HUMBOLDT STATE UNIVERSITY CENTER

BOARD OF DIRECTORS

BASIC FINANCIAL STATEMENTS

AND SUPPLEMENTARY INFORMATION

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

Year Ended June 30, 2022

TABLE OF CONTENTS

REPORT OF INDEPENDENT AUDITORS	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)	4-7
BASIC FINANCIAL STATEMENTS:	
Statement of Net Position	8
Statement of Revenues, Expenses, and Changes in Net Position	9
Statement of Cash Flows	10
Notes to Financial Statements	11-25
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of University Center's Proportionate Share of the Net Pension Liability	26
Schedule of University Center's Contributions	27
Schedule of Changes in Net OPEB Liability and Related Ratios	28
OTHER SUPPLEMENTARY INFORMATION:	
Schedule of Net Position	29
Schedule of Revenues, Expenses, and Changes in Net Position	30
Other Information	31-35
Note to Supplementary Information	36
ADDITIONAL INFORMATION:	
Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	37-38

Report of Independent Auditors

To the Board of Directors
Humboldt State University Center Board of Directors

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of Humboldt State University Center Board of Directors (University Center), a component unit of Cal Poly Humboldt, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the University Center's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Humboldt State University Center as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of University Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about University Center's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Humboldt State University Center's basic financial statements. The schedule of net position, schedule of revenues, expenses, and changes in net position, other information, and notes to the supplementary information (collectively supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2022, on our consideration of Humboldt State University Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Humboldt State University Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Humboldt State University Center's internal control over financial reporting and compliance.

Moss Adams LLP

Medford, Oregon
September 21, 2022

MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of Humboldt State University Center Board of Directors (University Center) annual financial report presents management's overview and analysis of the financial activities of the University Center for the year ended June 30, 2022. This discussion has been prepared by management and should be read in conjunction with the financial statements and notes.

Introduction to the Basic Financial Statements

The annual report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standard Board (GASB) Statement No. 35, Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities. This standard is applicable to University Center because it is a component unit of Humboldt State University (HSU). Consistent with Humboldt, University Center has adopted the business-type activity (BT) reporting model to represent its activities.

The financial statements include: the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position and the Statement of Cash Flows. These statements are supported in the annual report by the notes to the financial statements and this section. All sections should be considered together to obtain complete understanding of the financial picture of University Center.

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

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, 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 operating activities.

Reporting Entity – The financial statements of Humboldt will be separated between Humboldt and its component units. The latter are separate I.R.C. 501 (c) (3) non-profit auxiliary organizations whose financial information will be presented in a discrete column and in the footnotes of HSU's financial statements. Consequently, these auxiliaries must comply with the same governmental rulings and present their individual separate audited financial statements in the same format.

Change in Operations

Effective January 8th 2021, the existing Operating Agreement between the Trustees of the California State University (CSU) and the University Center was terminated. As a result, the existing activities of developing, financing and operating the Student Union including bookstore, dining services and Student Union Programs of Recreational & Wellness, Student Recreation & Fitness and Professional Performance & Entertainment Events ceased.

Effective May 1, 2021, a new operating agreement was put in place between the Trustees of the California State University (CSU) and the University Center with activities limited to the support of Student Union Programs, comprised of payment of ongoing pension and other post-employment benefit obligations (OPEB) for employees of the University Center.

Analytical Overview

A summary of key financial statement information is presented below:

	2022	2021	Increase (Decrease)	Percent Change
Assets:				
Current assets	$ 1,276,717	$ 1,134,194	$ 142,523	13%
Investment	6,187,528	7,063,102	(875,574)	100%
Postemployment benefit asset	2,838,498	513,116	2,325,382	-
Total assets	10,302,743	8,710,412	1,592,331	18%
Deferred outflows of resources	920,602	1,524,915	(604,313)	-40%
Liabilities:				
Current liabilities	398,277	48,799	349,478	716%
Non-current liabilities	-	2,245,518	(2,245,518)	-100%
Total liabilities	398,277	2,294,317	(1,896,040)	-83%
Deferred inflows of resources	4,314,256	1,486,292	2,827,964	190%
Net position:				
Unrestricted	6,510,812	6,454,718	56,094	1%
Total net position	$ 6,510,812	$ 6,454,718	$ 56,094	1%

Statement of Net Position Variance Analysis between 2022 and 202

University Center has a cash balance of $381,376 in the checking account, $471,091 held in Local Agency Investment Fund (LAIF). This combined total of unrestricted cash of $852,467 allows the University Center the ability to fund any of the immediate, yet minimal, operating expenses that may arise as a result of the change in operations.

Current assets increased by $142,523. Current assets include: cash and cash equivalents, unrestricted cash in Local Agency Investment Fund (LAIF), accounts receivable and prepaid expenses. The increase in current assets is due to minimal operating expenses as a result of the change in operations.

The GASB 75 requirement to recognize postemployment benefit liability, as determined by an actuarial study dated June 30, 2021, found the actuarial accrued liability to be $2,935,364. University Center participates in the VEBA Trust developed by the California State University Auxiliary Organizations Association to hold plan assets to fund this accrued liability. As of the June 30, 2021 valuation, plan assets held by VEBA were $5,521,242 resulting in a net OPEB asset of $2,585,878. University Center reports the net OPEB asset as of June 30, 2022 based on the June 30, 2021 valuation.

Current liabilities increased by $349,479. Current liabilities include: accounts payable and other current liabilities. The increase is due to amounts owed to HSU for covering current year operational expense and amounts owed to the Cal Poly Humboldt Foundation (CPHF) for investment administrative fees.

Non-current liabilities decreased by $2,245,518. The noncurrent liabilities represent the net pension asset that is required to be recognized and recorded in accordance with the parameters of GASB Statement No. 68. The net pension liability as of June 30, 2021, as determined by an actuarial valuation dated June 30, 2020 and rolled forward to June 30, 2021, found the net pension liability (asset) to be ($252,620). University Center participates in a cost sharing multiple-employer defined benefit plan through California Public Employees' Retirement System (CalPERS). University Center reports the net pension liability as of June 30, 2022 based on the June 30, 2021 valuation.

Deferred inflows of resources decreased by $2,827,964 resulting from differences between projected and actual earnings and employer contributions and proportionate share of contributions on pension obligations and differences between expected and actual experiences on OPEB obligations.

Net position increased by $56,094 reflecting the cumulative net change in assets, deferred inflows and outflows and liabilities for the year.

Operating Results

University Center's condensed summary of revenues, expenses, and changes in net position for the years ended June 30, 2022 and 2021 is as follows:

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

Revenues:	2022	2021	Increase (Decrease)	Percent Change
Operating revenues:				
Revenue from operations				
Dining sales	$ -	$ 1,861,589	$ (1,861,589)	-100%
CenterArts sales	-	3,862	(3,862)	-100%
Center Activities sales	-	11,889	(11,889)	-100%
Student fees	-	406,158	(406,158)	-100%
Other revenues	28,085	121,337	(93,252)	-77%
Total operating revenues	28,085	2,404,835	(2,376,750)	-99%
Expenses:				
Operating expenses	(822,030)	5,980,785	(6,802,815)	-114%
Depreciation expense	-	214,612	(214,612)	-100%
Total operating expenses	(822,030)	6,195,397	(7,017,427)	-113%
Operating loss	850,115	(3,790,562)	4,640,677	-122%
Nonoperating revenues:				
Investment income (loss)	(794,021)	115,374	(909,395)	-788%
Net nonoperating revenues	(794,021)	115,374	(909,395)	-788%
Decrease in net position	56,094	(3,675,188)	3,731,282	-102%
Net position:				
Net position at beginning of year	6,454,718	10,129,906	(3,675,188)	-36%
Net position at end of year	$ 6,510,812	$ 6,454,718	$ 56,094	1%

Revenue and Expense Variance Analysis between 2022 and 2021

Current year operating revenues decreased by $2,376,750 as all areas were affected by the change in operations in January of the prior year which essentially ceased most of the operating revenue streams. Current year operating expenses decreased by $7,005,732 which was primarily due to experienced gains on the pension and OPEB assets and the change in operations in prior year.

Investment losses were ($794,021) which was a decrease of $909,395 over the prior year. Investment income is comprised of interest from LAIF and gains/losses on the investment held by CPHF. The decrease from the prior year is primarily due to market fluctuations of the investment by CPHF which saw minimal gains in the current fiscal year.

Factors Impacting Future Periods

The University Center is a participant in CalPERS. CalPERS is a defined-benefit retirement program that relies heavily on investments in financial markets for the assets required to pay benefits to retirees. This reliance on investment returns to meet expectations exposes the University Center to potentially large rate increases when the CalPERS investment portfolio fails to meet expectations.

Request for Information

This financial report is designed to provide a general overview of the University Center's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the University Center, 1 Harpst Street, Arcata, CA 95521.

BASIC FINANCIAL STATEMENTS

HUMBOLDT STATE UNIVERSITY CENTER BOARD OF DIRECTORS
Statements of Net Position
June 30, 2022

Assets		
Current assets		
Cash and cash equivalents	$	381,376
Cash invested in LAIF		471,091
Accounts and other receivable, net		424,250
Total current assets	$	1,276,716
Noncurrent assets		
Investment		6,187,528
Net pension asset		252,620
Postemployment benefits asset		2,585,878
Total noncurrent assets		9,026,026
Total assets		10,302,743
Deferred outflows of resources		
OPEB - contributions		245,234
Pension - contributions		153,451
OPEB related		128,118
Pension related		393,799
Total deferred outflows of resources		920,602
Liabilities		
Current liabilities		
Accounts payable		346,503
Other liabilities		51,774
Total current liabilities		398,277
Total liabilities		398,277
Deferred inflows of resources		
OPEB related		1,384,807
Pension related		2,929,449
Total deferred inflows of resources		4,314,256
Net position		
Unrestricted		6,510,812
Total net position	$	6,510,812

HUMBOLDT STATE UNIVERSITY CENTER BOARD OF DIRECTORS
Statements of Revenues, Expenses, and Changes in Net Position
Years ended June 30, 2022

Revenues:		
Operating revenues:		
Revenue from operations	$	28,085
Total operating revenues		28,085
Expenses:		
Operating expenses:		
Outside professional services		146,574
Operating contributions to Humboldt State University		10,000
Other and miscellaneous		3,055
Bank service charges		1,884
Salaries and wages		1,316
Employee benefits		(984,859)
Total operating expenses		(822,030)
Operating income		850,115
Nonoperating revenues:		
Investment income, net		(794,021)
Net nonoperating revenues (expenses)		(794,021)
Increase (decrease) in net position		56,094
Net position:		
Net position at beginning of year		6,454,718
Net position at end of year	$	6,510,812

See accompanying notes

HUMBOLDT STATE UNIVERSITY CENTER BOARD OF DIRECTORS
Statements of Cash Flows
Year ended June 30, 2022

Cash flows from operating activities:		
Cash received from customers	$	154,539
Cash payments reimbursed from vendor		(155,079)
Cash payments for general and administrative expenses		285,160
Net cash provided by (used in) operating activities		**284,620**
Cash flows from investing activities:		
Investment income		4,650
Net cash provided by (used in) investing activities		**4,650**
Net increase (decrease) in cash and cash equivalents		289,270
Cash and cash equivalents at beginning of the year		563,197
Cash and cash equivalents at end of the year	**$**	**852,467**
Reconciliation to cash per statement of net position:		
Cash and cash equivalents	$	852,467
Total cash and cash equivalents at end of year	**$**	**852,467**
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	$	850,115
Changes in operating assets and liabilities:		
Accounts receivables		122,771
Prepaid expenses		20,293
Deferred outflows from resources		604,313
Accounts payable		427,088
Accrued salaries and benefits		(508)
Pensions		(2,498,139)
Postemployment benefit		(2,072,762)
Other liabilities		3,484
Deferred inflows from resources		2,827,965
Total adjustments		(565,495)
Net cash provided by (used in) operating activities	**$**	**284,620**
Noncash investing, capital and financing activities:		
Change in fair value of investment	$	875,574

See accompanying notes

Note (1) Organization

Humboldt State University Center Board of Directors (University Center) is an auxiliary organization of Humboldt University (Humboldt) in Arcata, California, and the California State University System. As an affiliated organization component unit of Humboldt, University Center's financial data is included in Humboldt's financial statements. University Center is a nonprofit corporation formed to promote the welfare of Humboldt and its students and employees.

Through January 8, 2021 the primary activities of University Center were to develop, finance and operate the Student Union, bookstore (under outside management), and dining services on the HSU campus. Through March 5, 2021, University Center provided management services to the Northern Humboldt Recreation and Park District. University Center was primarily supported by student fees and dining sales, and contracted revenues from students at HSU. Through January 8, 2021, University Center had a management agreement with Follett Higher Education Group, Inc. (Follett) which gave Follett the exclusive right to operate the bookstore on campus and related internet sales for the University Center.

Effective May 1, 2021 the primary function of University Center is to administer the Student Union with activities limited to the support of Student Union Programs, and payments related to ongoing pension and other post-employment benefit obligations (OPEB) for employees of the University Center.

Note (2) Summary of Significant Accounting Policies

(a) Basis of Presentation

University Center has determined that it should apply generally accepted accounting principles applicable to governmental entities based on an amendment to the articles of incorporation and bylaws that has clarified University Center's relationship as a component unit of HSU.

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.

The financial statements required by the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities* include a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows. University Center uses the proprietary fund reporting model for special-purpose governments engaged only in business-type activities. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. In accordance with the business-type activities reporting model, University Center prepares its statement of cash flows using the direct method.

(b) Basis of Accounting

The financial statements of have been prepared to conform with Accounting Principles Generally Accepted in the United States of America (GAAP) as applied to governmental units. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The summary of significant accounting policies is presented to assist in understanding University Center's financial statements. The financial statements and notes are representations of management, who is responsible for their integrity and objectivity. These accounting policies have been consistently applied in the preparation of the financial statements.

(c) Classification of Current and Noncurrent Assets and Liabilities

University Center 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 University Center 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.

(d) Cash and Cash Equivalents

University Center considers all highly liquid investments with an original maturity date of three months or less to be cash and cash equivalents. Amounts included in the Local Agency Investment Fund (LAIF) are considered to be cash equivalents.

(e) Investments

Investments are stated at fair value. Interests in commingled funds with Cal Poly Humboldt Foundation (CPHF) are based upon the latest valuations provided by the fund managers of the respective funds adjusted for cash receipts, cash disbursements and securities distributions through June 30, 2022. The University Center believes the carrying amount of these financial instruments is a reasonable estimate of fair value. Because the commingled funds are not readily marketable, their estimated value is subject to uncertainty and, therefore, may differ significantly from the value that would have been used had a ready market for such investments existed.

(f) Accounts Receivable

University Center provides a reserve for uncollectible accounts that is 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, 2022.

(g) Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense) until then. The deferred outflows of resources related to pension and Other Post Employment Benefits (OPEB) items as noted in Note (5) and Note (6). The deferred outflows will be amortized to pension and OPEB expense over the expected average remaining service lifetime for the plan.

(h) Net OPEB Asset

University Center recognizes post-employment benefits as a liability (asset) in the statement of net position and recognizes changes in the funded status in the year in which the changes occur in unrestricted net position, unless a minimum amortization is required to be included as a component of net periodic postretirement benefit cost in accordance with applicable accounting standards.

(i) Net Pension Asset

For purposes of measuring the net pension liability (asset) and deferred outflow/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California Public Employees’ Retirement System (CalPERS) plan and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value.

(j) Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position by the University Center that is applicable to a future reporting period. The deferred inflows of resources related to pension and OPEB as noted in Note (5) and Note (6). These amounts are deferred and amortized to pension and OPEB expense over closed periods ranging from 0 to 9.8 years.

(k) Net Position

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. University Center reports one category of net position, as follows:

Unrestricted Net Position – consists of all net position that is available for general use by University Center.

(l) Fair Value

Governmental Accounting Standards Board Statement Number 72 provides the framework for measuring the fair value of investments. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest priority to unobservable units (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Foundation has the ability to access.

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

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

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair market value measurement.

Net Asset Value (NAV) – The amount of net assets attributable to each unit in commingled investments outstanding at the close of the period and excluded from the three defined levels above. All long-term investments are reported at NAV.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

(m) Classification of Revenues and Expenses

University Center 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 University Center's primary functions. Exchange transactions include charges for services rendered and the acquisition of goods and services.

Certain other transactions are reported as non-operating revenues and expense in accordance with GASB Statement No. 35. These non-operating activities include net investment income.

(n) Revenue Recognition

Revenue from operations - All revenue from operations is recorded when earned.

Investment Income - Investment income is recorded at the time it is earned.

(o) Income Taxes

University Center qualifies as a tax exempt organization under the applicable sections of the Internal Revenue Code (IRC) Section 501(c)(3) and California Revenue and Taxation Code Section 23701(d).

University Center has evaluated its tax positions and the certainty as to whether those tax positions will be sustained in the event of an audit by taxing authorities at the federal and state levels. The primary tax positions evaluated are related to the University Center's continued qualification as a tax-exempt organization and whether there is unrelated business income activities conducted that would be taxable. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. University Center files informational tax returns in the U.S. federal jurisdictions and the state of California.

(p) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note (3) Cash and Cash Equivalents

University Center maintains its cash in bank deposit accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of $250,000 per depositor. At June 30, 2022, University Center's uninsured and uncollateralized cash balance was $131,376. Custodial credit risk is the risk that in the event of the failure of a counterparty, University Center would not be able to recover the value of its investments that are in the possession of an outside party. Financial instruments that potentially subject University Center to custodial risk are investments in excess of amounts insured by the FDIC. No policy exists related to custodial risk specifically. University Center's investment policy does not prohibit deposits in single institutions that expose University Center to custodial credit risk. Management believes the organization is not exposed to any significant custodial credit risk related to cash.

University Center's short-term investment portfolio consists of investments in 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. The investment is not insured. However, these funds are invested in accordance with California Government Code Sections 16430 and 16480, the stated investment authority for the Pooled Money Investment Account. At June 30, 2022, cash in LAIF was $471,091.

Note (4) Investment

The University Center has a long-term investment which is managed by CPHF and is administered in accordance with the California Uniform Prudent Management of Institutional Funds Act (UPMIFA). The investment is commingled with CPHF's pooled investment account held with Wells Fargo and is invested and managed in accordance with the investment and spending policies of CPHF. The CPHF Board of Directors understands that UPMIFA requires it to balance the goal of providing a consistent level of support for the intended purposes with the goal of protecting the value of the investment against inflation. As a result of this interpretation the University Center classifies the original value of the investment along with any subsequent additions to the investment as corpus. These are included in the unrestricted net position category on the statement of net position.

(a) Investment at Net Asset Value

The value of the investment is determined by CPHF and is based on the University Centers pro rata interest in the underlying assets held by CPHF. CPHF allocates income and value pro rata based on the underlying assets held which are observable and unobservable. The valuation methods utilized by CPHF are subject to regular review by the University Center. At June 30, 2022 the long-term investment was $6,187,528.

	6/30/2022
Underlying assets held by CPHF	
Money Market Funds	$ 691,615
Mutual Funds - Equity	23,339,890
Mutual Funds - Fixed Income	6,267,354
Mutual Funds - Balanced	1,235,986
Real Estate Investment Trust	4,502,042
Equities - Stock	1,217
Real Estate	8,519,468
Total	$ 44,557,572
University Centers interest held by CPHF	13.8866%
Investment	$ 6,187,528

(b) Investment Risk

The commingled funds held by CPHF are invested in various types of investment securities. Investment securities are exposed to risks such as credit, custodial credit, and foreign currency risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net position.

Credit Risk and Interest Rate Risk

Certain securities with fixed income are subject to credit risk which is the risk that an issue of an investment will not fulfill its obligations. Other securities, including obligations of the U.S. government or those explicitly guaranteed by the U.S. government, are not considered to have credit risk. With regard to the trusts included in endowment investments, the University Center is not the trustee of these investments and; therefore, it currently has no policies with regard to credit risk for these investments.

Interest rate risk is the risk that the value of fixed income securities will decline because of changing interest rate. With regard to the trusts included in endowment investments, the University Center is not the trustee of these investments and; and therefore, it currently has no policies with regard to interest rate risk for these investments.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of the custodian, the University Center may not be able to recover the value of the investments held by the custodian as these investments are uninsured. This risk typically occurs in repurchase agreements where one transfers cash to a broker-dealer in exchange for securities, but the securities are held by a separate trustee in the name of the broker-dealer. The University Center does not have a specific policy with regard to custodial credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the University Center's investments within any one issuer. For the fixed income portion of the endowment pool, the System's policy for reducing its exposure to concentration of credit risk is to limit the investments within any one issuer to a maximum of 5% of the fixed income portfolio, provided that issues of the U.S. Government or agencies of the U.S. Government may be held without limitation and provided further that issues of agencies of the U.S. Government shall be limited to the extent set forth in the manager-specific guidelines. The University Center does not have a specific policy with regard to the operating pool or the remainder of the endowment pool. At June 30, 2022, there were no investments within any one issuer in an amount that would constitute a concentration of credit risk to the University Center.

Foreign Currency Risk

Foreign currency risk is the risk of investments losing value due to fluctuations in foreign exchange rates. The University Center does not directly invest in foreign currency investments and is, therefore, not subject to foreign currency risk.

Note (5) Pension Plan – California Public Employee's Retirement System (CalPERS)

University Center participates in a cost sharing multiple-employer defined benefit plan through CalPERS which covers substantially all regular full-time employees of the University Center. CalPERS acts as a common investment and administrative agent for participating public entities with the state of California and reports information to the University Center in accordance with reporting standards established by GASB.

The proportionate share of the net pension liability, pension expense and deferred inflow of resources for the above plan and a deferred outflow of resources as follows of and for the year ended June 30, 2022:

Pension Plan	Proportionate Share of Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Proportionate Share of Pension Expense
CalPERS	$ (252,620)	$ 547,250	$ 2,929,449	$ 152,272

Plan Description

Qualified employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Plan under CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The Public Agency Cost-Sharing Multiple-Employer Plan is comprised of a Miscellaneous or Safety Plan. The University Center sponsors two Miscellaneous Risk Pool plans, however, the information presented below represents the sum of the allocated pension amounts for each of the University Center's respective plans (the Plan). The Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statues, as legislatively amended, within the Public Employees' Retirement Law.

Benefits Provided

The Plan provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for employment-related disability benefits regardless of length of service and non-duty disability benefits after 5 years of service. Disability benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. The Post-Retirement Death Benefit is a one-time payment made to a retiree's designated survivor or estate upon the retiree's death. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least 5 years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. The First Tier Plan was closed to new entrants on or after January 1, 2013.

The Plan provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Miscellaneous Risk Pool	
	First Tier Plan	PEPRA Misc Plan
Hire date	On or Before December 31, 2012	On or after January 1, 2013
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Required employee contribution rates	7.000%	6.750%
Required employer contribution rates	10.880%	7.590%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are determined annually through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. University Center is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2022 are presented above and the total University Center contributions were $153,451.

Pension Liabilities, Pension Expense, Deferred Outflows or Resources and Deferred Inflows of Resources Related to Pension

As of June 30, 2022, University Center reported net pension asset for its proportionate share of the Miscellaneous Risk Pool net pension liability totaling $252,620. The net pension liability was measured as of June 30, 2021, the measurement date. The total pension liability for Miscellaneous Risk Pool was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2020 and rolling forward the total pension liability to June 30, 2021. University Center’s proportion of the net pension liability was based on a projection of University Center’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At the June 30, 2021 measurement date, University Center’s proportion was 0.04671%.

For the year ended June 30, 2022, University Center recognized pension expense of $157,272 at
June 30, 2022, University Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 225,515	$ -
Net difference between projected and actual earnings on investments	-	1,755,516
Changes in proportion	168,284	372,959
Differences between employer contributions and proportionate share of contributions	-	800,974
Total (prior to post-measurement date contributions)	393,799	2,929,449
Contributions subsequent to the measurement date	153,451	-
Total	$ 547,250	$ 2,929,449

The deferred outflows of resources related to pensions resulting from University Center contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. The remaining deferred outflows and inflows of resources will be amortized over a closed period of between 0 and 9.8 years and will be recognized in pension expense as follows:

Year Ended June 30	Deferred Outflows/ (Inflows) of Resources
2023	$ (754,439)
2024	(664,057)
2025	(632,020)
2026	(485,134)
	$ (2,535,650)

Actuarial Methods and Assumptions

Total pension liability for the Plan was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2020, and rolling forward the total pension liability to June 30, 2021. The financial reporting actuarial valuation as of June 30, 2020 used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2020
Measurement date	June 30, 2021
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality rate table	Derived using CalPERS' Membership Data for all Funds (1)

(1) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

Asset Class (1)	New Strategic Allocation	Real Return Years 1-10 (2)	Real Return Years 11+ (3)
Global equity	50.0%	4.80%	5.98%
Fixed income	28.0	1.00	2.62
Inflation assets	0.0	0.77	1.81
Private equity	8.0	6.30	7.23
Real assets	13.0	3.75	4.93
Liquidity	1.0	0.00	(0.92)

(1) In the System's ACFR, Fixed Income is included in Global Debt Securities;
Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
(2) An expected inflation of 2.00% used for this period
(3) An expected inflation of 2.92% used for this period

Discount Rate
The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liability Sensitivity
The following presents University Center's proportionate share of the net pension liability for the Plan, calculated as of June 30, 2022 using the discount rate for the Plan, as well as what University Center's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

Description	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
UC's proportionate share of the Plan's pension liability (asset)	$ 2,539,106	$ (252,620)	$ (2,560,503)

Pension Plan Fiduciary Net Position
Detailed information about CalPERS Miscellaneous Risk Plan fiduciary net position is available in a separate issued annual comprehensive financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Note (6) Other Post Employment Benefits (OPEB)

OPEB Plan Description - CalPERS
University Center participates in the CalPERS medical program. University Center pays a portion of the retiree's healthcare insurance premiums. The plan also covers dependents of the employee. Benefited employees hired prior to July 1, 2006, who are eligible to retire from CalPERS, are 100% vested. Benefited employees hired on or after July 1, 2006, are 50% vested at age 50 if they have 10 years of service. With every additional year of service the vesting increases by 5% reaching 100% for employees who are age 50 or older who have at least 20 years of service. University Center's premium contribution cannot be less than what is defined by CalPERS Section 22892(b). Total contribution payments to CalPERS for retirees for the year ended June 30, 2022 were $245,291.

In the fiscal year ended June 30, 2012, University Center began participating in the Auxiliaries Multiple Employer VEBA (Voluntary Employees' Beneficiary Association), an agent multiple-employer defined benefit OPEB plan. The Auxiliaries Multiple Employer VEBA is a separate 501(c)(9) organization established in August 2010 to assist in funding post-retirement healthcare benefits for recognized auxiliaries of the California State University System. The Auxiliaries Multiple Employer VEBA seeks an average total annual return net of fees and expenses of 3.0% plus the Consumer Price Index for All Urban Consumers: U.S. City Average – All Items. To achieve its return objectives, the Auxiliaries Multiple Employer VEBA's investment portfolio is allocated among a number of asset classes. Copies of the Trust annual financial report may be obtained from the Humboldt State University Center Business Office at 1 9Harpst Street, Arcata, CA 95521.

	Number of participants
Inactive employees receiving benefits	34
Inactive employees entitled to but not receiving benefits	0
Participating active employees	0
Total number of participants	34

OPEB Expense, Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, University Center recognized OPEB expense of ($1,350,309). At June 30, 2022, University Center reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 678,186
Changes in assumptions	128,118	-
Net difference between projected and actual earnings on investments	-	706,621
Total (prior to post-measurement date contributions)	128,118	1,384,807
Contributions subsequent to the measurement date	245,234	-
Total	$ 373,352	$ 1,384,807

The deferred outflows of resources related to OPEB resulting from University Center contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2023. The remaining deferred outflows and inflows of resources will be amortized over a closed period of between 0 and 9.8 years and will be recognized in OPEB expense as follows:

Year Ended June 30	Deferred Outflows/ (Inflows) of Resources
2023	$ (249,639)
2024	(249,641)
2025	(259,159)
2026	(276,494)
Thereafter	(221,756)
	$ (1,256,689)

Assumptions and Other Inputs

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

The Total OPEB Liability was determined by an actuarial valuation as of June 30, 2021 which is the measurement date using the following actuarial assumptions:

Inflation	2.50%
Health care cost trends	4.00%
Salary increases	2.75%
Investment rate of return	5.75%

Mortality rates were based on the 2017 CalPERS Active Mortality for Miscellaneous Employees and 2017 CalPERS Retiree Mortality for Miscellaneous Employees Tables. CalPERS periodically studies mortality tables that are modified versions of commonly used tables. These tables incorporate morality projections as deemed appropriate based on CalPERS analysis.

Retirement assumptions were based on the 2009 CalPERS 2.0%@60 Rates for Miscellaneous Employees and the 2009 CalPERS Retirement Rates for School Employees tables. Turnover assumptions were based on the 2009 CalPERS Termination Rates for School Employees table. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

For other assumptions, the actuarial valuation used actual plan provisions and plan data.

The following presents the net OPEB liability, with a healthcare cost trend rate 1-percentage-point lower (3.0 percent) and 1-percentage-point higher (5.0 percent) than assumed in the valuation:

	Trend 1% Lower	Valuation Trend	Trend 1% Higher
Net OPEB Liability (Asset)	$ (2,835,747)	$ (2,585,878)	$ (2,295,926)

The discount rate used to measure the total OPEB liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that University Center's contributions will be made at the current contribution rate. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members over a period not to exceed 30 years. Historic 30 year real rates of return for each asset class along with an assumed long-term inflation assumptions was used to set the discount rate. The expected investment return was offset by investment expense of 25 basis points.

The Long-Term Expected Rate of Return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
All Fixed Income	39.0%	4.2500%
All Domestic Equities	30.0%	7.2500%
All International Equities	25.5%	7.2500%
Real Estate Investment Trusts	5.5%	7.2500%
	100.0%	

The following presents the net OPEB liability, with a discount rate 1-percentage-point lower (4.75 percent) and 1-percentage-point higher (6.75 percent) than assumed in the valuation:

	Discount Rate 1% Lower	Valuation Discount Rate	Discount Rate 1% Higher
Net OPEB Liability (Asset)	$ (2,298,164)	$ (2,585,878)	$ (2,829,755)

Changes in the Total OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Opening Balance 6/30/20	$ 4,044,069	$ 4,557,185	$ (513,116)
Service Cost/Expected Employer/Employee Contributions	122,487	-	122,487
Interest on Total OPEB Liability	239,650	-	239,650
Expected Investment Income	-	1,237,325	(1,237,325)
Administrative Expense	-	(23,268)	23,268
Employee Contributions	-	-	-
Employee Contributions to Trust	-	-	-
Employer Contributions as Benefited Payments	-	-	-
Benefit Payments from Trust	(250,000)	(250,000)	-
Expected Minus Actual Benefit Payments	-	-	-
Roll Forward Balance at 6/30/21 based on 6/30/21 valuation	$ 4,156,206	$ 5,521,242	$ (1,365,036)
Differences between Expected and Actual Experience	(1,285,557)	-	(1,285,557)
Change in Assumptions	64,715	-	64,715
Change in Benefit Terms	-	-	-
Investment Gains/Losses	-	-	-
Other	-	-	-
Net Change during 2020-21	(1,220,842)	-	(1,220,842)
Balance at 6/30/22 based on 6/30/21 valuation	$ 2,935,364	$ 5,521,242	$ (2,585,878)

As of June 30, 2021, the most recent actuarial valuation date and also the measurement date, University Center's total OPEB liability of $2,935,364. University Center has set aside funds to cover retiree health liabilities in VEBA, a GASB 75 qualifying trust. The Fiduciary Net Position of this trust at June 30, 2021 was $5,521,242, resulting in a Net OPEB Asset of $2,585,878. The OPEB expense for the year ended June 30, 2022 is ($1,350,309).

Note (7) Unrestricted Net Position

Unrestricted net position consists of the following board designated classifications as of June 30, 2022:

Working capital reserves	$ 32,167
Current operating reserves (economic uncertainty)	48,250
Planned future operations	6,430,395
Total unrestricted net position	$ 6,510,812

Note (8) Related Party Transactions

University Center and HSU provide various services on each other's behalf and such services are appropriately billed. At June 30, 2022, receivables due from HSU are $418,092 and amounts due to HSU are $346,503. Amounts paid by the University Center to HSU for the year ended June 30, 2022 totaled $10,000 for other than salaries of HSU personnel and $0 for salaries of HSU personnel. Amounts received by University Center from HSU for the year ended June 30, 2022 was $0. At June 2022, amounts due to CPHF was $51,774.

In May 2021 University Center invested $7,000,000 which is commingled with CPHF's pooled investment account held with Wells Fargo. The investment is managed by CPHF and administered in accordance with the California Uniform Prudent Management of Institutional Funds Act (UPMIFA). CPHF charges an annual investment service fee of 1.5%. The amount of investment fee paid by the University Center to CPHF for the year ended June 30, 2022 totaled $102,102.

In May 2021 University Center transferred capital assets with a net book value of $439,105 to HSU as part of the new operating agreement between the CSU and University Center for the period of May 1, 2021 through June 30, 2026. For the duration of the agreement HSU will provide business services to University Center. University Center will reimburse HSU for the services provided by crediting the amount due from HSU for the transfer of the capital assets. The amount due from HSU at June 30, 2022 totaled $418,092.

Note (9) COVID-19

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

REQUIRED SUPPLEMENTARY INFORMATION

HUMBOLDT STATE UNIVERSITY CENTER BOARD OF DIRECTORS

Schedule of University Center's Proportionate Share of the Net Pension Liability
California Public Employees Retirement Plan
Year ended June 30, 2022

	Measurement date June 30,								
	2021	2020	2019	2018	2017	2016	2015	2014	2013
University Center's proportion of the net pension liability (asset)	0.46710%	0.02064%	0.01839%	0.01507%	0.01604%	0.01502%	0.04833%	0.05138%	not available
University Center's proportionate share of the net pension liability (asset)	$ (252,620)	$ 2,245,518	$ 1,884,318	$ 1,452,400	$ 1,591,076	$ 1,300,060	$ 3,317,223	$ 3,196,822	$ 4,111,907
University Center's covered payroll	$ 783,124	$ 1,921,866	$ 1,897,965	$ 1,864,678	$ 1,841,448	$ 1,733,380	$ 1,656,173	$ 1,491,835	$ 1,481,211
University Center's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-32.26%	116.84%	99.28%	77.89%	86.40%	75.00%	200.29%	214.29%	277.60%
Plan fiduciary net position as a percentage of the total pension liability	89.10%	89.10%	90.56%	92.35%	91.30%	92.25%	78.30%	79.86%	72.55%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

HUMBOLDT STATE UNIVERSITY CENTER BOARD OF DIRECTORS

Schedule of University Center's Contributions

California Public Employees Retirement Plan

Year ended June 30, 2022

	Year ended June 30,							
	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	$ 153,451	$ 186,780	$ 380,984	$ 224,728	$ 184,909	$ 432,005	$ 381,830	$ 265,777
Contributions in relation to the actuarially determined contribution	(153,451)	(186,780)	(380,984)	(224,728)	(184,909)	(432,005)	(381,830)	(265,777)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
University Center's covered payroll	$ 1,316	$ 783,124	$ 1,921,866	$ 1,897,965	$ 1,864,678	$ 1,841,447	$ 1,733,380	$ 1,656,173
Contributions as a percentage of covered payroll	11660.41%	23.85%	19.82%	11.84%	9.92%	23.46%	22.03%	13.89%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available. Prior years data updated to meet current year reporting changes.

HUMBOLDT STATE UNIVERSITY CENTER BOARD OF DIRECTORS

Schedule of Changes in Net OPEB Liability and Related Ratios

California Public Employees Retirement Plan

Year ended June 30, 2022

	Measurement date June 30,				
	2021	2020	2019	2018	2017
Total OPEB liability:					
Service cost	$ 122,487	$ 164,135	$ 177,612	$ 103,607	$ 168,232
Interest on total OPEB liability	239,650	252,055	263,869	153,969	251,365
Changes of benefit terms	-	-	-	-	-
Change of assumptions	64,715	166,944	-	-	-
Differences between expected and actual experiences	(1,285,557)	(552,291)	(409,393)	(111,306)	-
Actual benefit payments from trust	(250,000)	(250,000)	-	-	-
Expected benefit payments	-	-	(233,236)	(135,864)	(223,951)
Expected minus actual benefit payments	-	38,741	-	-	-
Net change in total OPEB liability	(1,108,705)	(180,416)	(201,148)	10,406	195,646
Total OPEB liability - beginning	4,044,069	4,224,485	4,425,633	4,415,227	4,219,581
Total OPEB liability - ending	$ 2,935,364	$ 4,044,069	$ 4,224,485	$ 4,425,633	$ 4,415,227
Plan fiduciary net position:					
Employer contributions	-	-	233,236	135,864	223,951
Expected investment income	1,237,325	270,557	266,311	153,748	557,197
Actual benefit payments from trust	(250,000)	(250,000)	-		-
Expected benefit payments	-	-	(233,236)	(135,864)	(223,951)
Investment gains/losses	-	(86,694)	(47,594)	(77,741)	-
Administrative expense	(23,268)	(21,924)	(23,978)	(18,300)	(30,500)
Net change in plan fiduciary net position	964,057	(88,061)	194,739	57,707	526,697
Plan fiduciary net position - beginning	4,557,185	4,645,246	4,450,507	4,392,800	3,866,103
Plan fiduciary net position - ending	$ 5,521,242	$ 4,557,185	$ 4,645,246	$ 4,450,507	$ 4,392,800
University Center's net OPEB liability (asset) - ending	$ (2,585,878)	$ (513,116)	$ (420,761)	$ (24,874)	$ 22,427
Plan fiduciary net position as a percentage of the total OPEB liability	188.09%	112.69%	109.96%	100.56%	99.49%
Covered payroll	$ 783,124	$ 1,921,866	$ 1,897,965	$ 1,864,678	$ 1,780,692
University Center's net OPEB liability (asset) as a percentage of the covered payroll	-330.20%	-26.70%	-22.17%	-1.33%	1.26%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

OTHER SUPPLEMENTARY INFORMATION

Humboldt State University Center Board of Directors

Schedule of Net Position

June 30, 2022

(for inclusion in the California State University Financial Statements)

Assets:	
Current assets:	
Cash and cash equivalents	381,376
Short-term investments	471,091
Accounts receivable, net	424,250
Lease receivables, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	-
Total current assets	**1,276,717**
Noncurrent assets:	
Restricted cash and cash equivalents	-
Accounts receivable, net	-
Lease receivables, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	6,187,528
Capital assets, net	-
Other assets	2,838,498
Total noncurrent assets	**9,026,026**
Total assets	**10,302,743**
Deferred outflows of resources:	
Unamortized loss on debt refunding	-
Net pension liability	547,250
Net OPEB liability	373,352
Leases	-
Others	-
Total deferred outflows of resources	**920,602**
Liabilities:	
Current liabilities:	
Accounts payable	346,503
Accrued salaries and benefits	-
Accrued compensated absences, current portion	-
Unearned revenues	-
Lease liabilities, current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	51,774
Total current liabilities	398,277
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	-
Unearned revenues	-
Grants refundable	-
Lease liabilities, net of current portion	-
Long-term debt obligations, net of current portion	-
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	-
Net pension liability	-
Other liabilities	-
Total noncurrent liabilities	-
Total liabilities	398,277
Deferred inflows of resources:	
Service concession arrangements	-
Net pension liability	2,929,449
Net OPEB liability	1,384,807
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Lease	-
Others	-
Total deferred inflows of resources	4,314,256
Net position:	
Net investment in capital assets	-
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	6,510,812
Total net position	**6,510,812**

Humboldt State University Center Board of Directors

Schedule of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2022

(for inclusion in the California State University Financial Statements)

Revenues:	
Operating revenues:	
Student tuition and fees, gross	-
Scholarship allowances (enter as negative)	-
Grants and contracts, noncapital:	
Federal	-
State	-
Local	-
Nongovernmental	-
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	-
Scholarship allowances (enter as negative)	-
Other operating revenues	28,085
Total operating revenues	**28,085**
Expenses:	
Operating expenses:	
Instruction	-
Research	-
Public service	-
Academic support	-
Student services	-
Institutional support	-
Operation and maintenance of plant	-
Student grants and scholarships	-
Auxiliary enterprise expenses	(822,030)
Depreciation and amortization	-
Total operating expenses	**(822,030)**
Operating income (loss)	**850,115**
Nonoperating revenues (expenses):	
State appropriations, noncapital	-
Federal financial aid grants, noncapital	-
State financial aid grants, noncapital	-
Local financial aid grants, noncapital	-
Nongovernmental and other financial aid grants, noncapital	-
Other federal nonoperating grants, noncapital	-
Gifts, noncapital	-
Investment income (loss), net	(794,021)
Endowment income (loss), net	-
Interest expense	-
Other nonoperating revenues (expenses)	-
Net nonoperating revenues (expenses)	**(794,021)**
Income (loss) before other revenues (expenses)	**56,094**
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	**56,094**
Net position:	
Net position at beginning of year, as previously reported	-
Restatements	-
Net position at beginning of year, as restated	**6,454,718**
Net position at end of year	**6,510,812**

HUMBOLDT STATE UNIVERSITY CENTER BOARD OF DIRECTORS
Other Information
June 30, 2022
(for inclusion in the California State University)

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments	
All other restricted cash and cash equivalents	
Noncurrent restricted cash and cash equivalents	-
Current cash and cash equivalents	381,376
Total	$ 381,376

2.1 Composition of investments:

Investment Type	Current	Noncurrent	Total
Money market funds			-
Repurchase agreements			-
Certificates of deposit			-
U.S. agency securities			-
U.S. treasury securities			-
Municipal bonds			-
Corporate bonds			-
Asset backed securities			-
Mortgage backed securities			-
Commercial paper			-
Mutual funds			-
Exchange traded funds			-
Equity securities			-
Alternative investments:			
Private equity (including limited partnerships)			-
Hedge funds			-
Managed futures			-
Real estate investments (including REITs)			-
Commodities			-
Derivatives			-
Other alternative investment			-
Other external investment pools			-
CSU Consolidated Investment Pool (formerly SWIFT)			-
State of California Local Agency Investment Fund (LAIF)	471,091		**471,091**
State of California Surplus Money Investment Fund (SMIF)			-
Other investments:			
		6,187,528	**6,187,528**
			-
			-
			-
			-
Total Other investments	-	6,187,528	6,187,528
Total investments	471,091	6,187,528	6,658,619
Less endowment investments (enter as negative number)		-	-
Total investments, net of endowments	$ 471,091	6,187,528	6,658,619

2.2 Fair value hierarchy in investments:

Investment Type	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	$ -				
Repurchase agreements	-				
Certificates of deposit	-				
U.S. agency securities	-				
U.S. treasury securities	-				
Municipal bonds	-				
Corporate bonds	-				
Asset backed securities	-				
Mortgage backed securities	-				
Commercial paper	-				
Mutual funds	-				
Exchange traded funds	-				
Equity securities	-				
Alternative investments:					
Private equity (including limited partnerships)	-				
Hedge funds	-				
Managed futures	-				
Real estate investments (including REITs)	-				
Commodities	-				
Derivatives	-				
Other alternative investment	-				
Other external investment pools	-				
CSU Consolidated Investment Pool (formerly SWIFT)	-				
State of California Local Agency Investment Fund (LAIF)	**471,091**				471,091
State of California Surplus Money Investment Fund (SMIF)	-				
Other investments:					
	6,187,528				6,187,528
	-				
	-				
	-				
	-				
Total Other investments	$ 6,187,528	-	-	-	6,187,528
Total investments	6,658,619	-	-	-	6,658,619

HUMBOLDT STATE UNIVERSITY CENTER BOARD OF DIRECTORS

Other Information
June 30, 2022
(for inclusion in the California State University)

2.3 Investments held by the University under contractual agreements:

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

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

3.1 Composition of capital assets:

	Balance June 30, 2021	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2021 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2022
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements					$ -				$ -
Works of art and historical treasures					-				-
Construction work in progress (CWIP)					-				-
Intangible assets:									
Rights and easements					-				-
Patents, copyrights and trademarks					-				-
Intangible assets in progress (PWIP)					-				-
Licenses and permits					-				-
Other intangible assets:									
					-				-
					-				-
					-				-
	-				-				-
	-				-				
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	$ -	-	-	-	$ -	-	-	-	$ -
Depreciable/Amortizable capital assets:									
Buildings and building improvements					-				-
Improvements, other than buildings					-				-
Infrastructure					-				-
Leasehold improvements					-				-
Personal property:									
Equipment					-				-
Library books and materials					-				-
Intangible assets:									
Software and websites					-				-
Rights and easements					-				-
Patents, copyrights and trademarks					-				-
Licenses and permits					-				-
Other intangible assets:									
					-				-
					-				-
					-				-
					-				-
					-				-
Total Other intangible assets:	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	-	-	-	-	-	-	-	-	-
Total capital assets	$ -	-	-	-	$ -	-	-	-	$ -
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Buildings and building improvements					-				-
Improvements, other than buildings					-				-
Infrastructure					-				-
Leasehold improvements					-				-
Personal property:									
Equipment					-				-
Library books and materials					-				-
Intangible assets:									
Software and websites					-				-
Rights and easements					-				-
Patents, copyrights and trademarks					-				-
Licenses and permits					-				-
Other intangible assets:									
					-				-
					-				-
					-				-
					-				-
					-				-
Total Other intangible assets:	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets, net excluding lease assets	$ -	-	-	-	$ -	-	-	-	-
Lease assets, net									
Total capital assets, net									-

HUMBOLDT STATE UNIVERSITY CENTER BOARD OF DIRECTORS

Other Information
June 30, 2022
(for inclusion in the California State University)

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

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense related to capital assets	$ -
Amortization expense related to other assets	
Total depreciation and amortization	$ -

4 Long-term liabilities:

	Balance June 30, 2021	Prior Period Adjustments/Reclassifications	Balance June 30, 2021 (Restated)	Additions	Reductions	Balance June 30, 2022	Current Portion	Noncurrent Portion
1. Accrued compensated absences	$ -		-			$ -		$ -
2. Claims liability for losses and loss adjustment expenses	-		-			-		-
3. Capital lease obligations:								
Gross balance	-		-			-		-
Unamortized net premium/(discount)	-		-			-	-	-
Total capital lease obligations	$ -	-	-	-	-	-	-	-
4. Long-term debt obligations:								
4.1 Auxiliary revenue bonds (non-SRB related)	$ -		-			$ -	-	-
4.2 Commercial paper	-		-			-		-
4.3 Notes payable (SRB related)	-		-			-		-
4.4 Others:								
	-		-			-		-
	-		-			-		-
	-		-			-		-
	-		-			-		-
Total others	-	-	-	-	-	-	-	-
Sub-total long-term debt	$ -	-	-	-	-	$ -	-	-
4.5 Unamortized net bond premium/(discount)	-		-			-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-
5. Lease Liabilities								-
Total long-term liabilities						-	-	-

	Balance	Additions	Remeasurements	Reductions	June 30, 2022	Current Portion	Noncurrent Portion
Lease liabilities					-		-
Total	$ -	-	-	-	-	$ -	-

5 Lease Liabilities schedule:

	Lease Liabilities related to SRB			All other lease liabilities			Total lease liabilities		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2023			-			-	-	-	-
2024			-			-	-	-	-
2025			-			-	-	-	-
2026			-			-	-	-	-
2027			-			-	-	-	-
2028 - 2032			-			-	-	-	-
2033 - 2037			-			-	-	-	-
2038 - 2042			-			-	-	-	-
2043 - 2047			-			-	-	-	-
2048 - 2052			-			-	-	-	-
Thereafter			-			-	-	-	-
Total minimum lease payments	$ -	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
Present value of future minimum lease payments									-
Total lease liabilities									-
Less: current portion									-
Lease liabilities, net of current portion									$ -

HUMBOLDT STATE UNIVERSITY CENTER BOARD OF DIRECTORS
Other Information
June 30, 2022
(for inclusion in the California State University)

6 Long-term debt obligations schedule:

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

7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	$	-
Payments to University for other than salaries of University personnel	$	-
Payments received from University for services, space, and programs	$	-
Gifts-in-kind to the University from discretely presented component units	$	-
Gifts (cash or assets) to the University from discretely presented component units	$	-
Accounts (payable to) University (enter as negative number)	$	(346,503)
Other amounts (payable to) University (enter as negative number)	$	-
Accounts receivable from University (enter as positive number)	$	424,250
Other amounts receivable from University (enter as positive number)	$	-

8 Restatements

Provide a detailed breakdown of the journal entries (at the financial statement line items level) booked to record each restatement:

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

HUMBOLDT STATE UNIVERSITY CENTER BOARD OF DIRECTORS
Other Information
June 30, 2022
(for inclusion in the California State University)

9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	-	-	-	-		-		-
Research	-	-	-	-		-		-
Public service	-	-	-	-		-		-
Academic support	-	-	-	-		-		-
Student services	-	-	-	-		-		-
Institutional support	-	-	-	-		-		-
Operation and maintenance of plant	-	-	-	-		-		-
Student grants and scholarships					-			-
Auxiliary enterprise expenses	1,316	(984,859)	-	-		161,513		**(822,030)**
Depreciation and amortization							-	-
Total operating expenses	**$ 1,316**	**(984,859)**	**-**	**-**	**-**	**161,513**	**-**	**(822,030)**

10 Deferred outflows/inflows of resources:

1. Deferred Outflows of Resources	
Deferred outflows - unamortized loss on refunding(s)	
Deferred outflows - net pension liability	547,250
Deferred outflows - net OPEB liability	373,352
Deferred outflows - leases	
Deferred outflows - others:	
Sales/intra-entity transfers of future revenues	
Gain/loss on sale leaseback	
Loan origination fees and costs	
Change in fair value of hedging derivative instrument	
Irrevocable split-interest agreements	
Total deferred outflows - others	-
Total deferred outflows of resources	**$ 920,602**
2. Deferred Inflows of Resources	
Deferred inflows - service concession arrangements	
Deferred inflows - net pension liability	2,929,449
Deferred inflows - net OPEB liability	1,384,807
Deferred inflows - unamortized gain on debt refunding(s)	
Deferred inflows - nonexchange transactions	
Deferred inflows - leases	
Deferred inflows - others:	
Sales/intra-entity transfers of future revenues	
Gain/loss on sale leaseback	
Loan origination fees and costs	
Change in fair value of hedging derivative instrument	
Irrevocable split-interest agreements	
Total deferred inflows - others	-
Total deferred inflows of resources	**$ 4,314,256**

11 Other nonoperating revenues (expenses)

Other nonoperating revenues	
Other nonoperating (expenses)	
Total other nonoperating revenues (expenses)	**$ -**

NOTE 1 – SUPPLEMENTARY INFORMATION

As an auxiliary organization of the California State University (CSU), Humboldt State University Center Board of Directors (University Center) is required to include audited supplementary information in its financial statements in the form and content specified by CSU. As a result, there are differences in reporting format between University Center's financial statements and the supplementary schedules for CSU.

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

To the Board of Directors
Humboldt State University Center

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Humboldt State University Center Board of Directors (the University Center), a component unit of Cal Poly Humboldt, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise University Center's basic financial statements, and have issued our report thereon dated September 21, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Moss Adams LLP

Medford, Oregon
September 21, 2022