

**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, 2013 and 2012

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3 - 8
BASIC FINANCIAL STATEMENTS:	
Statements of Net Position	9
Statements of Revenues, Expenses, and Changes In Net Position	10
Statements of Cash Flows	11 - 12
Notes to the Financial Statements	13 - 24
SUPPLEMENTARY INFORMATION:	
Schedule of Net Position	25
Schedule of Revenues, Expenses, and Changes in Net Position	26
Other Information	27 - 32
Notes to Supplementary Information	33
SINGLE AUDIT REPORTS:	
Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	34 - 35
Independent Auditor's Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133	36 - 37
Schedule of Expenditures of Federal Awards	38 - 44
Notes to Schedule of Expenditures of Federal Awards	45
Schedule of Findings and Questioned Costs	46 - 47
Notes to Schedule of Findings and Questioned Costs	48

INDEPENDENT AUDITORS' REPORT

Humboldt State University Sponsored Programs Foundation
Board of Directors
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 (the Foundation) as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, which comprise the Foundation'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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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 of 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 auditor's 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. According, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Humboldt State University Sponsored Programs Foundation as of June 30, 2013 and 2012, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 3 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 25 through 33) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards on pages 38 through 44 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The supplementary information 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 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2013, 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 results 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 the Foundation's internal control over financial reporting and compliance.

Hunter, Hunter & Hunt

September 12, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

HUMBOLDT STATE UNIVERSITY
SPONSORED PROGRAMS FOUNDATION

Management's Discussion and Analysis

June 30, 2013 and 2012

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 year ended June 30, 2013 and 2012. 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.

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

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

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

Analytical Overview

Summary

The following discussion highlights management's understanding of the key financial aspects of the Foundation's financial activities. Included are comparative analyses of current year and prior year 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, 2013 and 2012

The Foundation's condensed summary of net position as of June 30, 2013 and 2012, is as follows:

Condensed Summary of Net Position

	<u>2013</u>	<u>2012</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Assets:				
Current assets	\$ 7,599,086	\$ 8,518,796	\$ (919,710)	-11%
Capital assets, net of accumulated depreciation	1,613,601	1,703,350	(89,749)	-5%
Other noncurrent assets	19,500	37,000	(17,500)	-47%
Total assets	<u>9,232,187</u>	<u>10,259,146</u>	<u>(1,026,959)</u>	-10%
Liabilities:				
Current liabilities	2,581,021	2,681,361	(100,340)	-4%
Other noncurrent liabilities	291,976	31,253	260,723	834%
Total liabilities	<u>2,872,997</u>	<u>2,712,614</u>	<u>160,383</u>	6%
Net position:				
Net investment in capital assets	1,613,601	1,703,350	(89,749)	-5%
Restricted, nonexpendable	-	-	-	0%
Restricted, expendable	-	-	-	0%
Unrestricted	4,745,589	5,843,182	(1,097,593)	-19%
Total net position	<u>\$ 6,359,190</u>	<u>\$ 7,546,532</u>	<u>\$ (1,187,342)</u>	-16%

Assets

Total assets decreased \$1.0 million from prior year due to a \$0.9 million decrease in current assets and a \$0.1 million decrease in capital assets.

Total current assets decreased \$0.9 million primarily due to a decrease in cash and short term investments of \$0.3 million, and a decrease in receivables of \$0.6 million. The decrease in cash and short term investments is primarily due to the transfer of trust funds to the University, offset by an increase in advance payments from grants. The decrease in receivables is due to a decrease in grant-funded activities in the current year.

Capital assets decreased \$0.1 million due to current year depreciation.

Liabilities

Total liabilities increased \$0.2 million due to a \$0.2 million increase in unearned revenue primarily related to advance payments from grant funders.

Net Position

Total net position decreased \$1.2 million from the prior year due to the net loss generated for the year ended June 30, 2013. 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, 2013 and 2012

Operating Results

The Foundation's condensed summary of revenues, expenses, and changes in net position for the years ended June 30, 2013 and 2012, is as follows:

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

	<u>2013</u>	<u>2012</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Operating revenues:				
Grants and contracts	\$ 15,391,662	\$ 17,543,509	\$ (2,151,847)	-12%
Indirect cost	1,453,246	1,682,934	(229,688)	-14%
Other operating revenues	<u>469,869</u>	<u>829,023</u>	<u>(359,154)</u>	-43%
Total operating revenues	17,314,777	20,055,466	(2,740,689)	-14%
Operating expenses	<u>(17,770,321)</u>	<u>(20,064,420)</u>	<u>2,294,099</u>	-11%
Operating loss	<u>(455,544)</u>	<u>(8,954)</u>	<u>(446,590)</u>	4988%
Nonoperating revenues (expenses):				
Gifts, noncapital	716,081	791,687	(75,606)	-10%
Investment income (loss), net	13,934	(226,185)	240,119	-106%
Other nonoperating expenses, net	<u>(1,514,712)</u>	<u>(1,131,288)</u>	<u>(383,424)</u>	34%
Net nonoperating revenues (expenses)	<u>(784,697)</u>	<u>(565,786)</u>	<u>(218,911)</u>	39%
Income (loss) before other additions	(1,240,241)	(574,740)	(665,501)	116%
Grants and gifts, capital	<u>52,899</u>	<u>534,059</u>	<u>(481,160)</u>	-90%
Increase (decrease) in net position	(1,187,342)	(40,681)	(1,146,661)	2819%
Beginning net position	<u>7,546,532</u>	<u>7,587,213</u>	<u>(40,681)</u>	-1%
Ending net position	<u>\$ 6,359,190</u>	<u>\$ 7,546,532</u>	<u>\$ (1,187,342)</u>	-16%

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 and amortization. In this discussion and analysis, expenses are reported by functional program such as instruction, research, public service, academic support, student services, institutional support, operation and maintenance of plant, student grants and scholarships, auxiliary enterprise expenses, and depreciation and amortization.

Operating Revenues

Total operating revenues decreased \$2.7 million, or 14%, primarily due to a \$2.2 million decrease in grants and contract revenue, a \$0.2 million decrease in indirect cost revenue, and a \$0.3 million decrease in other operating revenues. The decrease in grants and contracts revenue is due to a decrease in project spending related to federal, state, and nongovernmental grants. The decrease in indirect cost revenue is the result of a decrease in grants and contracts spending in the current year. The decrease in other operating revenues is primarily due to the

HUMBOLDT STATE UNIVERSITY
SPONSORED PROGRAMS FOUNDATION

Management's Discussion and Analysis

June 30, 2013 and 2012

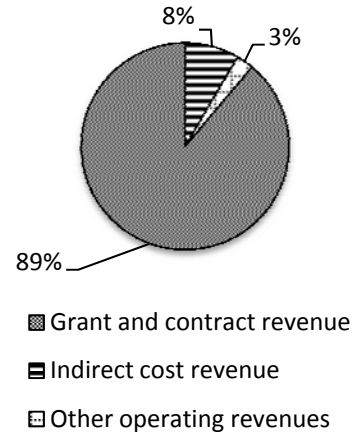
movement of campus programs trusts from the Foundation to the University. Revenues collected through the Foundation in the prior year are now recorded through the University.

The following charts present the proportional share that each category of operating revenues contributed to the total for fiscal years 2013 and 2012:

Operating Revenues

Year ended June 30, 2013

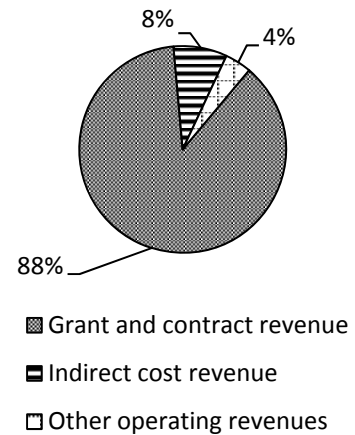
Grant and contract revenue			
Federal	\$ 7,734,674	44.7	%
State	4,228,056	24.4	
Local	399,963	2.3	
Non-governmental	3,028,969	17.5	
Indirect cost revenue	1,453,246	8.4	
Other operating revenues	<u>469,869</u>	<u>2.7</u>	
Total operating revenues	<u>\$ 17,314,777</u>	<u>100.0</u>	<u>%</u>



Operating Revenues

Year ended June 30, 2012

Grant and contract revenue			
Federal	\$ 8,792,762	43.9	%
State	5,110,472	25.5	
Local	208,994	1.1	
Non-governmental	3,431,281	17.1	
Indirect cost revenue	1,682,934	8.3	
Other operating revenues	<u>829,023</u>	<u>4.1</u>	
Total operating revenues	<u>\$ 20,055,466</u>	<u>100.0</u>	<u>%</u>



Operating Expenses

Total operating expenses decreased by \$2.3 million, or 11%, primarily due to a \$2.4 million aggregated decrease in instruction, research, public service, academic support, institutional support, and student grants and scholarships, offset by a \$0.1 million aggregated increase in student services, auxiliary enterprises expenses, and depreciation. The \$2.3 million decrease is primarily related to reduced spending in the current year on grants and contracts. This decrease is offset by an increase in spending on the Foundation's general operations.

HUMBOLDT STATE UNIVERSITY
SPONSORED PROGRAMS FOUNDATION

Management's Discussion and Analysis

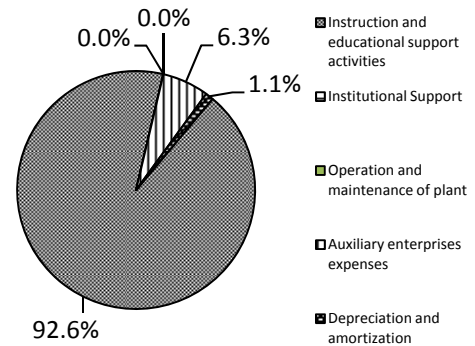
June 30, 2013 and 2012

The following charts present the distribution of resources in support of the Foundation's mission for fiscal years 2013 and 2012:

Operating Expenses

Year ended June 30, 2013

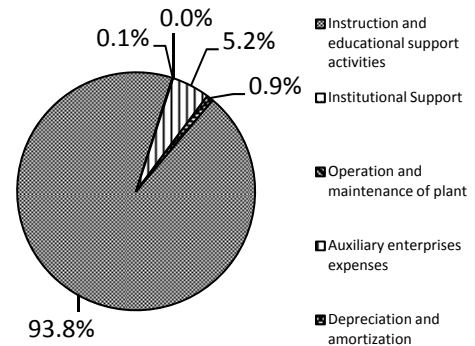
Instruction	\$ 44,939	0.3 %
Research	6,820,108	38.3
Public service	7,766,337	43.8
Academic support	413,614	2.3
Student services	1,075,658	6.1
Student grants and scholarships	<u>327,207</u>	<u>1.8</u>
Total instruction and educational support activities	16,447,863	92.6
Institutional support	4,394	0.0
Operation and maintenance of plant	—	0.0
Auxiliary enterprises expenses	1,126,168	6.3
Depreciation and amortization	<u>191,896</u>	<u>1.1</u>
Total operating expenses	\$ <u>17,770,321</u>	<u>100.0 %</u>



Operating Expenses

Year ended June 30, 2012

Instruction	\$ 349,078	1.7 %
Research	7,659,075	38.2
Public service	8,569,058	42.7
Academic support	867,585	4.3
Student services	1,045,936	5.2
Student grants and scholarships	<u>330,383</u>	<u>1.7</u>
Total instruction and educational support activities	18,821,115	93.8
Institutional support	25,297	0.1
Operation and maintenance of plant	—	0.0
Auxiliary enterprises expenses	1,037,098	5.2
Depreciation and amortization	<u>180,910</u>	<u>0.9</u>
Total operating expenses	\$ <u>20,064,420</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 noncapital gifts, investment income, certain non-exchange grants, and transfers to other campus entities.

Total nonoperating expenses increased \$0.2 million, primarily due to a \$0.4 million increase in transfers to other campus entities, offset by a \$0.2 million increase in investment income. Transfers to other campus entities increased by \$0.4 million primarily related to the Foundation's transfer of custodial trust accounts to the University as well as several one-time transfers of funds to Humboldt State University Advancement Foundation

HUMBOLDT STATE UNIVERSITY
SPONSORED PROGRAMS FOUNDATION

Management's Discussion and Analysis

June 30, 2013 and 2012

(HSU Advancement). Investment income increased by \$0.2 million due to a one-time loss on the sale of property held as an investment in the prior year.

Capital Assets

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

	June 30	
	2013	2012
Land and land improvements	\$ 512,816	\$ 512,816
Works of art and historical treasures	25,000	25,000
Buildings and building improvements - net	483,277	510,418
Equipment - net	592,508	655,116
Total capital assets, net of accumulated depreciation	\$ 1,613,601	\$ 1,703,350

Capital assets decreased by \$0.1 million primarily due to \$0.1 million of current year additions, partially offset by \$0.2 million in current year depreciation expense.

Factors That Will Affect the Future

Indirect Cost Revenue

Indirect cost revenue is a factor that greatly affects the Foundation's ability to build and maintain a reserve adequate enough for supporting the grant and contract activity of the Foundation. Indirect cost revenue is earned as a percentage of spending on awarded grant and contracts. Indirect cost rates are generally dictated by the grant funder and are contractually agreed upon on all grants and contracts. Indirect cost revenue decreased \$0.2 million, or 14%, in the current year due to a decrease in spending on grants and contracts in the current year. Management believes that grant and contract activity and earned indirect cost revenue is projected to be at the same levels.

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, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 1,680,641	\$ 1,905,660
Short-term investments	1,557,323	1,606,981
Accounts receivable, net	4,349,389	4,933,303
Prepaid expenses and other assets	11,733	72,852
Total current assets	<u>7,599,086</u>	<u>8,518,796</u>
Noncurrent assets:		
Restricted cash	-	17,500
Long-term investments	19,500	19,500
Capital assets, net	1,613,601	1,703,350
Total noncurrent assets	<u>1,633,101</u>	<u>1,740,350</u>
Total assets	<u>9,232,187</u>	<u>10,259,146</u>
Liabilities:		
Current liabilities:		
Accounts payable	1,046,740	1,040,354
Accrued salaries and benefits payable	347,606	437,825
Accrued compensated absences – current portion	122,059	121,076
Unearned revenue – current portion	1,052,373	1,068,398
Other liabilities	12,243	13,708
Total current liabilities	<u>2,581,021</u>	<u>2,681,361</u>
Noncurrent liabilities:		
Accrued compensated absences, net of current portion	53,229	31,253
Unearned revenue, net of current portion	238,747	-
Total noncurrent liabilities	<u>291,976</u>	<u>31,253</u>
Total liabilities	<u>2,872,997</u>	<u>2,712,614</u>
Net position:		
Net investment in capital assets	1,613,601	1,703,350
Unrestricted	4,745,589	5,843,182
Total net position	<u>\$ 6,359,190</u>	<u>\$ 7,546,532</u>

See accompanying notes.

HUMBOLDT STATE UNIVERSITY
SPONSORED PROGRAMS FOUNDATION

Statements of Revenues, Expenses, and Changes in Net Position
 Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Revenues:		
Operating revenues:		
Grants and contracts, noncapital:		
Federal	\$ 7,734,674	\$ 8,792,762
State	4,228,056	5,110,472
Local	399,963	208,994
Nongovernmental	3,028,969	3,431,281
Indirect cost revenue	1,453,246	1,682,934
Other operating revenues	469,869	829,023
Total operating revenues	<u>17,314,777</u>	<u>20,055,466</u>
Expenses:		
Operating expenses:		
Instruction	44,939	349,078
Research	6,820,108	7,659,075
Public service	7,766,337	8,569,058
Academic support	413,614	867,585
Student services	1,075,658	1,045,936
Institutional support	4,394	25,297
Student grants and scholarships	327,207	330,383
Auxiliary enterprise expenses	1,126,168	1,037,098
Depreciation and amortization	191,896	180,910
Total operating expenses	<u>17,770,321</u>	<u>20,064,420</u>
Operating loss	<u>(455,544)</u>	<u>(8,954)</u>
Nonoperating revenues (expenses):		
Gifts, noncapital	716,081	791,687
Investment loss, net	13,934	(226,185)
Other nonoperating revenues, net	-	24,810
Net nonoperating revenues	<u>730,015</u>	<u>590,312</u>
Income before other additions	274,471	581,358
Grants and gifts, capital	52,899	534,059
Transfers to other campus entities	<u>(1,514,712)</u>	<u>(1,156,098)</u>
Decrease in net position	(1,187,342)	(40,681)
Net position:		
Net position at beginning of year	7,546,532	7,587,213
Net position at end of year	<u>\$ 6,359,190</u>	<u>\$ 7,546,532</u>

See accompanying notes.

HUMBOLDT STATE UNIVERSITY
SPONSORED PROGRAMS FOUNDATION

Statements of Cash Flows

Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Received from customers	\$ 17,617,153	\$ 18,588,376
Payments to employees and fringe benefits	(8,813,005)	(9,904,100)
Payments to vendors and suppliers	(8,214,295)	(9,925,462)
Payments for scholarships and fellowships	(313,598)	(188,057)
Transfers to other entities	(1,485,106)	(959,574)
Net cash used by operating activities	<u>(1,208,851)</u>	<u>(2,388,817)</u>
Cash flows from noncapital financing activities:		
Noncapital gifts received	<u>716,081</u>	<u>791,687</u>
Net cash provided by noncapital financing activities	<u>716,081</u>	<u>791,687</u>
Cash flows from capital and related financing activities:		
Capital grants received	318,653	268,338
Acquisition and construction of capital assets	<u>(131,753)</u>	<u>(397,775)</u>
Net cash provided (used) by capital and related financing activities	<u>186,900</u>	<u>(129,437)</u>
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	-	58,222
Investment income	13,693	18,839
Transfers to (from) cash, net of interest earned	<u>49,658</u>	<u>(1,508,637)</u>
Net cash provided (used) by investing activities	<u>63,351</u>	<u>(1,431,576)</u>
Net increase (decrease) in cash and cash equivalents	(242,519)	(3,158,143)
Cash and cash equivalents, July 1	<u>1,923,160</u>	<u>5,081,303</u>
Cash and cash equivalents, June 30	<u>\$ 1,680,641</u>	<u>\$ 1,923,160</u>
Reconciliation to cash per Statement of Net Position		
Cash and cash equivalents	\$ 1,680,641	\$ 1,905,660
Restricted cash	-	17,500
Total cash and cash equivalents at end of year	<u>\$ 1,680,641</u>	<u>\$ 1,923,160</u>

See accompanying notes.

HUMBOLDT STATE UNIVERSITY
SPONSORED PROGRAMS FOUNDATION

Statements of Cash Flows

Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Reconciliation of operating loss to net cash used		
by operating activities:		
Operating loss	\$ <u>(455,544)</u>	\$ <u>(8,954)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	191,896	180,910
Transfers to other entities	(1,485,106)	(959,574)
Changes in assets and liabilities:		
Receivables, net	318,401	(651,080)
Prepaid items	61,119	18,184
Accounts payable and accrued liabilities	(84,315)	252,302
Unearned revenue, current	(16,025)	(1,237,015)
Compensated absences and unearned revenue, noncurrent	<u>260,723</u>	<u>16,410</u>
Total adjustments	<u>(753,307)</u>	<u>(2,379,863)</u>
Net cash used by operating activities	\$ <u><u>(1,208,851)</u></u>	\$ <u><u>(2,388,817)</u></u>
 Noncash investing, capital, and financing activities:		
Capital asset write-offs	\$ 29,606	\$ 171,714
Increase in receivables related to nonoperating income	241	265,721

See accompanying notes.

HUMBOLDT STATE UNIVERSITY
SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

June 30, 2013 and 2012

(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*

Pursuant to the requirements established by the California State University system, the Foundation has adopted Governmental Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* (GASB No. 62). GASB No. 62 incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, that do not conflict with GASB pronouncements:

- Financial Accounting Standards Board (FASB) Statements and Interpretations,
- Accounting Principles Board Opinions, and
- Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure.

GASB No. 62 also supersedes GASB No. 20, thereby eliminating the election provided in GASB No. 20 for enterprise funds and governments engaged in business-type activities to apply post-November 30, 1989, FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. However, those entities can continue to apply, as other accounting literature, post-November 30, 1989, FASB pronouncements that do not conflict with or contradict GASB pronouncements. Adoption of GASB No. 62 had no impact on the basic financial statements.

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

HUMBOLDT STATE UNIVERSITY
SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

June 30, 2013 and 2012

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.

(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 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 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 considered uncollectible are charged against the reserve account in the year they are deemed to be uncollectible. No reserve for uncollectible accounts was deemed necessary as of June 30, 2013 and 2012.

(f) *Restricted Cash*

Restricted cash consists of funds held in accordance with the agreement terms set forth in the Foundation's revolving line of credit. See Note 11.

HUMBOLDT STATE UNIVERSITY
SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

June 30, 2013 and 2012

(g) Capital Assets

Capital assets are stated at cost or estimated historical cost if purchased, or if donated, at estimated fair value at date of donation. Capital assets with a value of \$5,000 or more and with a useful life of one year or more are capitalized. Capital assets, 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 and amortization expense is shown separately in the statement of revenues, expenses, and changes in net position rather than being allocated among other categories of operating expenses.

(h) Unearned Revenue

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

(i) Compensated Absences

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

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

(j) 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 resources may be made and require that unrestricted net position be designated to support future operations in these areas.

(k) Classification of Revenues and Expenses

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

HUMBOLDT STATE UNIVERSITY
SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

June 30, 2013 and 2012

Included in operating revenues and 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 instructional, research and public service functions 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 and expenses in accordance with GASB Statement No. 35. These nonoperating activities include the Foundation's net investment loss, noncapital gifts, and capital gifts and grants.

(l) *Income Taxes*

The Foundation qualifies as a tax exempt organization under the applicable sections of the Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. The open audit periods are 2009 through 2011. The Foundation has analyzed the tax positions taken for filings with the Internal Revenue Service and the State of California. The Foundation believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the financial statements. Accordingly, the Foundation has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2013 and 2012.

(m) *Use of Estimates*

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

(n) *Reclassifications*

Certain items in the 2012 financial statements have been reclassified for comparative purposes to conform to presentation in the current year financial statements. Such reclassifications had no effect on previously reported changes in net position.

HUMBOLDT STATE UNIVERSITY
SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

June 30, 2013 and 2012

(2) Cash and Cash Equivalents and Investments

The Foundation's cash and cash equivalents and investments as of June 30, 2013 and 2012, are classified in the accompanying statement of net position as follows:

		<u>2013</u>		<u>2012</u>
Cash and cash equivalents	\$	1,680,641	\$	1,905,660
Restricted cash		—		17,500
Total cash and cash equivalents		<u>1,680,641</u>		<u>1,923,160</u>
Short-term investments		1,557,323		1,606,981
Other long-term investments		19,500		19,500
Total investments		<u>1,576,823</u>		<u>1,626,481</u>
Total cash and cash equivalents and investments	\$	<u>3,257,464</u>	\$	<u>3,549,641</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 \$1,680,641 and \$1,905,660 had a corresponding carrying balance with the commercial banks of \$1,969,388 and \$2,343,270 at June 30, 2013 and 2012, 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, 2013 and 2012, the Foundation's uninsured, uncollateralized cash balance was \$1,719,388 and \$2,093,270, 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, 2013 and 2012, the Foundation's short-term investment 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

June 30, 2013 and 2012

(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, 2013 and 2012, consisted of the following:

	Balance at June 30, 2012	Purchases/ Additions	(Settlements)/ Deletions	Balance at June 30, 2013
Stock	\$ 300	\$ —	\$ —	\$ 300
Land and other real estate	19,200	—	—	19,200
Total	\$ 19,500	\$ —	\$ —	\$ 19,500
	Balance at June 30, 2011	Purchases/ Additions	(Settlements)/ Deletions	Balance at June 30, 2012
Stock	\$ 300	\$ —	\$ —	\$ 300
Land and other real estate	319,200	—	(300,000)	19,200
Total	\$ 319,500	\$ —	\$ (300,000)	\$ 19,500

During the year ended June 30, 2012, the Foundation sold land held as an investment. The land was recorded with a carrying value of \$300,000 and was sold for \$58,222 for net realized losses of \$241,778. Investment income, net, for the year ended June 30, 2013 and 2012, is summarized as follows:

	2013	2012
Interest income	\$ 13,934	\$ 15,593
Net realized gains/(losses)	—	(241,778)
Total	\$ 13,934	\$ (226,185)

(3) **Accounts Receivable**

Billed and unbilled accounts receivables as of June 30, 2013 and 2012, are summarized as follows:

	2013	2012
Federal grants and contracts	\$ 1,914,014	\$ 2,346,636
State and local grants and contracts	1,858,520	1,780,926
Non-governmental grants and contracts	520,224	664,930
Other receivables	56,631	140,811
Total	\$ 4,349,389	\$ 4,933,303

HUMBOLDT STATE UNIVERSITY
SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

June 30, 2013 and 2012

There is no allowance for uncollectible accounts deemed necessary for the years ended June 30, 2013 and 2012. Unbilled grant and contract receivables are \$3,238,130 and \$3,656,003 as of June 30, 2013 and 2012, respectively.

(4) Capital Assets

Capital assets activity for the year ended June 30, 2013, consisted of the following:

	<u>Balance, June 30, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers from CWIP</u>	<u>Balance, June 30, 2013</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>—</u>	<u>537,816</u>
Depreciable/amortizable capital assets:					
Buildings	814,231	—	—	—	814,231
Personal property: Equipment	<u>1,196,760</u>	<u>131,753</u>	<u>(59,509)</u>	<u>—</u>	<u>1,269,004</u>
Total depreciable capital assets	<u>2,010,991</u>	<u>131,753</u>	<u>(59,509)</u>	<u>—</u>	<u>2,083,235</u>
Total cost	<u>2,548,807</u>	<u>131,753</u>	<u>(59,509)</u>	<u>—</u>	<u>2,621,051</u>
Less accumulated depreciation/amortization:					
Buildings	(303,813)	(27,141)	—	—	(330,954)
Personal property: Equipment	<u>(541,644)</u>	<u>(164,755)</u>	<u>29,903</u>	<u>—</u>	<u>(676,496)</u>
Total accumulated depreciation	<u>(845,457)</u>	<u>(191,896)</u>	<u>29,903</u>	<u>—</u>	<u>(1,007,450)</u>
Net capital assets	<u>\$ 1,703,350</u>	<u>\$ (60,143)</u>	<u>\$ (29,606)</u>	<u>\$ —</u>	<u>\$ 1,613,601</u>

HUMBOLDT STATE UNIVERSITY
SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

June 30, 2013 and 2012

Capital assets activity for the year ended June 30, 2012, consisted of the following:

	<u>Balance, June 30, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers from CWIP</u>	<u>Balance, June 30, 2012</u>
Nondepreciable/nonamortizable capital assets:					
Land and land improvements	\$ 356,402	\$ —	\$ —	\$ 156,414	\$ 512,816
Works of art and historical treasures	75,000	—	(50,000)	—	25,000
Construction work in progress	154,206	2,208	—	(156,414)	—
Total nondepreciable capital assets	<u>585,608</u>	<u>2,208</u>	<u>(50,000)</u>	<u>—</u>	<u>537,816</u>
Depreciable/amortizable capital assets:					
Buildings	814,231	—	—	—	814,231
Personal property: Equipment	1,069,085	395,567	(267,892)	—	1,196,760
Total depreciable capital assets	<u>1,883,316</u>	<u>395,567</u>	<u>(267,892)</u>	<u>—</u>	<u>2,010,991</u>
Total cost	<u>2,468,924</u>	<u>397,775</u>	<u>(317,892)</u>	<u>—</u>	<u>2,548,807</u>
Less accumulated depreciation/amortization:					
Buildings	(276,672)	(27,141)	—	—	(303,813)
Personal property: Equipment	(534,053)	(153,769)	146,178	—	(541,644)
Total accumulated depreciation	<u>(810,725)</u>	<u>(180,910)</u>	<u>146,178</u>	<u>—</u>	<u>(845,457)</u>
Net capital assets	<u>\$ 1,658,199</u>	<u>\$ 216,865</u>	<u>\$ (171,714)</u>	<u>\$ —</u>	<u>\$ 1,703,350</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, 2013 and 2012, fixed assets with a net book value of \$29,606 and \$161,302 were transferred from the Foundation to the University, respectively.

Total depreciation expense for the Foundation for the years ended June 30, 2013 and 2012, was \$191,896 and \$180,910, respectively.

HUMBOLDT STATE UNIVERSITY
SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

June 30, 2013 and 2012

(5) Long-term Liabilities

Long-term liabilities activities for the years ended June 30, 2013 and 2012, is summarized as follows:

	<u>Balance at June 30, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2013</u>	<u>Current Portion</u>	<u>Long Term Portion</u>
Accrued compensated absences	\$ 152,329	\$ 145,888	\$ (122,929)	\$ 175,288	\$ 122,059	\$ 53,229
Unearned revenue	<u>1,068,398</u>	<u>1,701,352</u>	<u>(1,478,630)</u>	<u>1,291,120</u>	<u>1,052,373</u>	<u>238,747</u>
Total	<u>\$ 1,220,727</u>	<u>\$ 1,847,240</u>	<u>\$ (1,601,559)</u>	<u>\$ 1,466,408</u>	<u>\$ 1,174,432</u>	<u>\$ 291,976</u>

	<u>Balance at June 30, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2012</u>	<u>Current Portion</u>	<u>Long Term Portion</u>
Accrued compensated absences	\$ 146,299	\$ 165,787	\$ (159,757)	\$ 152,329	\$ 121,076	\$ 31,253
Unearned revenue	<u>2,305,413</u>	<u>1,451,648</u>	<u>(2,688,663)</u>	<u>1,068,398</u>	<u>1,068,398</u>	<u>—</u>
Total	<u>\$ 2,451,712</u>	<u>\$ 1,617,435</u>	<u>\$ (2,848,420)</u>	<u>\$ 1,220,727</u>	<u>\$ 1,189,474</u>	<u>\$ 31,253</u>

(6) Net Position

(a) Unrestricted Net Position

As of June 30, 2013 and 2012, the unrestricted portion of the Foundation's net position was designated for the following purposes:

	<u>2013</u>	<u>2012</u>
Funds held in trust:		
Sponsored programs related trusts	\$ 914,591	\$ 1,344,867
Campus program trusts	<u>1,049,691</u>	<u>2,190,484</u>
Total funds held in trust	1,964,282	3,535,351
Current operations and working capital	<u>2,781,307</u>	<u>2,307,831</u>
Total	<u>\$ 4,745,589</u>	<u>\$ 5,843,182</u>

The Board of Directors passed a resolution to establish a \$4.0 million 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, 2013, the Foundation requires an additional \$1.2 million to meet 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

HUMBOLDT STATE UNIVERSITY
SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

June 30, 2013 and 2012

resources. As of June 30, 2013 and 2012, \$122,908 and \$140,148 in unrestricted resources were expended to support these activities.

(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 statement 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, 2013 and 2012, operating expenses by natural classification consisted of the following:

	2013					
	Salaries	Benefits	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total
Functional classification:						
Instruction	\$ 14,412	\$ 711	\$ 2,000	\$ 27,816	\$ —	\$ 44,939
Research	3,391,173	836,121	157,583	2,435,231	—	6,820,108
Public service	2,349,492	746,907	131,284	4,538,654	—	7,766,337
Academic support	177,515	50,109	—	185,990	—	413,614
Student services	543,405	244,352	—	287,901	—	1,075,658
Institutional support	—	—	—	4,394	—	4,394
Student grants and scholarships	20,066	2,683	22,731	281,727	—	327,207
Auxiliary enterprise expenses	235,588	133,211	—	757,369	—	1,126,168
Depreciation and amortization	—	—	—	—	191,896	191,896
Total	\$ 6,731,651	\$ 2,014,094	\$ 313,598	\$ 8,519,082	\$ 191,896	\$ 17,770,321

	2012					
	Salaries	Benefits	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total
Functional classification:						
Instruction	\$ 203,439	\$ 47,287	\$ 11,850	\$ 86,502	\$ —	\$ 349,078
Research	3,766,667	838,241	88,087	2,966,080	—	7,659,075
Public service	2,416,510	707,120	28,173	5,417,255	—	8,569,058
Academic support	318,297	62,354	1,313	485,621	—	867,585
Student services	513,050	238,053	2,911	291,922	—	1,045,936
Institutional support	4,123	436	75	20,663	—	25,297
Student grants and scholarships	65,665	22,819	15,648	226,251	—	330,383
Auxiliary enterprise expenses	217,828	95,970	40,000	683,300	—	1,037,098
Depreciation and amortization	—	—	—	—	180,910	180,910
Total	\$ 7,505,579	\$ 2,012,280	\$ 188,057	\$ 10,177,594	\$ 180,910	\$ 20,064,420

HUMBOLDT STATE UNIVERSITY
SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

June 30, 2013 and 2012

(9) Defined Contribution Plan

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

(a) Plan Description

TIAA-CREF is an agent which provides variable individual and group annuities for retirement and tax-deferred savings plans at nonprofit or publicly supported colleges, universities, and other educational and research organizations. The TIAA-CREF plan is a defined contribution plan. The contributions are invested and then disbursed at the time of the employees' retirement in the form of lifetime income or other payment options.

(b) Funding Policy

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

(c) Annual Contribution Costs

The Foundation contributed \$292,570 and \$268,016 on behalf of covered employees for the years ended June 30, 2013 and 2012, respectively.

(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 year ended June 30, 2013 and 2012, the Foundation transferred the following to the University, and HSU Advancement Foundation (HSUADV):

	2013	2012
Transfer of funds to HSU	\$ 6,157	\$ 887,374
Transfer of funds to HSUADV	1,478,949	107,422
Transfer of funds	1,485,106	994,796
Transfer of fixed assets to HSU	29,606	161,302
Total	\$ 1,514,712	\$ 1,156,098

(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, 2013, the Foundation paid to the University \$255,575 and \$244,425 for accounting and business services and human resources services, respectively, of which \$0 and \$0 was owed at June 30, 2013, respectively. For the fiscal year ended June 30, 2012, the Foundation paid to the University \$235,228 and

HUMBOLDT STATE UNIVERSITY
SPONSORED PROGRAMS FOUNDATION

Notes to the Financial Statements

June 30, 2013 and 2012

\$224,988 for accounting and business services and human services, respectively, of which \$0 and \$0 was owed at June 30, 2012, respectively.

(b) *General Operations Payroll*

The Foundation reimburses the University for salaries and benefits paid by the University of certain post-award employees of the Foundation's general operations. The amounts reimbursed to the University for the years ended June 30, 2013 and 2012, were \$270,552 and \$248,448, respectively, of which \$0 and \$0 was owed at June 30, 2013 and 2012, 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 \$188,714 and \$445,332, respectively, for the years ended June 30, 2013 and \$136,515 and \$394,084, respectively, for the year ended June 30, 2012.

(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, 2013 and 2012, were \$14,848 and \$23,234, respectively.

(d) *University Center Line of Credit*

In the prior year, the Foundation had a \$1,000,000 revolving line of credit to borrow from the Humboldt State University Center (UC), an auxiliary nonprofit organization of the University. The line of credit was set to renew annually in December, contingent upon approval by the UC Board of Directors unless terminated by written notice by either party or by breach. This line was collateralized by the real property holdings of the Foundation and the assets of the Foundation's general operations. Borrowings against the line of credit bore interest at Wall Street Prime plus two percent. As of June 30, 2012, there were no drawings on the line of credit.

As of June 30, 2012, \$17,500 was restricted in accordance with the terms of the agreement to restrict current operational working capital sufficient to pay three months interest payments as if the line of credit were fully extended.

During the current year, management elected to allow the terms of the agreement to expire without renewal, as the Foundation's working capital had increased and stabilized.

SUPPLEMENTARY INFORMATION

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Schedule of Net Position

June 30, 2013

(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	\$ 1,680,641
Short-term investments	1,557,323
Accounts receivable, net	4,349,389
Leases receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other assets	11,733
	<hr/>
Total current assets	7,599,086

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	1,613,601
Other assets	—
	<hr/>
Total noncurrent assets	1,633,101

Total assets	<hr/> <hr/>
	9,232,187

Deferred outflows of resources:

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

Liabilities:

Current liabilities:

Accounts payable	1,046,740
Accrued salaries and benefits payable	347,606
Accrued compensated absences— current portion	122,059
Unearned revenue	1,052,373
Capitalized lease obligations – current portion	—
Long-term debt obligations – current portion	—
Self-insurance claims liability - current portion	—
Depository accounts	—
Other liabilities	12,243
	<hr/>
Total current liabilities	2,581,021

Noncurrent liabilities:

Accrued compensated absences, net of current portion	53,229
Unearned revenue	238,747
Grants refundable	—
Capitalized lease obligations, net of current portion	—
Long-term debt obligations, net of current portion	—
Self-insurance claims liabilities, net of current portion	—
Depository accounts	—
Other postemployment benefits obligation	—
Other liabilities	—
	<hr/>
Total noncurrent liabilities	291,976

Total liabilities	<hr/> <hr/>
	2,872,997

Deferred inflows of resources:

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

Net position:

Net investment in capital assets	1,613,601
Restricted for:	
Nonexpendable – endowments	—
Expendable:	
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Other	—
Unrestricted	4,745,589
	<hr/>
Total net position	\$ 6,359,190

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

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Schedule of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2013

(for inclusion in the California State University)

Revenues:		
Operating revenues:		
Student tuition and fees (net of scholarship allowances of \$_____)	\$	-
Grants and contracts, noncapital:		
Federal		7,734,674
State		4,228,056
Local		399,963
Nongovernmental		3,028,969
Sales and services of educational activities		-
Sales and services of auxiliary enterprises (net of scholarship allowances of \$_____)		-
Other operating revenues		1,923,115
Total operating revenues		<u>17,314,777</u>
Expenses:		
Operating expenses:		
Instruction		44,939
Research		6,820,108
Public service		7,766,337
Academic support		413,614
Student services		1,075,658
Institutional support		4,394
Operation and maintenance of plant		-
Student grants and scholarships		327,207
Auxiliary enterprise expenses		1,126,168
Depreciation and amortization		191,896
Total operating expenses		<u>17,770,321</u>
Operating income (loss)		<u>(455,544)</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		716,081
Investment income (loss), net		13,934
Endowment income (loss), net		-
Interest Expenses		-
Other nonoperating revenues (expenses)		(1,514,712)
Net nonoperating revenues (expenses)		<u>(784,697)</u>
Income (loss) before other additions		<u>(1,240,241)</u>
State appropriations, capital		-
Grants and gifts, capital		52,899
Additions (reductions) to permanent endowments		-
Increase (decrease) in net position		<u>(1,187,342)</u>
Net position:		
Net position at beginning of year, as previously reported		7,546,532
Restatements		-
Net position at beginning of year, as restated		<u>7,546,532</u>
Net position at end of year	\$	<u><u>6,359,190</u></u>

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

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Other Information

June 30, 2013

(for inclusion in the California State University)

3.1 Composition of capital assets at June 30, 2013:

	<u>Balance June 30, 2012</u>	<u>Prior period Adjustments</u>	<u>Reclassifications</u>	<u>Balance June 30, 2012 (restated)</u>	<u>Additions</u>	<u>Reductions</u>	<u>Transfers of Completed CWIP</u>	<u>Balance June 30, 2013</u>
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:	-	-	-	-	-	-	-	-
Total nondepreciable/nonamortizable capital assets	537,816	-	-	537,816	-	-	-	537,816
Depreciable/amortizable capital assets:								
Buildings and building improvements	814,231	-	-	814,231	-	-	-	814,231
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Personal property:								
Equipment	1,196,760	-	-	1,196,760	131,753	(59,509)	-	1,269,004
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	2,010,991	-	-	2,010,991	131,753	(59,509)	-	2,083,235
Total capital assets	2,548,807	-	-	2,548,807	131,753	(59,509)	-	2,621,051
Less accumulated depreciation/amortization:								
Buildings and building improvements	(303,813)	-	-	(303,813)	(27,141)	-	-	(330,954)
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Personal property:								
Equipment	(541,644)	-	-	(541,644)	(164,755)	29,903	-	(676,496)
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(845,457)	-	-	(845,457)	(191,896)	29,903	-	(1,007,450)
Total capital assets, net	\$ 1,703,350	\$ -	\$ -	\$ 1,703,350	\$ (60,143)	\$ (29,606)	\$ -	\$ 1,613,601

3.2 Detail of depreciation and amortization expense for the year ended June 30, 2013:

Depreciation and amortization expense related to capital assets	\$ 191,896
Amortization expense related to other assets	—
Total depreciation and amortization	\$ 191,896

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

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
 Other Information
 June 30, 2013
 (for inclusion in the California State University)

4 Long-term liabilities activity schedule:

	<u>Balance June 30, 2012</u>	<u>Prior period adjustments</u>	<u>Reclassifications</u>	<u>Balance June 30, 2012 (restated)</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2013</u>	<u>Current portion</u>	<u>Long-term portion</u>
Accrued compensated absences	\$ 153,329	\$ —	\$ —	\$ 153,329	\$ 145,888	\$ (122,929)	\$ 176,288	\$ 122,059	\$ 53,229
Capitalized lease obligations:									
Gross balance	—	—	—	—	—	—	—	—	—
Unamortized premium / (discount) on capitalized lease obligations	—	—	—	—	—	—	—	—	—
Total capitalized lease obligations	—	—	—	—	—	—	—	—	—
Long-term debt obligations:									
Revenue Bonds	—	—	—	—	—	—	—	—	—
Other bonds (non-Revenue Bonds)	—	—	—	—	—	—	—	—	—
Commercial Paper	—	—	—	—	—	—	—	—	—
Other:									
Description	—	—	—	—	—	—	—	—	—
Description	—	—	—	—	—	—	—	—	—
Description	—	—	—	—	—	—	—	—	—
Description	—	—	—	—	—	—	—	—	—
Description	—	—	—	—	—	—	—	—	—
Description	—	—	—	—	—	—	—	—	—
Total long-term debt obligations	—	—	—	—	—	—	—	—	—
Unamortized bond premium / (discount)	—	—	—	—	—	—	—	—	—
Unamortized loss on refunding	—	—	—	—	—	—	—	—	—
Total long-term debt obligations, net	—	—	—	—	—	—	—	—	—
Total long-term liabilities	\$ 153,329	\$ —	\$ —	\$ 153,329	\$ 145,888	\$ (122,929)	\$ 176,288	\$ 122,059	\$ 53,229

5 Future minimum lease payments - capital lease obligations:

	<u>Principal</u>	<u>Interest</u>	<u>Principal and Interest</u>
Year ending June 30:	\$	\$	\$
2014	—	—	—
2015	—	—	—
2016	—	—	—
2017	—	—	—
2018	—	—	—
2019 - 2023	—	—	—
2024 - 2028	—	—	—
2029 - 2033	—	—	—
2034 - 2038	—	—	—
2039 - 2043	—	—	—
2044 - 2048	—	—	—
2049 - 2053	—	—	—
2054 - 2058	—	—	—
2059 - 2063	—	—	—
Total minimum lease payments	—	—	—
Less amounts representing interest			—
Present value of future minimum lease payments			—
Less: current portion			—
Capitalized lease obligation, net of current portion			\$ —

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

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Other Information

June 30, 2013

(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:								
2014	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
2015	—	—	—	—	—	—	—	—	—
2016	—	—	—	—	—	—	—	—	—
2017	—	—	—	—	—	—	—	—	—
2018	—	—	—	—	—	—	—	—	—
2019 - 2023	—	—	—	—	—	—	—	—	—
2024 - 2028	—	—	—	—	—	—	—	—	—
2029 - 2033	—	—	—	—	—	—	—	—	—
2034 - 2038	—	—	—	—	—	—	—	—	—
2039 - 2043	—	—	—	—	—	—	—	—	—
2044 - 2048	—	—	—	—	—	—	—	—	—
2049 - 2053	—	—	—	—	—	—	—	—	—
2054 - 2058	—	—	—	—	—	—	—	—	—
2059 - 2063 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	\$ 1,613,601	\$ —	\$ 1,613,601
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	\$ 1,613,601	\$ —	\$ 1,613,601

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	\$ —	\$ —	\$ —

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

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Other Information

June 30, 2013

(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	\$ 1,363,017
Payments to University for other than salaries of University personnel	1,137,242
Payments received from University for services, space, and programs	535,651
Gifts-in-kind to the University from Auxiliary Organizations	—
Gifts (cash or assets) to the University from recognized Auxiliary Organizations	29,606
Accounts (payable to) University (enter as negative number)	(131,411)
Other amounts (payable to) University (enter as negative number)	—
Accounts receivable from University	35,094
Other amounts receivable from University	—

9 Other Postemployment Benefits Obligation (OPEB)

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

10 Pollution remediation liabilities under GASB Statement No. 49:

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

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

	<u>Net Position</u>	<u>Amount</u>
	<u>Class</u>	<u>Dr. (Cr.)</u>
Net position as of June 30, 2012, as previously reported		\$ 7,546,532
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, 2012, as restated		\$ <u>7,546,532</u>

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION

Other Information

June 30, 2013

(for inclusion in the California State University)

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

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

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

HUMBOLDT STATE UNIVERSITY
SPONSORED PROGRAMS FOUNDATION

Notes to Supplementary Information

June 30, 2013

(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, 2013, is as follows:

Statement of Revenues, Expenses, and Changes in Net Position:

Indirect cost revenue	\$ 1,453,246
Other operating revenues	<u>469,869</u>
Total other operating revenues	<u><u>\$ 1,923,115</u></u>

Supplementary Schedule:

Statement of Revenues, Expenses, and Changes in Net Position

Other operating revenues	<u><u>\$ 1,923,115</u></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

To the 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 *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Humboldt State University Sponsored Programs Foundation, as of and for the year ended June 30, 2013, 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 12, 2013.

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.

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 over financial reporting 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 financial reporting that might be material weaknesses or significant weaknesses. 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 of 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*.

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

Hunter, Hunter & Hunt

September 12, 2013



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the 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, 2013. Humboldt State University Sponsored Programs Foundation's major federal programs are identified in the summary of auditor's 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 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, 2013.

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 requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Humboldt State University Sponsored Programs Foundation's internal control over compliance with the 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 our 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 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 charge 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 the deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Hunter, Hunter & Hunt
September 12, 2013

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

PROGRAM DESCRIPTION	AGENCY	PASS-THROUGH ENTITY	GRANTOR OR PASS-THROUGH #	CFD #	TOTAL	SUBCONTRACT
					EXPENDITURES	EXPENDITURES
Cooperative Forestry Research						
AQUATIC ORGANISM PASSAGE	Department of Agriculture		09-CS-11138100-042	10.202	4,847	-
M-S 10-11 #144 (ADMIN/HAN)	Department of Agriculture - Forest Service		2011-32100-06282	10.202	3,815	-
M-S 10-11 #152 (RAO)	Department of Agriculture - Forest Service		2011-32100-06282	10.202	(2,348)	-
M-S 10-11 #153 (HAN)	Department of Agriculture - Forest Service		2011-32100-06282	10.202	(690)	-
M-S 10-11 #154 (STUBBLEFIELD)	Department of Agriculture - Forest Service		2011-32100-06282	10.202	(4,614)	-
M-S 11-12 #100 (ADMIN/HAN)	Department of Agriculture - National Institute of Food & Agriculture		2012-32100-06282	10.202	24,261	-
M-S 11-12 #150 (BERRILL)	Department of Agriculture - National Institute of Food & Agriculture		2012-32100-06282	10.202	4,706	-
M-S 11-12 #152 (RAO)	Department of Agriculture - National Institute of Food & Agriculture		2012-32100-06282	10.202	18,555	-
M-S 11-12 #153 (HAN)	Department of Agriculture - National Institute of Food & Agriculture		2012-32100-06282	10.202	4,812	-
M-S 11-12 #154 (STUBBLEFIELD)	Department of Agriculture - National Institute of Food & Agriculture		2012-32100-06282	10.202	16,481	-
M-S 11-12 #155 (VARNER)	Department of Agriculture - National Institute of Food & Agriculture		2012-32100-06282	10.202	5,951	-
M-S 12/13 #154 (STUBBLEFIELD)	Department of Agriculture - National Institute of Food & Agriculture		2013-32100-06282	10.202	2,119	-
M-S 12/13 #155 (VARNER)	Department of Agriculture - National Institute of Food & Agriculture		2013-32100-06282	10.202	9,479	-
M-S 12/13 #156 (KELLY)	Department of Agriculture - National Institute of Food & Agriculture		2013-32100-06282	10.202	1,187	-
M-S 12/13 #158 (BERRILL)	Department of Agriculture - National Institute of Food & Agriculture		2013-32100-06282	10.202	9,845	-
				10.202 Total	98,407	-
Higher Education Challenge Grants						
RANGELAND EDUCATION	Department of Agriculture - National Institute of Food & Agriculture	Regents of the University of Idaho	GRK4997-SB-002	10.217	21,244	-
				10.217 Total	21,244	-
Higher Education Multicultural Scholars Program						
WILDLAND MC SCHOLARS	Department of Agriculture		2009-38413-05278	10.220	12,160	-
				10.220 Total	12,160	-
Integrated Programs						
HENRY'S FORK WATERSHED	Department of Agriculture		2008-51130-19555	10.303	15,687	-
				10.303 Total	15,687	-
Forestry Research						
DSTI STREAM CONDITION	Department of Agriculture - Forest Service		11-DG-11272170-094	10.652	51,924	36,641
FEEDSTOCKS DEV RESEARCH	Department of Agriculture - Forest Service		11-DG-11221636-203	10.652	163,412	-
STOCKING ASPEN @ TAHOE	Department of Agriculture - Forest Service		10-CA-11272170-034	10.652	33,564	-
				10.652 Total	248,900	36,641
Cooperative Forestry Assistance						
FUELS MANAGEMENT PRACTICES	Department of Agriculture - Forest Service		09-JV-11221633-199	10.664	7,000	-
LASSEN NF TROUT	Department of Agriculture - Forest Service		09-CS-11050650-012	10.664	5,352	-
WESTERN BIOMASS MGMT TOOL	Department of Agriculture - Forest Service		09-JV-11221634-186	10.664	2,894	-
				10.664 Total	15,246	-
Department of Agriculture - CFDA Not Available						
ASPEN CRPB	Department of Agriculture - Forest Service		AG-91V9-C-11-0029	10.XXX	3,854	-
CEF RESEARCH & MONITORING	Department of Agriculture - Forest Service		11-CS-11052007-336	10.XXX	42,641	-
CHIPS FIRE	Department of Agriculture - Forest Service		13-CS-11052007-024	10.XXX	20,872	-
HELKAU NATIONAL REGISTER	Department of Agriculture - Forest Service		AG-9JNE-P-13-0042	10.XXX	1,392	-
LIDAR MAPPING	Department of Agriculture - Forest Service		10-PA-11051150-023	10.XXX	(525)	-
LIFE CYCLE ANALYSIS	Department of Agriculture - Forest Service		11-JV-11272139-053	10.XXX	21,821	-
NPS - TIDEWATER GOBY	Department of the Interior - National Park Service		J8C07100016	10.XXX	276	-
SEQUOIA WILDERNESS	Department of Agriculture - Forest Service		10-JV-11221636-250	10.XXX	6,181	-
STORRIE FIRE REGEN	Department of Agriculture - Forest Service		10-JV-11272162-046	10.XXX	75,736	-
				10.XXX Total	172,248	-
Integrated Ocean Observing System (IOOS)						
REGIONAL CENCOOS II	Department of Commerce - National Oceanic Atmospheric Administration	Southwest Fisheries Science Center	SA 110463	11.012	85,295	-
				11.012 Total	85,295	-

**HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

<u>PROGRAM DESCRIPTION</u>	<u>AGENCY</u>	<u>PASS-THROUGH ENTITY</u>	<u>GRANTOR OR PASS-THROUGH #</u>	<u>CFD #</u>	<u>TOTAL</u>	<u>SUBCONTRACT</u>
					<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Financial Assistance for National Centers for Coastal Ocean Science						
PaCOOS NUTRIENTS ANALYSIS	Department of Commerce - National Oceanic Atmospheric Administration		NFFR7500-9-22827	11.426	2,370	-
PACOOS TECHNICIAN 09-10	Department of Commerce - National Oceanic Atmospheric Administration		NFFR7500-9-22045	11.426	4,165	-
				11.426 Total	6,535	-
Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes						
FRESHWATER FISH ECOLOGY	Department of Commerce - National Oceanic Atmospheric Administration	University of Puerto Rico	10313241	11.432	26,029	-
OCEAN OBSERVING SYSTEMS	Department of Commerce - National Oceanic Atmospheric Administration	University of California, San Diego	10313241	11.432	57,782	-
STUDIES IN ANADROMOUS FISH	Department of Commerce - National Oceanic Atmospheric Administration	University of California, San Diego	10313241	11.432	21,090	-
				11.432 Total	104,901	-
Cooperative Fishery Statistics						
SURVEY COMPARISON	Department of Commerce - National Oceanic Atmospheric Administration		AB133F06SE5289	11.434	12,157	-
				11.434 Total	12,157	-
Pacific Fisheries Data Program						
SANTA YNEZ HYDROLOGY	Department of Commerce - National Oceanic Atmospheric Administration		AB133F12SE1520	11.437	82,241	-
				11.437 Total	82,241	-
Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program						
RARE PLANT SURVEY 10-14	Department of Commerce - National Oceanic Atmospheric Administration	Fish and Wildlife, Department of (DFW)	P0910501	11.438	604,048	39,860
				11.438 Total	604,048	39,860
Marine Mammal Data Program						
GRAY WHALE/STELR SEALION 12/13	Department of Commerce - National Oceanic Atmospheric Administration		AB-133F-12-SE-1271	11.439	10,704	-
STELLER SEA LION II	Department of Commerce - National Oceanic Atmospheric Administration		AB133F11SE1078	11.439	(186)	-
THD 11-12	Department of Commerce - National Oceanic Atmospheric Administration		RA133R-07-SE-3077	11.439	1,030	-
THD 12-13	Department of Commerce - National Oceanic Atmospheric Administration		RA-133R-12-SE-1202	11.439	128,167	-
				11.439 Total	139,715	-
Cooperative Science and Education Program						
BIO-PHYSICAL COASTAL MODEL	Department of Commerce - National Oceanic Atmospheric Administration		AB133F09SE3078	11.455	8,373	-
OTOLITH GROWTH ANALYSIS	Department of Commerce - National Oceanic Atmospheric Administration		AB133F09SE3075	11.455	273	-
				11.455 Total	8,646	-
Unallied Science Program						
DISEASE REDUCTION - KLAMATH II	Department of Commerce - National Oceanic Atmospheric Administration	Oregon State University, Post Award Administration	NA231A-A	11.472	17,234	-
				11.472 Total	17,234	-
Coastal Services Center						
REGIONAL CENCOOS	Department of Commerce - National Oceanic Atmospheric Administration	Monterey Bay Aquarium Research Institute	PO#0811144	11.473	7,058	-
				11.473 Total	7,058	-
Department of Commerce - CFDA Not Available						
FISH PASSAGE WINDOWS	Department of Commerce - National Oceanic Atmospheric Administration		AB-133F-12-SE-2021	11.XXX	27,147	4,462
OZONE SONDE 12/13	Department of Commerce - National Oceanic Atmospheric Administration		WE-133R-SE-1048	11.XXX	24,882	-
				11.XXX Total	52,029	4,462
Department of Defense - CFDA Not Available						
WASTEWATER MBR SYSTEM	Department Of Defense	University of Nevada, Reno	UNR-13-45	12.XXX	46,497	-
				12.XXX Total	46,497	-
Minerals and Mining on Indian Lands						
BIOMASS ANALYSIS-BLUE LAKE	Department of the Interior	Blue Lake Rancheria	N/A	15.038	49,058	-
				15.038 Total	49,058	-

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

PROGRAM DESCRIPTION	AGENCY	PASS-THROUGH ENTITY	GRANTOR OR PASS-THROUGH #	CFD #	TOTAL	SUBCONTRACT
					EXPENDITURES	EXPENDITURES
Cultural Resource Management						
BLM CA GEOGRAPHY CESU	Department of the Interior - Bureau of Land Management		L10AC20362	15.224	207	-
BLM GEODATABASE	Department of the Interior - Bureau of Land Management		L10AC20293	15.224	21	-
KING RANGE GEORCHEOLOGY	Department of the Interior - Bureau of Land Management		L10AC20368	15.224	1,347	-
KING RANGE NCA	Department of the Interior - Bureau of Land Management		L11AC20219	15.224	73	-
				15.224 Total	1,647	-
Fish, Wildlife and Plant Conservation Resource Management						
PELICAN-CORMORANT STRATEGY I	Department of the Interior - Bureau of Land Management		L08AC13271	15.231	2	-
REDDING ROCK SEA LIONS	Department of the Interior - Bureau of Land Management		L08AC13270	15.231	1,767	-
SNOWY PLOVER SURVEY	Department of the Interior - Bureau of Land Management		L13AC00016	15.231	1,427	-
				15.231 Total	3,195	-
Forests and Woodlands Resource Management						
FUEL LOADING SURVEY	Department of the Interior - Bureau of Land Management		L10AC20386-0007	15.233	8,084	-
HEADWATERS LANDSLIDE	Department of the Interior - Bureau of Land Management		L10AC20386 AMD 002		1,114	-
HFR VISITOR SURVEY	Department of the Interior - Bureau of Land Management		L10AC20386-0006		17,247	-
SALMON CREEK WATERSHED	Department of the Interior - Bureau of Land Management		L10AC20386 AMD 003		838	-
				15.233 Total	27,283	-
Challenge Cost Share						
LACKS CREEK STUDY	Department of the Interior - Bureau of Land Management		L10AC16337	15.238	1,082	-
				15.238 Total	1,082	-
Central Valley Project Improvement Act, Title XXXIV						
WESTERN POND TURTLE	Department of the Interior - Bureau of Reclamation		R10AC20019	15.512	3,418	-
				15.512 Total	3,418	-
Fish and Wildlife Management Assistance						
SPOTTED OWL WILDFIRE EFFECTS	Department of the Interior - Fish and Wildlife Services		F12AP00809	15.608	57,115	-
STRATEGIC DATA MANGEMENT PILOT	Department of the Interior - Fish and Wildlife Services		F12AC01594	15.608	3,671	-
				15.608 Total	60,785	-
Coastal Program						
BIRD SURVEYS IN SALT MARSH	Department of the Interior - Fish and Wildlife Services		F09AC00367	15.630	7,281	-
				15.630 Total	7,281	-
Migratory Bird Joint Ventures						
EELGRASS MODEL PHASE II	Department of the Interior - Fish and Wildlife Services	Ducks Unlimited, Inc.	US-WA-237-1	15.637	20,000	20,000
				15.637 Total	20,000	20,000
Challenge Cost Share						
CASTLE ROCK MURRE	Department of the Interior - Fish and Wildlife Services		F08AC00228	15.642	13,982	-
HUMBOLDT BRANT STUDY	Department of the Interior - Fish and Wildlife Services		F10AC00823	15.642	629	-
				15.642 Total	14,611	-
Research Grants (Generic)						
IZEMBCK BRANT II	Department of the Interior - Fish and Wildlife Services		F11AC00614	15.650	2,522	-
				15.650 Total	2,522	-
Migratory Bird Monitoring, Assessment and Conservation						
COMMON MURRE III	Department of the Interior - Fish and Wildlife Services		F10AC00838	15.655	4,960	-
				15.655 Total	4,960	-
Endangered Species Conservation - Recovery Implementation Funds						
HABITAT SYNTHESIS	Department of the Interior - Fish and Wildlife Services		13420B0399	15.657	21,589	-
LETHAL CORVID CONTROL STUDY	Department of the Interior - Fish and Wildlife Services		F12AP00992	15.657	19,444	-
SPOTTED OWL HABITAT ANALYSIS	Department of the Interior - Fish and Wildlife Services		F12AC01135	15.657	30,083	-
SPOTTED OWL MODELING	Department of the Interior - Fish and Wildlife Services		F11AC00136	15.657	8,218	-
				15.657 Total	79,333	-

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

PROGRAM DESCRIPTION	AGENCY	PASS-THROUGH ENTITY	GRANTOR OR PASS-THROUGH #	CFD #	TOTAL	SUBCONTRACT
					EXPENDITURES	EXPENDITURES
Natural Resource Damage Assessment, Restoration and Implementation						
COMMON MURRE III - A	Department of the Interior - Fish and Wildlife Services		F10AC00838	15.658	248,478	-
COMMON MURRE III - B	Department of the Interior - Fish and Wildlife Services		F10AC00838	15.658	10,362	-
				15.658 Total	258,840	-
U.S. Geological Survey_ Research and Data Collection						
FOREST FLOOR FIRE MODEL	Department of the Interior - U.S. Geological Survey		G10AC00703	15.808	83,287	44,867
PALEOTSUNAMI EVALUATION	Department of the Interior - U.S. Geological Survey		G12AC20212	15.808	85,183	-
				15.808 Total	168,471	44,867
Cooperative Research Units Program						
EVALUATING GRASSLAND & WETLAND	Department of the Interior - U.S. Geological Survey		G11AC20513	15.812	52,910	-
T. GOBY GENETICS II	Department of the Interior - U.S. Geological Survey		G11AC20157	15.812	32,746	-
T. GOBY MONITORING	Department of the Interior - U.S. Geological Survey		G13AC00012	15.812	12,763	-
UPPER KLAMATH CVC	Department of the Interior - U.S. Geological Survey		G11AC20552	15.812	51,281	18,540
				15.812 Total	149,700	18,540
National Register of Historic Places						
PANAMNIK NRHP	Department of the Interior - National Park Service		AG-9A47-P-12-0016	15.914	15,933	-
				15.914 Total	15,933	-
Natural Resource Stewardship						
HARDING GRASS CONTROL	National Writing Project		P11AT81055	15.944	16,032	-
				15.944 Total	16,032	-
Cooperative Research and Training Programs – Resources of the National Park System						
GEOLOGIC MAPPING RNP	Department of the Interior - National Park Service		P11AC91170	15.945	8,916	-
KATMAI PARK TREES	Department of the Interior - National Park Service		P10AC00401	15.945	23,677	-
WHITEBARK PINE MONITORING	Department of the Interior - National Park Service		P12AC10931	15.945	63,294	-
				15.945 Total	95,887	-
Department of the Interior - CFDA Not Available						
TRICOLORED BLACKBIRD	Department of the Interior - Fish and Wildlife Services		F10PX80127	15.XXX	8,848	-
				15.XXX Total	8,848	-
Mathematical and Physical Sciences						
RUI: PARALLEL PLATE TORSION	National Science Foundation		1065697	47.049	48,146	-
				47.049 Total	48,146	-
Geosciences						
ANCIENT MAYA SOCIETY & ENV.	National Science Foundation	University of Puerto Rico	SA-2011-002	47.050	28,750	-
COSEE PACIFIC	National Science Foundation	Oregon State University, Post Award Administration	207391E	47.050	3,695	-
MARINE BRYOZOA	National Science Foundation		OCE-1061695	47.050	127,539	83,937
SUNDA EARTHQUAKES	National Science Foundation		EAR-0809417	47.050	26,462	-
				47.050 Total	186,445	83,937
Biological Sciences						
ACID HOT LAKE	National Science Foundation		702018	47.074	86,579	-
FEI QUANTA 250	National Science Foundation		DBI-1126200	47.074	52,899	-
HARNESSING HERBARIA	National Science Foundation	Regents of the University of California	7361	47.074	8,016	-
RS SENSORIMOTORS	National Science Foundation		IOS-0823358	47.074	63,600	-
URM BIO & NAT SCIENCES AT HSU	National Science Foundation		DBI-0934022	47.074	208,149	-
VASCULAR PLANT HERBARIUM	National Science Foundation		847888	47.074	5,165	-
				47.074 Total	424,407	-
International Science and Engineering (OISE)						
IRES	National Science Foundation		OISE-1131725	47.079	51,847	-
				47.079 Total	51,847	-

**HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

<u>PROGRAM DESCRIPTION</u>	<u>AGENCY</u>	<u>PASS-THROUGH ENTITY</u>	<u>GRANTOR OR PASS-THROUGH #</u>	<u>CFD #</u>	<u>TOTAL</u>	<u>SUBCONTRACT</u>
					<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Trans-NSF Recovery Act Research Support						
ERE MASTERS TRAINING	National Science Foundation		DGE - 1011464	47.082	273,085	-
FUNGAL DVRSTY IN GUIANA SHIELD	National Science Foundation		918591	47.082	33,078	-
				47.082 Total	306,163	-
P3 Award: National Student Design Competition for Sustainability						
P3 PHASE II	Other		83474901	66.516	1,479	-
				66.516 Total	1,479	-
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance						
HYTEC - UC BERKELEY	Department of Energy	University of California - Berkeley	SA4615-10388	81.117	13,782	-
				81.117 Total	13,782	-
Department of Energy - CFDA Not Available						
LBNL SLED	Department of Energy	Regents of the University of California	7014205	81.XXX	155,797	-
				81.XXX Total	155,797	-
Allergy, Immunology and Transplantation Research						
RICKETTSEA TICK MODEL II	Department of Health and Human Services		1R15AI099902-01	93.855	25,074	-
RICKETTSIAL SYMBIONT TICK MODL	Department of Health and Human Services		1R15AI082515-01	93.855	5,994	-
				93.855 Total	31,068	-
RESEARCH AND DEVELOPMENT TOTAL					3,958,268	248,306
Small Business Development Centers						
ALAMEDA SBDC 2012	Small Business Administration		2-603001-Z-0065	59.037	136,972	-
ALAMEDA SBDC 2013	Small Business Administration		3603001Z0065	59.037	71,007	-
CABRILLO SBDC 2012	Small Business Administration		2-603001-Z-0065	59.037	112,069	112,069
CONTRA COSTA SBDC 2012	Small Business Administration		2-603001-Z-0065	59.037	101,164	101,164
MENDOCINO SBDC 2012	Small Business Administration		2-603001-Z-0065	59.037	34,136	34,136
NAPA SBDC 2012	Small Business Administration		2-603001-Z-0065	59.037	54,023	54,023
NORCAL SBDC LEAD 2012	Small Business Administration		2-603001-Z-0065	59.037	232,775	13,692
NORCAL SBDC LEAD 2013	Small Business Administration		3603001Z00658	59.037	443,949	8,198
NORTH COAST SBDC 2012	Small Business Administration		2-603001-Z-0065	59.037	189,520	189,520
SAN FRANCISCO SBDC 2012	Small Business Administration		2-603001-Z-0065	59.037	240,262	240,262
SBDC 2011 CARRYOVER	Small Business Administration		1-603001-Z-0065	59.037	291,766	25,000
SBDC JOBS BILL ALAMEDA	Small Business Administration		1-603001-Z-0110	59.037	26,275	-
SBDC JOBS BILL CABRILLO	Small Business Administration		1-603001-Z-0110	59.037	43,852	43,852
SBDC JOBS BILL CONTRA COSTA	Small Business Administration		1-603001-Z-0110	59.037	11,618	11,618
SBDC JOBS BILL LEAD	Small Business Administration		1-603001-Z-0110	59.037	124,982	-
SBDC JOBS BILL MENDOCINO	Small Business Administration		1-603001-Z-0110	59.037	15,380	15,380
SBDC JOBS BILL NAPA VALLEY	Small Business Administration		1-603001-Z-0110	59.037	18,979	18,979
SBDC JOBS BILL NORTH COAST	Small Business Administration		1-603001-Z-0110	59.037	46,503	46,503
SBDC JOBS BILL SAN FRANCISCO	Small Business Administration		1-603001-Z-0110	59.037	95,997	95,997
SBDC JOBS BILL SILICON VALLEY	Small Business Administration		1-603001-Z-0110	59.037	43,800	-
SBDC JOBS BILL SOLANO	Small Business Administration		1-603001-Z-0110	59.037	57,850	57,850
SBDC JOBS BILL SONOMA	Small Business Administration		1-603001-Z-0110	59.037	11,134	11,134
SBDC JOBS BILL TAP	Small Business Administration		1-603001-Z-0110	59.037	336,884	-
SILICON VALLEY SBDC 2012	Small Business Administration		2-603001-Z-0065	59.037	157,361	-
SILICON VALLEY SBDC 2013	Small Business Administration		3603001Z0065	59.037	81,463	-
SOLANO SBDC 2012	Small Business Administration		2-603001-Z-0065	59.037	65,116	65,116
SONOMA SBDC 2012	Small Business Administration		2-603001-Z-0065	59.037	137,834	137,834
TAP SBDC 2012	Small Business Administration		2-603001-Z-0065	59.037	79,134	79,134
TFG SBDC 2013	Small Business Administration		3603001Z0065	59.037	62,346	-
YEP ENTREPREN 11-12	Small Business Administration	Cabrillo Community College District	N/A	59.037	2,070	-
				59.037 Total	3,326,222	1,361,463
SMALL BUSINESS ADMINISTRATION TOTAL					3,326,222	1,361,463

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

PROGRAM DESCRIPTION	AGENCY	PASS-THROUGH ENTITY	GRANTOR OR PASS-THROUGH #	CFD #	TOTAL	SUBCONTRACT
					EXPENDITURES	EXPENDITURES
TRIO - Student Support Services						
STUDENT SUPPORT SVCS 10/15	Department of Education		P042A100520	84.042	372,169	-
				84.042 Total	372,169	-
TRIO - Talent Search						
TALENT SEARCH 11/16	Department of Education		P044A110451	84.044	346,741	-
				84.044 Total	346,741	-
TRIO - Upward Bound						
UPWARD BOUND 10-11	Department of Education		P047A070222-10	84.047	(36)	-
UPWARD BOUND 11/12	Department of Education		P047A70222-11	84.047	126,889	-
UPWARD BOUND 12/17	Department of Education		P047A120329	84.047	133,930	-
				84.047 Total	260,782	-
TRIO TOTAL					979,692	-
Grants for Agricultural Research, Special Research Grants						
ALT. FOREST RESTORATION	Department of Agriculture	California State University, Fresno	SC350055-10-01	10.200	(2,330)	-
				10.200 Total	(2,330)	-
Cooperative Extension Service						
NATIVE AMERICAN FOOD SECURITY	Department of Agriculture - National Institute of Food & Agriculture	University of California, Davis	SA7699	10.500	4,991	-
				10.500 Total	4,991	-
Department of Agriculture - CFDA Not Available						
CEF DATA COLLECTION	Department of Agriculture - Forest Service		11-CS-11051000-023	10.XXX	40,808	-
CNRS RECRUITER	Department of Agriculture - Forest Service		11-CS-11052000-317	10.XXX	20,000	-
				10.XXX Total	60,808	-
Migratory Bird Joint Ventures						
PCJV 2012	Department of the Interior - Fish and Wildlife Services	Ducks Unlimited, Inc.	US-WA-122-4	15.637	25,303	-
PCJV INTERN PORTAL	Department of the Interior - Fish and Wildlife Services	Ducks Unlimited, Inc.	US-WA-122-4	15.637	325	-
				15.637 Total	25,628	-
Endangered Species Conservation - Recovery Implementation Funds						
PROF DEV FELLOWSHIP	Department of the Interior - Fish and Wildlife Services		F11AC01089	15.657	13,736	-
				15.657 Total	13,736	-
Cooperative Research and Training Programs – Resources of the National Park System						
NPS ARCHIVE INTERNS	Department of the Interior - National Park Service		P12AC15005	15.945	9,449	-
				10.945 Total	9,449	-
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	33,565	9,598
				16.525 Total	33,565	9,598
Education and Human Resources						
CA COAST NOYCE SCHOLARS	National Science Foundation		934703	47.076	216,139	161,628
CELP	National Science Foundation	University Enterprises, Inc.	517441B	47.076	337,235	61,855
CSU AMP 11-12	National Science Foundation	University Enterprises, Inc.	HRD-0802628-515314	47.076	649	-
CSU AMP 12-13	National Science Foundation	University Enterprises, Inc.	HRD-0802628--515315	47.076	42,893	-
FELLOWS CSU AMP 12-13	National Science Foundation	University Enterprises, Inc.	521651	47.076	2,000	-
MCCOVEY, GRFP	National Science Foundation		1049702	47.076	37,066	-
RENNIE - GRFP	National Science Foundation		1049702	47.076	37,073	-
SISP	National Science Foundation		DUE-0631181	47.076	5,096	-
				47.076 Total	678,151	223,483
National Science Foundation - CFDA Not Available						
IPA 2012/2013	National Science Foundation		DUE-1148754-001	47.XXX	202,831	-
				47.XXX Total	202,831	-

**HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

<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>
7(j) Technical Assistance						
AM2PED SBA JOBS ACCELERATOR	Small Business Administration		SBAHQ-12-J-0004	59.007	1,125	-
				59.007 Total	1,125	-
Child Care Access Means Parents in School						
CCAMPIS - YEAR 4	Department of Education		P335A090051-12	84.335	65,949	-
CCAMPIS CHILDCARE 09-10	Department of Education		P335A090051	84.335	(222)	-
CCAMPIS CHILDCARE 10-11	Department of Education		P335A090051-10	84.335	11,221	-
CCAMPIS CHILDCARE 11-12	Department of Education		P335A090051-11	84.335	40,565	-
				84.335 Total	117,512	-
Mathematics and Science Partnerships						
SIX RIVERS ALEGBRA ACADEMY	Department of Education	Del Norte County Unified School District	N/A	84.366	31,912	-
				84.366 Total	31,912	-
Improving Teacher Quality State Grants						
NWP SEED 12/13	Department of Education	National Writing Project	92-CA01-SEED2012	84.367	9,092	-
NWP SEED HIGH NEEDS	Regents of the University of California	National Writing Project	92-CA01-SEED2012	84.367	16,857	-
RSP NCLB 11-12	Department of Education	Regents of the University of California	NCLB8-CSP-HUMBOLDT	84.367	8,750	-
RSP NCLB 12-13	Department of Education	Regents of the University of California	CSMP NCLB9	84.367	18,525	-
RWP NCLB 11-12	Department of Education	Regents of the University of California	NCLB8-CWP-HUMBOLDT	84.367	(4)	-
RWP NCLB 12/13	Department of Education	Regents of the University of California	NCLB9-CWP-HUMBOLDT	84.367	33,893	-
SCIENCE EDUC. MEDIA AND TECH	Department of Education	Regents of the University of California	NCLB8A-CSP-HUMBOLDT	84.367	981	-
				84.367 Total	88,094	-
National Writing Project						
NWP 11/12	National Writing Project	University of California - Berkeley	92-CA01	84.928	12,244	-
				84.928 Total	12,244	-
Homeland Security Grant Program						
INTEROPERABLE COMMUNICATIONS	Department of Homeland Security	California State University, Office of the Chancellor	2009-0019/D#000-920	97.067	1,476	-
UPD HOMELAND SECURITY 2010	Department of Homeland Security	California State University, Office of the Chancellor	2010-0085	97.067	33,853	-
				97.067 Total	35,329	-
OTHER TOTAL					1,313,043	233,081
TOTAL FEDERAL AND FEDERAL PASS-THROUGH AWARDS					\$ 9,577,226	\$ 1,842,850

HUMBOLDT STATE UNIVERSITY
SPONSORED PROGRAMS FOUNDATION

Notes to Schedule of Expenditures of Federal Awards

June 30, 2013

(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, 2013. 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 cash 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
 June 30, 2013**

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: Unqualified
 Internal control over financial reporting:
 Material weakness(es) identified? _____ Yes X No
 Significant deficiencies identified 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 federal programs:
 Material weakness(es) identified? _____ Yes X No
 Significant deficiencies identified not considered
 to be material weaknesses? _____ Yes X None reported
 Type of auditor's report issued: Unqualified
 Any audit findings disclosed that are required to be
 Reported in accordance with Circular A-133,
 Section .510(a) of OMB Circular A-133 _____ Yes X No

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>Various</u>	<u>Research and Development Cluster</u>
<u>84.335A</u>	<u>Child Care Access Means Parents in School Program</u>
<u>47.XXX</u>	<u>National Science Foundation- IPA Assignment</u>

Dollar threshold used to distinguish between Types

A and B programs: \$300,000
 Auditee qualified as low-risk auditee? X Yes _____ No

**HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
NOTES TO THE SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2013**

SECTION II - FINDINGS FINANCIAL STATEMENT AUDIT

No findings.

SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

No findings or questioned costs.

In addition, there were no findings and questioned costs relative to federal awards for the fiscal year ended June 30, 2012. As such, a Summary Schedule of Prior Audit Findings is not included in this report.

**HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2013**

The following is additional information for each Recovery Act program:

Federal Grantor:	National Science Foundation
Program or Cluster Title:	Research and Development
Federal CFDA Number:	47.082
Project description	ERE Master Training
Was the funding a Type A program or cluster?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Tested as a major program for the current audit period:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Federal Grantor:	National Science Foundation
Program or Cluster Title:	Research and Development
Federal CFDA Number:	47.082
Project description	Fungal Diversity in Guiana Shield
Was the funding a Type A program or cluster?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Tested as a major program for the current audit period:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No