40,570)</u>
Cash flows from investing activities:		
Investment income	15,410	12,364
Transfers (to)/from cash, net of interest earned	(3,817)	(3,782)
Net cash provided by investing activities	<u>11,593</u>	<u>8,582</u>
Net increase (decrease) in cash and cash equivalents	380,128	(222,971)
Cash and cash equivalents at beginning of year	1,457,670	1,680,641
Cash and cash equivalents at end of year	\$ <u><u>1,837,798</u></u>	\$ <u><u>1,457,670</u></u>
Reconciliation to cash per Statements of Net Position		
Cash and cash equivalents	\$ <u>1,837,798</u>	\$ <u>1,457,670</u>
Total cash and cash equivalents at end of year	\$ <u><u>1,837,798</u></u>	\$ <u><u>1,457,670</u></u>

See accompanying notes.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Statements of Cash Flows

Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Reconciliation of operating income (loss) to net cash used in operating activities:		
Operating income (loss)	\$ 195,187	\$ (178,002)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:		
Depreciation expense	106,602	157,551
Transfers to other entities	(72,880)	(26,184)
Changes in assets and liabilities:		
Receivables, net	(53,714)	(1,007,087)
Prepaid items	81,710	(96,810)
Accounts payable and accrued liabilities	(182,797)	270,066
Unearned revenue, current	6,982	(13,266)
Compensated absences and unearned revenue, noncurrent	(231,227)	59,980
Total adjustments	<u>(345,324)</u>	<u>(655,750)</u>
Net cash used in operating activities	<u>\$ (150,137)</u>	<u>\$ (833,752)</u>
Noncash investing, capital, and financing activities:		
Capital asset write-offs, net of depreciation	\$ 337,540	\$ 13,293
Increase in receivables related to nonoperating income	-	4,232

See accompanying notes.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2015 and 2014

(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, 2015 and 2014

(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

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.

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.

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 \$28,232 and \$0 for the fiscal years ending June 30, 2015 and 2014, 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.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2015 and 2014

(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:

Net 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.

(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. 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. 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

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2015 and 2014

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, 2015 and 2014 are classified in the accompanying statements of net position as follows:

	<u>2015</u>	<u>2014</u>
Cash and cash equivalents	\$ 1,837,798	\$ 1,457,670
Total cash and cash equivalents	<u>1,837,798</u>	<u>1,457,670</u>
Short-term investments	1,564,922	1,561,105
Other long-term investments	<u>19,500</u>	<u>19,500</u>
Total investments	<u>1,584,422</u>	<u>1,580,605</u>
Total cash, cash equivalents and investments	\$ <u><u>3,422,220</u></u>	\$ <u><u>3,038,275</u></u>

(a) Cash and Cash Equivalents

Cash and cash equivalents consisted of demand deposits held at commercial banks and petty cash. Total cash and cash equivalents of \$1,837,798 and \$1,457,670 had a corresponding carrying balance with the commercial banks of \$2,067,298 and \$1,686,595 at June 30, 2015 and 2014, 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, 2015 and 2014, the Foundation's uninsured, uncollateralized cash balances were \$1,817,298 and \$1,436,595, 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, 2015 and 2014, 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. There are no significant interest rate risks or credit risks to be disclosed in accordance with GASB Statement No. 40, Deposit and Investment Risk Disclosures - an amendment of GASB Statement No. 3.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2015 and 2014

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, 2015 and 2014, cash in LAIF was \$1,564,922 and \$1,561,105, 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.

Long-term investment activity for the years ended June 30, 2015 and 2014 consisted of the following:

	<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>

	<u>Balance at June 30, 2013</u>	<u>Purchases/ Additions</u>	<u>(Settlements)/ Deletions</u>	<u>Balance at June 30, 2014</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, 2015 and 2014, is summarized as follows:

	<u>2015</u>	<u>2014</u>
Interest income	\$ 13,805	\$ 13,452
Net realized gains (losses)	<u>—</u>	<u>—</u>
Total	<u>\$ 13,805</u>	<u>\$ 13,452</u>

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2015 and 2014

(3) Accounts Receivable

Billed and unbilled accounts receivables, net as of June 30, 2015 and 2014 are summarized as follows:

	<u>2015</u>		<u>2014</u>
Federal grants and contracts	\$ 2,202,201	\$	2,701,471
State and local grants and contracts	2,265,317		1,915,185
Non-governmental grants and contracts	859,205		617,930
Other receivables	<u>82,950</u>		<u>126,122</u>
Total	<u>\$ 5,409,673</u>	\$	<u>5,360,708</u>

The allowance for uncollectible accounts is \$28,232 and \$0 for the years ended June 30, 2015 and 2014, respectively. Unbilled grant and contract receivables are \$4,231,588 and \$4,093,025 as of June 30, 2015 and 2014, respectively.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2015 and 2014

(4) Capital Assets

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	—	—	—	—
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>

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2015 and 2014

Capital assets activity for the years ended June 30, 2014, consisted of the following:

	<u>Balance, June 30, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance, June 30, 2014</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>1,269,004</u>	<u>43,564</u>	<u>(81,072)</u>	<u>1,231,496</u>
Total depreciable capital assets	<u>2,083,235</u>	<u>43,564</u>	<u>(81,072)</u>	<u>2,045,727</u>
Total cost	<u>2,621,051</u>	<u>43,564</u>	<u>(81,072)</u>	<u>2,583,543</u>
Less accumulated depreciation/amortization:				
Buildings	(330,954)	(27,141)	—	(358,095)
Personal property: Equipment	<u>(676,496)</u>	<u>(130,410)</u>	<u>67,779</u>	<u>(739,127)</u>
Total accumulated depreciation	<u>(1,007,450)</u>	<u>(157,551)</u>	<u>67,779</u>	<u>(1,097,222)</u>
Net capital assets	\$ <u>1,613,601</u>	\$ <u>(113,987)</u>	\$ <u>(13,293)</u>	\$ <u>1,486,321</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, 2015 and 2014, capital assets with a net book value of \$337,540 and \$13,293 were transferred from the Foundation to the University, respectively.

Total depreciation expense for the Foundation for the years ended June 30, 2015 and 2014 was \$106,602 and \$157,551, respectively.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2015 and 2014

(5) Long-term liabilities

Long-term liabilities activities for the years ended June 30, 2015 and 2014 is summarized as follows:

	<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>
	<u>Balance at June 30, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2014</u>	<u>Current Portion</u>	<u>Long-Term Portion</u>
Accrued compensated absences	\$ 175,288	\$ 153,515	\$ (\$180,648)	\$ 148,155	\$ 102,423	\$ 45,732
Unearned revenue	<u>1,291,120</u>	<u>2,324,505</u>	<u>(\$2,270,294)</u>	<u>1,345,331</u>	<u>1,039,107</u>	<u>306,224</u>
Total	\$ <u>1,466,408</u>	\$ <u>2,478,020</u>	\$ <u>(\$2,450,942)</u>	\$ <u>1,493,486</u>	\$ <u>1,141,530</u>	\$ <u>351,956</u>

(6) Net Position

(a) Unrestricted net position

As of June 30, 2015 and 2014, the unrestricted portion of the Foundation's net position was designated for the following purposes:

	<u>2015</u>	<u>2014</u>
Funds held in trust:		
Sponsored programs related trusts	\$ 746,875	\$ 687,965
Campus program trusts	<u>1,050,603</u>	<u>1,065,703</u>
Total funds held in trust	1,797,478	1,753,668
Current operations and working capital	<u>4,278,513</u>	<u>3,564,081</u>
Total	\$ <u>6,075,991</u>	\$ <u>5,317,749</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 is to be accumulated over a 36 month period beginning July 1, 2011. As of June 30, 2015, the Foundation achieved its reserve target.

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, 2015 and 2014, \$128,542 and \$79,182 in unrestricted resources were expended to support these activities.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2015 and 2014

(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, 2015 and 2014, operating expenses by natural classification consisted of the following:

		2015										
		Salaries	Benefits	Scholarships and fellowships	Supplies and other services	Depreciation	Total					
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	\$	7,533,273	\$	2,289,631	\$	324,352	\$	9,512,007	\$	106,602	\$	19,765,865
		2014										
		Salaries	Benefits	Scholarships and fellowships	Supplies and other services	Depreciation	Total					
Functional classification:												
Instruction	\$	105	\$	(105)	\$	-	\$	-	\$	-	\$	-
Research		3,401,191		798,751		139,928		3,130,098		-		7,469,968
Public service		2,496,654		748,944		190,547		4,559,156		-		7,995,301
Academic support		160,260		48,640		26		175,989		-		384,915
Student services		538,409		263,143		683		237,894		-		1,040,129
Institutional support		-		-		-		19,318		-		19,318
Scholarships and Fellowships		36,703		11,882		31,160		291,587		-		371,332
Auxiliary enterprise		223,817		122,483		-		756,956		-		1,103,256
Depreciation		-		-		-		-		157,551		157,551
Total	\$	6,857,139	\$	1,993,738	\$	362,344	\$	9,170,998	\$	157,551	\$	18,541,770

(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.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2015 and 2014

(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 \$311,996 and \$289,040 on behalf of covered employees for the years ended June 30, 2015 and 2014, 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, 2015 and 2014, the Foundation transferred the following to the University and HSU Advancement Foundation (HSUADV):

	<u>2015</u>	<u>2014</u>
Transfer of funds to the University	\$ 1,763	\$ 8
Transfer of funds to HSUADV	<u>61,124</u>	<u>51,266</u>
Transfer of funds	62,887	51,274
Transfer of fixed assets to the University	<u>337,540</u>	<u>13,293</u>
Total	<u>\$ 400,427</u>	<u>\$ 64,567</u>

(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 year ended June 30, 2015, the Foundation paid to the University \$375,663 and \$124,000 for accounting and business services and human resources services, respectively, of which \$0 and \$0 was owed at June 30, 2015, respectively. For the fiscal year ended June 30, 2014, the Foundation paid to the University \$255,575 and \$244,417 for accounting and business services and human resources services, respectively, of which \$0 and \$0 was owed at June 30, 2014, respectively.

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

Years Ended June 30, 2015 and 2014

(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, 2015 and 2014 were \$319,218 and \$292,173, respectively, of which \$0 and \$0 was owed at June 30, 2015 and June 30, 2014, 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 \$177,872 and \$486,736, respectively, for the year ended June 30, 2015 and \$219,883 and \$450,991, respectively, for the year ended June 30, 2014.

(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, 2015 and 2014 were \$14,415 and \$14,897, respectively.

SUPPLEMENTARY INFORMATION

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Schedule of Net Position

June 30, 2015

(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	\$ 1,837,798
Short-term investments	1,564,922
Accounts receivable, net	5,409,673
Leases receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other assets	26,833
	<hr/>
Total current assets	8,839,226

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	1,197,455
Other assets	—
	<hr/>
Total noncurrent assets	1,216,955

Total assets	<hr/> <hr/>
	10,056,181

Deferred outflows of resources:

Unamortized loss on refunding(s)	—
	<hr/>
Total deferred outflows of resources	—

Liabilities:

Current liabilities:

Accounts payable	961,233
Accrued salaries and benefits payable	491,405
Accrued compensated absences— current portion	119,397
Unearned revenue	1,046,089
Capitalized lease obligations – current portion	—
Long-term debt obligations – current portion	—
Claims Liability for losses and LAE - current portion	—
Depository accounts	—
Other liabilities	43,882
	<hr/>
Total current liabilities	2,662,006

Noncurrent liabilities:

Accrued compensated absences, net of current portion	74,879
Unearned revenue	45,850
Grants refundable	—
Capitalized lease obligations, net of current portion	—
Long-term debt obligations, net of current portion	—
Claims Liability for losses and LAE, net of current portion	—
Depository accounts	—
Other postemployment benefits obligation	—
Other liabilities	—
	<hr/>
Total noncurrent liabilities	120,729

Total liabilities	<hr/> <hr/>
	2,782,735

Deferred inflows of resources:

Deferred inflows from SCAs, grants, and others	—
	<hr/>
Total deferred inflows of resources	—

Net Position:

Net investment in capital assets	1,197,455
Restricted for:	
Nonexpendable – endowments	—
Expendable:	
Scholarships and fellowships	
Research	
Loans	
Capital projects	—
Debt service	
Other	
Unrestricted	6,075,991
	<hr/>
Total net position	\$ 7,273,446

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, 2015

(for inclusion in the California State University)

Revenues:

Operating revenues:		
Student tuition and fees (net of scholarship allowances of \$ _____)	\$	—
Grants and contracts, noncapital:		
Federal		7,736,835
State		5,570,944
Local		320,083
Nongovernmental		4,097,876
Sales and services of educational activities		—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$ _____)		—
Other operating revenues		2,235,314
Total operating revenues		<u>19,961,052</u>

Expenses:

Operating expenses:		
Instruction		9,151
Research		8,930,832
Public service		7,921,097
Academic support		476,156
Student services		1,026,149
Institutional support		2,532
Operation and maintenance of plant		—
Student grants and scholarships		168,531
Auxiliary enterprise expenses		1,124,815
Depreciation and amortization		106,602
Total operating expenses		<u>19,765,865</u>
Operating income (loss)		<u>195,187</u>

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		670,804
Investment income (loss), net		13,805
Endowment income (loss), net		—
Interest Expenses		—
Other nonoperating revenues (expenses)		(410,420)

Net nonoperating revenues (expenses)		<u>274,189</u>
--------------------------------------	--	----------------

Income (loss) before other additions		469,376
--------------------------------------	--	---------

State appropriations, capital		—
Grants and gifts, capital		—
Additions (reductions) to permanent endowments		—
Increase (decrease) in net position		<u>469,376</u>

Net position:

Net position at beginning of year, as previously reported		6,804,070
Restatements		—
Net position at beginning of year, as restated		<u>6,804,070</u>
Net position at end of year	\$	<u><u>7,273,446</u></u>

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

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Other Information

June 30, 2015

(for inclusion in the California State University)

1 Restricted cash and cash equivalents at June 30, 2015:

Portion of restricted cash and cash equivalents related to endowments	\$	-
All other restricted cash and cash equivalents		-
Total restricted cash and cash equivalents	\$	-

2.1 Composition of investments at June 30, 2015:

	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)	1,564,922	-	1,564,922	-	-	-	1,564,922
Wachovia Short Term Fund	-	-	-	-	-	-	-
Wachovia Medium Term Fund	-	-	-	-	-	-	-
Wachovia Equity Fund	-	-	-	-	-	-	-
CSU Consolidated Investment Pool (includes SWIFT and 0948 SMIF)	-	-	-	-	-	-	-
Common Fund - Short Term Fund	-	-	-	-	-	-	-
Common Fund - Others	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-
Equity securities	-	-	-	300	-	300	300
Fixed income securities (Treasury notes, GNMA's)	-	-	-	-	-	-	-
Land and other real estate	-	-	-	19,200	-	19,200	19,200
Certificates of deposit	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Mutual funds	-	-	-	-	-	-	-
Money Market funds	-	-	-	-	-	-	-
Collateralized mortgage obligations:							
Inverse floaters	-	-	-	-	-	-	-
Interest-only strips	-	-	-	-	-	-	-
Agency pass-through	-	-	-	-	-	-	-
Partnership interests (includes private pass-through)	-	-	-	-	-	-	-
Alternative investments	-	-	-	-	-	-	-
Hedge funds	-	-	-	-	-	-	-
Other major investments:							
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Total investments	1,564,922	-	1,564,922	19,500	-	19,500	1,584,422
Less endowment investments (enter as negative number)						-	-
Total investments	1,564,922	-	1,564,922	19,500	-	19,500	1,584,422

2.2 Investments held by the University under contractual agreements at June 30, 2015:

Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 20CY :	\$	-	-	-	-	-	-
---	----	---	---	---	---	---	---

2.3 Restricted current investments at June 30, 2015 related to:

	Amount
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total restricted current investments at June 30, 2015	\$ —

2.4 Restricted noncurrent investments at June 30, 2015 related to:

	Amount
Endowment investment	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total restricted noncurrent investments at June 30, 2015	\$ —

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

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
Other Information
June 30, 2015
(for inclusion in the California State University)

3.1 Composition of capital assets at June 30, 2015:

	Balance June 30, 2014	Prior period Adjustments	Reclassifications	Balance June 30, 2014 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2015
Nondepreciable/nonamortizable capital assets:								
Land and land improvements	\$ 512,816	-	-	512,816	-	-	-	512,816
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:	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
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HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
Other Information
June 30, 2015
(for inclusion in the California State University)

3.2 Detail of depreciation and amortization expense for the year ended June 30, 2015:

Depreciation and amortization expense related to capital assets	\$ 106,602
Amortization expense related to other assets	<u>—</u>
Total depreciation and amortization	<u>\$ 106,602</u>

4 Long-term liabilities activity schedule:

	Balance June 30, 2014	Prior period adjustments	Reclassifications	Balance June 30, 2014 (restated)	Additions	Reductions	Balance June 30, 2015	Current portion	Long-term portion
Accrued compensated absences	\$ 148,155	—	—	148,155	218,813	(172,692)	194,276	119,397	74,879
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:									
Revenue Bonds	—	—	—	—	-	-	—	—	—
Other bonds (non-Revenue Bonds)	—	—	—	—	-	-	—	—	—
Commercial Paper	—	—	—	—	-	-	—	—	—
Note Payable related to SRB	—	—	—	—	-	-	—	—	—
Other:									
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>\$ 148,155</u>	<u>—</u>	<u>—</u>	<u>148,155</u>	<u>218,813</u>	<u>(172,692)</u>	<u>194,276</u>	<u>119,397</u>	<u>74,879</u>

5 Future minimum lease payments - capital lease obligations:

	Principal	Interest	Principal and Interest
Year ending June 30:			
2015	-	-	—
2016	-	-	—
2017	-	-	—
2018	-	-	—
2019	-	-	—
2020 - 2024	-	-	—
2025 - 2029	-	-	—
2030 - 2034	-	-	—
2035 - 2039	-	-	—
2040 - 2044	-	-	—
2045 - 2049	-	-	—
2050 - 2054	-	-	—
2055 - 2059	-	-	—
2060 - 2064	-	-	—
Total minimum lease payments			—
Less amounts representing interest			<u>—</u>
Present value of future minimum lease payments			—
Less: current portion			<u>—</u>
Capitalized lease obligation, net of current portion			<u>\$ —</u>

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Other Information

June 30, 2015

(for inclusion in the California State University)

6 Long-term debt obligation schedule

	Revenue Bonds			All other long-term debt obligations			Total		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
	Year ending June 30:								
2015	\$ -	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-
2020 - 2024	-	-	-	-	-	-	-	-	-
2025 - 2029	-	-	-	-	-	-	-	-	-
2030 - 2034	-	-	-	-	-	-	-	-	-
2035 - 2039	-	-	-	-	-	-	-	-	-
2040 - 2044	-	-	-	-	-	-	-	-	-
2045 - 2049	-	-	-	-	-	-	-	-	-
2050 - 2054	-	-	-	-	-	-	-	-	-
2055 - 2059	-	-	-	-	-	-	-	-	-
2060 - 2064	-	-	-	-	-	-	-	-	-
Total	\$ -	-	-	-	-	-	-	-	-

7 Calculation of net position

	Auxiliary Organizations		Total
	GASB	FASB	Auxiliaries
7.1 Calculation of net position - Net investment in capital assets			
Capital assets, net of accumulated depreciation	\$ 1,197,455		1,197,455
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	\$ 1,197,455	—	1,197,455

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	\$ —	—	—

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Other Information

June 30, 2015

(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	\$ 1,371,980
Payments to University for other than salaries of University personnel	2,402,271
Payments received from University for services, space, and programs	617,262
Gifts-in-kind to the University from discretely presented component units	—
Gifts (cash or assets) to the University from discretely presented component units	337,539
Accounts (payable to) University (enter as negative number)	(45,178)
Other amounts (payable to) University (enter as negative number)	—
Accounts receivable from University	29,374
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)	—
NOO - beginning of year	<u>—</u>
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	—
Add description	<u>—</u>
Total pollution remediation liabilities	\$ —
Less: current portion	<u>—</u>
Pollution remediation liabilities, net of current portion	\$ <u><u>—</u></u>

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Other Information

June 30, 2015

(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, 2014, as previously reported		\$ 6,804,070
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, 2013, as restated		\$ 6,804,070

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)	—	—

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Note to Supplementary Information

Year Ended June 30, 2015

(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 Assets

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, 2015, is as follows:

Statement of Revenues, Expenses, and Changes in Net Position	2015
Indirect cost revenue	\$ 1,915,582
Other operating revenues	319,732
Total other operating revenues	\$ <u>2,235,314</u>
Supplementary Schedule	
Statement of Revenues, Expenses, and Changes in Net Position	
Other operating revenues	\$ <u>2,235,314</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, 2015, 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 10, 2015.

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.

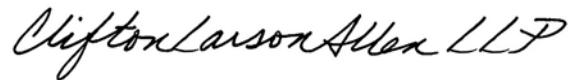
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

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

CliftonLarsonAllen LLP

Bellevue, Washington
September 10, 2015



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
FEDERAL PROGRAM, AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

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 Circular A-133 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, 2015. 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 the requirements of laws, regulations, contracts, and grants 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, 2015.

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 OMB Circular A-133, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2015-001 that we consider to be a significant deficiency.

Humboldt State University Sponsored Programs Foundation's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Humboldt State University Sponsored Programs Foundation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Board of Directors
Humboldt State University Sponsored Programs Foundation

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 result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Bellevue, Washington
September 10, 2015

**HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015**

<u>PROGRAM DESCRIPTION</u>	<u>AGENCY</u>	<u>PASS-THROUGH ENTITY</u>	<u>GRANTOR OR PASS-THROUGH #</u>	<u>CFD #</u>	<u>TOTAL EXPENDITURES</u>	<u>SUBCONTRACT EXPENDITURES</u>
Cooperative Forestry Research						
M-S 12/13 #100	Department of Agriculture - National Institute of Food & Agriculture		2013-32100-06282	10.202	7,965	-
M-S 12/13 #158	Department of Agriculture - National Institute of Food & Agriculture		2013-32100-06282	10.202	555	-
M-S 12/13 #153	Department of Agriculture - National Institute of Food & Agriculture		2013-32100-06282	10.202	648	-
M-S 12/13 #157	Department of Agriculture - National Institute of Food & Agriculture		2013-32100-06282	10.202	(5,580)	-
M-S 12/13 #156	Department of Agriculture - National Institute of Food & Agriculture		2013-32100-06282	10.202	718	-
M-S 13/14 #100	Department of Agriculture - National Institute of Food & Agriculture		2014-32100-06282	10.202	14,377	-
M-S 13/14 #156	Department of Agriculture - National Institute of Food & Agriculture		2014-32100-06282	10.202	12,689	-
M-S 13/14 #157	Department of Agriculture - National Institute of Food & Agriculture		2014-32100-06282	10.202	12,606	-
M-S 13/14 #158	Department of Agriculture - National Institute of Food & Agriculture		2014-32100-06282	10.202	11,773	-
M-S 13/14 #160	Department of Agriculture - National Institute of Food & Agriculture		2014-32100-06282	10.202	13,890	-
M-S 13-14 #159	Department of Agriculture - National Institute of Food & Agriculture		2014-32100-06282	10.202	15,189	-
MS 14/15 #100	Department of Agriculture - National Institute of Food & Agriculture		2015-32100-06282	10.202	1,395	-
MS 13-14 #161	Department of Agriculture - National Institute of Food & Agriculture		2014-32100-06282	10.202	3,537	-
MS 14-15 #161	Department of Agriculture - National Institute of Food & Agriculture		2015-32100-06282	10.202	5,912	-
				10.202 Total	95,674	-
Forestry Research						
FEEDSTOCKS DEV RESEARCH	Department of Agriculture - Forest Service		11-DG-11221636-203	10.652	76,449	7,368
ECO-RESPONSE ASPEN RESTORATION	Department of Agriculture - Forest Service		13-CA-11272170-013	10.652	30,942	-
				10.652 Total	107,391	7,368
Soil and Water Conservation						
UPPER KLAMATH CVWQA	U.S. Department of Agriculture Natural Resources Conservation Services		68-7482-14-509	10.902	70,188	23,103
				10.902 Total	70,188	23,103
Department of Agriculture - CFDA Not Available						
STORRIE FIRE REGEN	Department of Agriculture - Forest Service		10-JV-11272162-046	10.XXX	13,704	-
CEF RESEARCH & MONITORING	Department of Agriculture - Forest Service		11-CS-11052007-336	10.XXX	10,516	-
CHIPS FIRE	Department of Agriculture - Forest Service		13-CS-11052007-024	10.XXX	86,289	-
COMPETE/VIGOR OF SUGAR PINE	Department of Agriculture - Forest Service		13-JV-11272167-047	10.XXX	24,805	-
RANA CASCADAE	Department of Agriculture - Forest Service		13-JV-11272138-044	10.XXX	16,149	-
FOREST RESTORATION SCENARIO	Department of Agriculture - Forest Service		13-CS-11050500-041	10.XXX	25,381	-
RIVERSCAPE GENETICS	Department of Agriculture - Forest Service		13-JV-11272138-076	10.XXX	7,884	-
PAMB GIS ANALYSIS	Department of Agriculture - Forest Service		14-JV-11272138-007	10.XXX	4,336	-
				10.XXX Total	189,064	-
Integrated Ocean Observing System (IOOS)						
NORCAL OCEAN OBSERVING	Department of Commerce - National Oceanic Atmospheric Administration		AB133F10SE2524	11.012	7,933	-
REGIONAL CENCOOS II 14-15	Department of Commerce - National Oceanic Atmospheric Administration	Monterey Bay Aquarium Research Institute	1411313	11.012	58,644	-
REGIONAL CENCOOS II	Department of Commerce - National Oceanic Atmospheric Administration	Other	SA 110463	11.012	7,888	-
				11.012 Total	74,465	-
Sea Grant Support						
ZOOPLANKTON DETERMINATION	Department of Commerce - National Oceanic Atmospheric Administration	University of California, San Diego	10309606-003	11.417	949	-
SUSTAINABLE FISHING COMMUNITIE	Department of Commerce - National Oceanic Atmospheric Administration	California State University, Dominguez Hills	5767	11.417	1,801	-
PACIFIC HALIBUT FISHERY	Department of Commerce - National Oceanic Atmospheric Administration	University of California, San Diego	R/RCC-05PD	11.417	9,703	-
JUVENILE LIFE HISTORY	Department of Commerce - National Oceanic Atmospheric Administration	University of California, San Diego	R/SSFS-03	11.417	484	-
JUVENILE LIFE HISTORY TRAINEE	Department of Commerce - National Oceanic Atmospheric Administration	University of California, San Diego	R/SSFS-03TR	11.417	3,000	-
				11.417 Total	15,937	-
Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes						
R/V POINT SUR	Department of Commerce - National Oceanic Atmospheric Administration	University of California, San Diego	CIMDTM02	11.432	149,143	149,143
COLLABORATIVE OCEAN OBSERVING	Department of Commerce - National Oceanic Atmospheric Administration	University of California, San Diego	CIMBT02	11.432	65,333	-
DEEP SEA CORAL SURVEY	Department of Commerce - National Oceanic Atmospheric Administration	University of California, San Diego	CIMBT01	11.432	71,077	71,077
				11.432 Total	285,553	220,220

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

PROGRAM DESCRIPTION	AGENCY	PASS-THROUGH ENTITY	GRANTOR OR PASS-THROUGH #	CFD #	TOTAL EXPENDITURES	SUBCONTRACT EXPENDITURES
Marine Mammal Data Program						
THD 12-13	Department of Commerce - National Oceanic Atmospheric Administration		RA-133R-12-SE-1202	11.439	128,376	-
MARINE MAMMAL SURVEY	Department of Commerce - National Oceanic Atmospheric Administration		AB-133F-13-SE-1133	11.439	1,723	-
				11.439 Total	130,099	-
Department of Commerce - CFDA Not Available						
THD 15-20	Department of Commerce - National Oceanic Atmospheric Administration		RA-133R-15-CN-0023	11.XXX	54,574	-
				11.XXX Total	54,574	-
Basic Scientific Research						
WASTEWATER MBR SYSTEM	Department Of Defense	University of Nevada, Reno	UNR-13-45	12.431	27,778	-
				12.431 Total	27,778	-
Cultural Resource Management						
BLM GEODATABASE	Department of the Interior - Bureau of Land Manangement		L10AC20293	15.224	668	-
UPPER MATTOLE RIVER GI	Department of the Interior - Bureau of Land Manangement		L10AC20368	15.224	3,595	-
				15.224 Total	4,263	-
Recreation Resource Management						
HEADWATERS FOREST RESERVE	Department of the Interior - Bureau of Land Manangement		L14AC00109	15.225	9,325	-
				15.225 Total	9,325	-
Fish, Wildlife and Plant Conservation Resource Management						
SNOWY PLOVER SURVEY	Department of the Interior - Bureau of Land Manangement		L13AC00016	15.231	27,345	-
GIANT KANGAROO RAT	Department of the Interior - Bureau of Land Manangement		L14AC00081	15.231	20,052	-
				15.231 Total	47,397	-
Forests and Woodlands Resource Management						
NLCS HEADWATERS	Department of the Interior - Bureau of Land Manangement		L10AC20386 - A	15.233	1,711	-
HEADWATERS FOREST RESERVE	Department of the Interior - Bureau of Land Manangement		L10AC20386-15	15.233	6,375	-
BLM RMP VISITOR ASSESSMENT	Department of the Interior - Bureau of Land Manangement		L14AC00258-001	15.233	16,883	-
				15.233 Total	24,969	-
Fish and Wildlife Management Assistance						
EVALUATION & HABITAT MODELING	Department of Health and Human Services		813339G031	15.608	0	-
PLETHODON DATA	Department of the Interior - Fish and Wildlife Services		F11AP00345	15.608	1,362	-
SPOTTED OWL WILDFIRE EFFECTS	Department of the Interior - Fish and Wildlife Services		F12AP00809	15.608	3,484	-
STRATEGIC DATA MANGEMENT PILOT	Department of the Interior - Fish and Wildlife Services		F12AC01594	15.608	11,568	-
GOLDEN EAGLE MODELING	Department of the Interior - Fish and Wildlife Services		F14AC00691	15.608	29,073	-
UAS WILDLIFE SURVEYS	Department of the Interior - Fish and Wildlife Services		F14AC00462	15.608	29,038	-
				15.608 Total	74,525	-
Cooperative Endangered Species Conservation Fund						
MANIPULATE TREE CROWN	Department of the Interior - Fish and Wildlife Services	Fish and Wildlife, Department of (DFW)	P1482001	15.615	93,934	-
CDFW WHITE-FOOTED VOLE 14-15	Department of the Interior - Fish and Wildlife Services	Fish and Wildlife, Department of (DFW)	S1480014	15.615	5,957	-
				15.615 Total	99,891	-
State Wildlife Grants						
BIG EARED BAT	Department of the Interior - Fish and Wildlife Services	Fish and Wildlife, Department of (DFW)	P1480015	15.634	4,846	-
				15.634 Total	4,846	-

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

PROGRAM DESCRIPTION	AGENCY	PASS-THROUGH ENTITY	GRANTOR OR PASS-THROUGH #	CFD #	TOTAL EXPENDITURES	SUBCONTRACT EXPENDITURES
Endangered Species Conservation - Recovery Implementation Funds						
SPOTTED OWL HABITAT ANALYSIS	Department of the Interior - Fish and Wildlife Services		F12AC01135	15.657	2,308	-
LETHAL CORVID CONTROL STUDY	Department of the Interior - Fish and Wildlife Services		F12AP00992	15.657	26,182	-
USFWS PLOVER STUDY	Fish and Wildlife, Department of (DFW)		F14AC01064	15.657	6,216	-
LASSICS LUPINE	Department of the Interior - Fish and Wildlife Services		F14AC00468	15.657	3,426	-
MODELING BARRED OWL	Department of the Interior - Fish and Wildlife Services		F14AC01114	15.657	6,305	-
				15.657 Total	44,437	-
Natural Resource Damage Assessment, Restoration and Implementation						
COMMON MURRE III - A	Department of the Interior - Fish and Wildlife Services		F10AC00838	15.658	228,472	-
COMMON MURRE IV	Department of the Interior - Fish and Wildlife Services		F15AC00121	15.658	46,931	-
				15.658 Total	275,403	-
Earthquake Hazards Reduction Program						
EST OF COSEISMIC SUBSIDENCE	Department of the Interior - U.S. Geological Survey		G14AP00129	15.807	32,510	-
				15.807 Total	32,510	-
U.S. Geological Survey_ Research and Data Collection						
PALEOTSUNAMI EVALUATION	Department of the Interior - U.S. Geological Survey		G12AC20212	15.808	2,776	-
WHITEBARK PINE POPULATIONS	Department of the Interior - U.S. Geological Survey		G14AC00187	15.808	47,358	-
PRESCRIBED FIRE EFFECTS	Department of the Interior - U.S. Geological Survey		G14AC00170	15.808	20,000	-
				15.808 Total	70,134	-
Cooperative Research Units Program						
EVALUATING GRASSLAND & WETLAND	Department of the Interior - U.S. Geological Survey		G11AC20513	15.812	32,489	-
UPPER KLAMATH CVC	Department of the Interior - U.S. Geological Survey		G11AC20552	15.812	8,610	346
RWO 87 TIDEWATER GOBY	Department of the Interior - U.S. Geological Survey		G14AC00345	15.812	12,781	-
RWO 88 KLAMATH BASIN S3	Fish and Wildlife, Department of (DFW)		G14AC00348	15.812	2,554	-
				15.812 Total	56,434	346
Natural Resource Stewardship						
HARDING GRASS CONTROL	Department of the Interior - National Park Service		P11AT81055	15.944	15,526	-
PC SYNTHESIS	Department of the Interior - National Park Service		P14AC01284	15.944	9,748	-
				15.944 Total	25,274	-
Cooperative Research and Training Programs ? Resources of the National Park System						
WHITEBARK PINE MONITORING	Department of the Interior - National Park Service		P12AC10931	15.945	27,622	-
WHITE SPRUCE CLIMATE SENSITVTY	Department of the Interior - National Park Service		P13AC00744	15.945	8,040	-
				15.945 Total	35,662	-
National Park Service Conservation, Protection, Outreach. and Education						
NICKEL CREEK FENCE	Department of the Interior - National Park Service		P14AC01300	15.954	6,770	-
MURPHY RANCH	Department of the Interior - National Park Service		P14AC01296	15.954	8,967	-
G-6-1 AND LOWER B-500	Department of the Interior - National Park Service		P14AC01296	15.954	2,816	-
LBH/COON 2015	Department of the Interior - National Park Service		P13AC00848	15.954	6,714	-
PRAIRIE CREEK FLOODPLAIN	Department of the Interior - National Park Service		P15AC00756	15.954	7,378	-
				15.954 Total	32,645	-
Department of the Interior - CFDA Not Available						
DOWNED MURRELET	Department of the Interior - Fish and Wildlife Services		F08AC00214	15.XXX	61	-
KATMAI PARK TREES	Department of the Interior - National Park Service		P10AC00401	15.XXX	9	-
BLM CONSERVATION OWL MODELING	Department of the Interior - Bureau of Land Management		L13PX01336	15.XXX	23,116	-
LANDSCAPE SCALE	Department of Agriculture - Forest Service		14-JV-11261975-074	15.XXX	28,719	-
				15.XXX Total	51,905	-

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

PROGRAM DESCRIPTION	AGENCY	PASS-THROUGH ENTITY	GRANTOR OR PASS-THROUGH #	CFD #	TOTAL EXPENDITURES	SUBCONTRACT EXPENDITURES
Mathematical and Physical Sciences						
RUI: PARALLEL PLATE TORSION	National Science Foundation		1065697	47.049	64	-
SHORT RANGE TESTS OF GRAVITY	National Science Foundation		1306783	47.049	55,535	-
				47.049 Total	55,599	-
Geosciences						
MARINE BRYOZOA	National Science Foundation		OCE-1061695	47.05	49,828	32,766
MERCURY FOG	National Science Foundation	University of California, Santa Cruz	S0184226	47.05	3,773	-
				47.05 Total	53,601	32,766
Biological Sciences						
URM BIO & NAT SCIENCES AT HSU	National Science Foundation		DBI-0934022	47.074	89,384	-
FEI QUANTA 250	National Science Foundation		DBI-1126200	47.074	12,666	-
OCEAN ACID STRESSOR	National Science Foundation		EF-1416917	47.074	108,885	-
HARNESSING HERBARIA	National Science Foundation	Other	7361	47.074	13,160	-
				47.074 Total	224,095	-
International Science and Engineering (OISE)						
ARGENTINA CLIMATE	National Science Foundation		IIA-1322504	47.079	38,619	-
				47.079 Total	38,619	-
Renewable Energy Research and Development						
BRDI - TASK #3 - (SERC)	Department of Energy		DE-EE0006297	81.087	468,444	185,537
BRDI - TASK#1 - (PROJECT MGMT)	Department of Energy		DE-EE0006297	81.087	52,590	-
BRDI - TASK#2 - (FORESTRY)	Department of Energy		DE-EE0006297	81.087	502,202	136,008
BRDI - TASK #4 - (FINAL PHASE)	Department of Energy		DE-EE0006297	81.087	112,839	104,920
CALWAVE	Department of Energy	THE CAL POLY CORPORATION	14-21-45059	81.087	110,535	17,257
				81.087 Total	1,246,610	443,722
Department of Energy - CFDA Not Available						
MINI-GRID QA FRAMEWORK	Department of Energy	Alliance for Sustainable Energy, LLC	XGG-4-42173-01	81.XXX	1,607	-
LBNL SLED	Department of Energy	Regents of the University of California	7014205	81.XXX	75,583	-
PEV INFRASTRUCTURE MODELING	Department of Energy	Regents of the University of California	7077855	81.XXX	519	-
				81.XXX Total	77,709	-
Title I Grants to Local Educational Agencies						
REACT 12/15	Department of Education	Del Norte County Unified School District		84.01	3,850	-
				84.01 Total	3,850	-
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities						
ADAPTED PE 13/18	Department of Education	University Enterprises, Inc.	H325K130303	84.325	171,881	-
				84.325 Total	171,881	-
Allergy, Immunology and Transplantation Research						
RICKETTSEA TICK MODEL II	Department of Health and Human Services		1R15AI099902-01	93.855	114,787	-
				93.855 Total	114,787	-
Miscellaneous - CFDA Not Available						
MICRO-GRID SOLAR POWER	Energy & Environmental Economics, Inc.	U.S. Trade and Development Agency		99.XXX	10,148	-
USC WASTEWATER MBR	Strategic Environmental Research and Development Program	University of Southern California	60051189	99.XXX	14,547	-
DELHI EV GRID IMPACTS	Department of Energy	Regents of the University of California	7211520	99.XXX	16,660	-
				99.XXX Total	41,355	-
RESEARCH AND DEVELOPMENT TOTAL					3,968,449	727,525

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

PROGRAM DESCRIPTION	AGENCY	PASS-THROUGH ENTITY	GRANTOR OR PASS-THROUGH #	CFD #	TOTAL EXPENDITURES	SUBCONTRACT EXPENDITURES
7(j) Technical Assistance						
AM2PED SBA JOBS ACCELERATOR	Small Business Administration		SBAHQ-12-J-0004	59.007	54,121	-
				59.007 Total	54,121	-
Small Business Development Centers						
SBDC NORCAL LEAD 2014	Small Business Administration		SBAHQ-14-B-0047	59.037	256,381	-
SBDC CONTRA COSTA 2014	Small Business Administration		SBAHQ-14-B-0047	59.037	164,816	164,816
SBDC NAPA & SONOMA 2014	Small Business Administration		SBAHQ-14-B-0047	59.037	159,056	159,056
SBDC SOLANO 2014	Small Business Administration		SBAHQ-14-B-0047	59.037	93,496	93,496
SBDC ALAMEDA (OMCC) 2014	Small Business Administration		SBAHQ-14-B-0047	59.037	145,719	145,719
SBDC SAN MATEO 2014	Small Business Administration		SBAHQ-14-B-0047	59.037	40,461	35,461
SBDC SANTA CRUZ (CCC) 2014	Small Business Administration		SBAHQ-14-B-0047	59.037	119,273	119,273
SBDC SANTA CLARA (ENTFDTN)2014	Small Business Administration		SBAHQ-14-B-0047	59.037	147,087	147,087
SBDC MENDOCINO 2014	Small Business Administration		SBAHQ-14-B-0047	59.037	31,097	31,097
SBDC NORTH COAST 2014	Small Business Administration		SBAHQ-14-B-0047	59.037	111,664	111,664
SBDC TFG (LEAD) 2014	Small Business Administration		SBAHQ-14-B-0047	59.037	164,809	-
SBDC HISPASATELLITE(ENTFDTN)2014	Small Business Administration		SBAHQ-14-B-0047	59.037	95,869	95,869
SBDC MARIN 2014	Small Business Administration		SBAHQ-14-B-0047	59.037	46,177	46,177
SBDC SAN FRANCISCO (OWD) 2014	Small Business Administration		SBAHQ-14-B-0047	59.037	31,659	26,659
2013 SBDC LEAD CARRYOVER	Small Business Administration		3-603001-Z-00658	59.037	299,556	(2,142)
SBDC NORCAL LEAD 2015	Small Business Administration		SBAHQ-15-B-0068	59.037	427,957	8,215
SBDC ALAMEDA 2015	Small Business Administration		SBAHQ-15-B-0068	59.037	73,634	73,634
SBDC CONTRA COSTA 2015	Small Business Administration		SBAHQ-15-B-0068	59.037	56,776	56,776
SBDC OAKLAND (HSU) 2015	Small Business Administration		SBAHQ-15-B-0068	59.037	11,205	-
SBDC MARIN 2015	Small Business Administration		SBAHQ-15-B-0068	59.037	26,683	26,683
SBDC MENDOCINO 2015	Small Business Administration		SBAHQ-15-B-0068	59.037	13,015	13,015
SBDC NAPA & SONOMA 2015	Small Business Administration		SBAHQ-15-B-0068	59.037	54,537	54,537
SBDC NORTH COAST 2015	Small Business Administration		SBAHQ-15-B-0068	59.037	32,729	32,729
SBDC SAN FRANCISCO 2015	Small Business Administration		SBAHQ-15-B-0068	59.037	65,025	65,025
SBDC SAN MATEO 2015	Small Business Administration		SBAHQ-15-B-0068	59.037	5,498	5,498
SBDC SANTA CLARA 2015	Small Business Administration		SBAHQ-15-B-0068	59.037	63,507	63,507
SBDC SANTA CRUZ 2015	Small Business Administration		SBAHQ-15-B-0068	59.037	30,987	30,987
SBDC SOLANO 2015	Small Business Administration		SBAHQ-15-B-0068	59.037	18,682	18,682
SBDC TFG (LEAD) 2015	Small Business Administration		SBAHQ-15-B-0068	59.037	171,739	-
				59.037 Total	2,959,094	1,623,520
SMALL BUSINESS ADMINISTRATION TOTAL					3,013,215	1,623,520
TRIO - Student Support Services						
STUDENT SUPPORT SVCS 10/15	Department of Education		P042A100520	84.042	377,837	-
				84.042 Total	377,837	-
TRIO - Talent Search						
TALENT SEARCH 11/16	Department of Education		P044A110451	84.044	366,050	-
				84.044 Total	366,050	-
TRIO - Upward Bound						
UPWARD BOUND 12/17	Department of Education		P047A120329	84.047	243,178	-
				84.047 Total	243,178	-
TRIO TOTAL					987,065	-
Gaining Early Awareness and Readiness for Undergraduate Programs						
GEAR UP HSU	Department of Education		P334A140060	84.334	48,933	-
				84.334 Total	48,933	-

**HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015**

<u>PROGRAM DESCRIPTION</u>	<u>AGENCY</u>	<u>PASS-THROUGH ENTITY</u>	<u>GRANTOR OR PASS-THROUGH #</u>	<u>CFD #</u>	<u>TOTAL EXPENDITURES</u>	<u>SUBCONTRACT EXPENDITURES</u>
Child Care Access Means Parents in School CCAMPIS 13-17	Department of Education		P335A130064	84.335	227,388	-
				84.335 Total	227,388	-
Arts in Education NCAIP 14/18	Department of Education	City of Eureka	C2276	84.351	33,297	500
				84.351 Total	33,297	500
Mathematics and Science Partnerships SIX RIVERS ALEGBRA ACADEMY STEM INITIATIVE	Department of Education Department of Education	Del Norte County Unified School District Fortuna Elementary School District	S366B110005	84.366 84.366	3,321 19,041	- -
				84.366 Total	22,362	-
Improving Teacher Quality State Grants NWP SEED 12/13 NWP TRINIDAD HIGH NEEDS RSP NCLB 13/14 NWP SEED TEACHER LEADERSHIP 14	Department of Education Department of Education Department of Education Department of Education	National Writing Project National Writing Project Regents of the University of California National Writing Project	92-CA01-SEED2012 92-CA01-SEED2012 NCLB10-CSP-HUMBOLDT 92-CA01-SEED2012 4A	84.367 84.367 84.367 84.367	(1,222) 5,065 (111) 12,800	- - - -
				84.367 Total	16,532	-
DEPARTMENT OF EDUCATION TOTAL					348,512	500
Farmers' Market Promotion Program NCFM EXPANSION	Department of Agriculture		14-FMPPX-CA-0028	10.168	10,901	1,700
				10.168 Total	10,901	1,700
Higher Education Challenge Grants BUILDING A BETTER CAPSTONE	Department of Agriculture - National Institute of Food & Agriculture	AECOM	2014-70003-22353	10.217	11,569	-
				10.217 Total	11,569	-
Hispanic Serving Institutions Education Grants HIS SCHOLARSHIP-INTERNSHIPS	Department of Agriculture - National Institute of Food & Agriculture		2014-38422-22081	10.223	25,968	-
				10.223 Total	25,968	-
Department of Agriculture - CFDA Not Available CEF DATA COLLECTION	Department of Agriculture - Forest Service		11-CS-11051000-023	10.XXX	46,097	-
				10.XXX Total	46,097	-
DEPARTMENT OF AGRICULTURE TOTAL					94,535	1,700
Procurement Technical Assistance For Business Firms DISTRESSED - PTAC NON-DISTRESSED - PTAC PTAC NON-DISTRESSED PTAC DISTRESSED	Department Of Defense Department Of Defense Department Of Defense Department Of Defense		SP48001321356P0001 SP48001321356P0001 SP4800-14-2-1456 SP4800-14-2-1456	12.002 12.002 12.002 12.002	8,852 21,362 131,394 110,707	- - - -
				12.002 Total	272,315	-
DEPARTMENT OF DEFENSE TOTAL					272,315	-
Forests and Woodlands Resource Management INVENTORY OF FISHER HEADWATERS PRESERVE INTERNS BLM SUMMER INTERNSHIP	Department of the Interior - Bureau of Land Management Department of the Interior - Bureau of Land Management Department of the Interior - Bureau of Land Management		L10AC20386-12 L10AC20386-0014 L14AC000258-02	15.233 15.233 15.233	120 3,314 3,422	- - -
				15.233 Total	6,856	-

**HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015**

<u>PROGRAM DESCRIPTION</u>	<u>AGENCY</u>	<u>PASS-THROUGH ENTITY</u>	<u>GRANTOR OR PASS-THROUGH #</u>	<u>CFD #</u>	<u>TOTAL EXPENDITURES</u>	<u>SUBCONTRACT EXPENDITURES</u>
Migratory Bird Joint Ventures						
PCJV INTERN PORTAL	Department of the Interior - Fish and Wildlife Services	Ducks Unlimited, Inc.	US-WA-122-4	15.637	4,540	-
PCJV 13-14	Department of the Interior - Fish and Wildlife Services	Ducks Unlimited, Inc.	US-WA-122-5	15.637	1,110	-
PCJV 2014	Department of the Interior - Fish and Wildlife Services	Ducks Unlimited, Inc.	US-WA-122-6	15.637	27,370	-
				15.637 Total	33,020	-
DEPARTMENT OF INTERIOR TOTAL					39,876	-
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus						
THE CONSENT PROJECT	Department of Justice		2012-WA-AX-0004	16.525	78,599	21,705
				16.525 Total	78,599	21,705
DEPARTMENT OF JUSTICE TOTAL					78,599	21,705
Education and Human Resources						
CA COAST NOYCE SCHOLARS	National Science Foundation		934703	47.076	33,747	30,136
MCCOVEY, GRFP	National Science Foundation		1049702	47.076	11,167	-
RENNIE - GRFP	National Science Foundation		1049702	47.076	48,970	-
MOLA GRFP	National Science Foundation		DGE-1049702	47.076	2,667	-
PARSON GRFP	National Science Foundation		2015181843	47.076	34,000	-
CSU-LSAMP 14-15 NSF	National Science Foundation	University Enterprises, Inc.	523811	47.076	11,893	-
				47.076 Total	142,444	30,136
NATIONAL SCIENCE FOUNDATION TOTAL					142,444	30,136
Foster Care_ Title IV-E						
CAL SWEC BSW 13/14	Department of Health and Human Services	Regents of the University of California	8302	93.658	401	-
CAL SWEC MSW 13/14	Department of Health and Human Services	Regents of the University of California	8302	93.658	532	-
PATHWAYS 13/14	Department of Health and Human Services	Regents of the University of California	8302	93.658	(1,089)	-
CAL SWEC MSW 14/15	Department of Health and Human Services	Regents of the University of California	8513	93.658	818,793	25,000
CAL SWEC BSW 14/15	Department of Health and Human Services	Regents of the University of California	8513	93.658	182,228	-
CAL SWEC PATHWAYS 14/15	Department of Health and Human Services	Regents of the University of California	8513	93.658	347,374	-
CAL SWEC SERVE 14/15	Department of Health and Human Services	Regents of the University of California	8513	93.658	54,745	-
				93.658 Total	1,402,984	25,000
DEPARTMENT OF HEALTH AND HUMAN SERVICES TOTAL					1,402,984	25,000
Miscellaneous - CFDA Not Available						
NMFS INSTREAM FLOW	Department of Commerce - National Oceanic Atmospheric Administration			11.XXX	5,729	-
				11.XXX Total	5,729	-
DEPARTMENT OF COMMERCE TOTAL					5,729	-
Miscellaneous - CFDA Not Available						
UNITED WAY TAX PREPARATION	Internal Revenue Service	United Way of the Wine Country		99.XXX	3,875	-
				99.XXX Total	3,875	-
INTERNAL REVENUE SERVICE TOTAL					3,875	-
TOTAL FEDERAL AND FEDERAL PASS-THROUGH AWARDS					10,357,598	2,430,086

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Notes to Schedule of Expenditures of Federal Awards

June 30, 2015

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Humboldt State University Sponsored Programs Foundation (the Foundation) under programs of the federal government for the year ended June 30, 2015. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. 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 OMB Circular A-122, Cost Principles for Non-profit Organizations, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(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, 2015**

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)? X yes none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? X yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
Various	Research and Development Cluster
59.037	Small Business Administration
84.042, 84.044, 84.047	TRIO Cluster

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

\$310,728

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, 2015**

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

Finding 2015-001:

TRIO Cluster

U.S Department of Education

CFDA# 84.004 – Talent Search 11/16

Grant Award #P044A110451

Eligibility

Significant Deficiency, Internal Control over Compliance

Condition:

When testing the Foundation's compliance with eligibility requirements, we noticed two out of twenty-four student files were missing the review and approval by the program director.

Criteria:

Recipients of federal awards are required to have an internal control system in place to ensure they comply with the requirements of OMB Circular A-133 and other grant specific requirements. The Foundation's internal control over eligibility is that the program director reviews student files to determine the student meets the eligibility requirements for the Talent Search grant. The program director will sign off in the student file indicating approval of the student meeting the eligibility requirements.

Effect:

The Foundation's control was not effective.

Cause:

The Foundation does not have a plan in place for a qualified individual to review and approve student files in the absence of the program director.

Recommendation:

The Foundation should implement procedures to allow the control to continue in the absence of the program director.

View of Responsible Official:

The Foundation agrees with the finding.

Planned Corrective Action:

The Foundation is working to ensure the program director designates their signature authority to a qualified employee when they are absent.

Anticipated Completion Date:

September 1, 2015

**HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

Section III – Federal Award Findings and Questioned Costs (continued)

Responsible Individual(s):

Foundation Compliance Officer
Foundation Director

**HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2015**

SECTION II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

Finding 2014-001:

Research and Development Cluster

U.S. DEPARTMENT OF AGRICULTURE, Forest Service

CFDA# 10.652 - Forestry Research (DSTI Stream Condition)

Grant Award #11-DG-11272170-094

Condition:

When testing the Foundation's compliance with reporting requirements, we noted the Foundation had not filed the required FFATA report for the one subrecipient tested.

Recommendation:

The Foundation should implement procedures to prepare and submit FFATA reports as required by OMB Circular A-133.

Status:

Auditors are no longer required to test this requirement per the OMB Circular A-133.

Finding 2014-002:

Research and Development Cluster

U.S. DEPARTMENT OF AGRICULTURE, Forest Service

CFDA# 10.652 - Forestry Research (DSTI Stream Condition)

Grant Award #11-DG-11272170-094

Condition:

When testing the Foundation's compliance with subrecipient monitoring, we tested one subrecipient and noted the Foundation did not provide the CFDA # or title of the CFDA program as part of the preaward process. We also noted the Foundation did not obtain the DUNS number from the subrecipient.

Recommendation:

The Foundation should review its procedures for subawards and ensure the procedures include providing the subrecipient with all the required documentation as well as obtaining a DUNS number from the subrecipient as required by OMB Circular A-133.

Status:

Implemented.