

# Chico State Enterprises

Financial Statements and Supplemental Information  
Years Ended June 30, 2021 and 2020



**CHICO STATE ENTERPRISES**  
**Financial Statements and Supplemental Information**  
Years Ended June 30, 2021 and 2020

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Chico State Enterprises

**Report on the Financial Statements**

We have audited the accompanying financial statements of Chico State Enterprises (CSE), which comprise the statements of net position as of June 30, 2021 and 2020, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

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

***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chico State Enterprises as of June 30, 2021 and 2020, and the changes in its net position and its cash flows for the years then ended in accordance with principles generally accepted in the United States of America.

**INDEPENDENT AUDITORS' REPORT,  
CONTINUED**

**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 3-12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statements. The supplemental information presented on pages 32-36 and 38-47 is presented for the purposes of additional analysis as required by the California State University Chancellor's Office and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 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 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 20, 2021 on our consideration of CSE'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 CSE's internal control over financial reporting and compliance.

*Aldrich CPAs + Advisors LLP*

San Diego, California  
September 20, 2021

## **CHICO STATE ENTERPRISES**

### **Management's Discussion and Analysis**

Year Ended June 30, 2021

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#### **Introduction**

Chico State Enterprises (CSE) is a not-for-profit auxiliary organization formed to develop and administer those activities that aid and supplement the educational mission of California State University, Chico (University). The CSU, Chico Research Foundation (RF) was incorporated in 1997 following a reorganization of the responsibilities of the University Foundation. The University Foundation was incorporated in 1940 as an auxiliary organization authorized by the Education Code of the State of California and is currently responsible for fundraising and philanthropic endeavors on behalf of the University. In June of 2019, the RF was reorganized, combining the Office of Research and Sponsored Programs and RF Administration and renamed as Chico State Enterprises. A new Chief Executive Officer (CEO) was brought on board in October of 2019 to oversee the revamped organization. CSE has assumed responsibility for the administration of grants and contracts for the campus along with other entrepreneurial activities. CSE is governed by a Board of Directors consisting of campus administration, faculty, a student, and members of the community. To fulfill its mission, CSE pursues a wide range of opportunities in the areas of development and administration of research and educational grants and contracts including the following activities:

- Solicits and manages externally funded projects orientated toward research, education, or public service, and which present opportunities for scholarship, creative activity and professional development.
- Provides a source of supplemental income and discretionary funds to support University needs, such as Faculty and College Unit Incentive funds and activities which cannot be supported by State funds.
- Operates academically-related enterprises such as the University Farm.
- Acts as a fiscal agent for numerous campus programs, such as Regional and Continuing Education, University Public Events, and the revenue-generating special projects of university departments, and provides gift administration services of the University Foundation.
- Funds and manages various ecological preserves and reserves, as well as property acquired for investment purposes or to provide space for University programs.

In October of 2020, CSE entered into a Public Service Operating Agreement (PSOA) with Capital Public Radio Inc. (CapRadio) whereby CapRadio undertook the management, production and acquisition of programming, routine engineering maintenance and support for North State Public Radio (NSPR) facilities, routine engineering services and other operations of NSPR on behalf of CSE (the FCC licensing holder). The benefits of the PSOA include reliance upon the extensive management and operational experience of CapRadio and the ability of NSPR to remain a service of CSU, Chico providing local and regional news and news and community information within the 12 county service area of NSPR. The initial term of the agreement is for 10 years with the ability for two extension options of five years each. As such, the PSOA contributed to a reduction in enterprise sales and expenses.

For the year ended June 30, 2021, CSU, Chico researchers saw an uptick in activity throughout the year as CSE and the campus returned to activities in a limited fashion using the recommend social distancing protocols.

The following discussion and analysis provides an overview of the financial position and activities of CSE for the years ended June 30, 2021, 2020 and 2019. The discussion has been prepared by management and should be read in conjunction with the financial statements and notes thereto, which follow this section.

## **CHICO STATE ENTERPRISES**

### **Management's Discussion and Analysis**

Year Ended June 30, 2021

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#### **Introduction to the Financial Statements and Supplementary Information**

This audit report consists of a series of financial statements prepared in accordance with Governmental Accounting Standards Board (GASB) principles. One of the most important questions asked is whether CSE is better or worse off as a result of the year's activities. The main keys to answering this question are the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows.

The Statement of Net Position is one indicator of CSE's financial health and reports the difference between assets and deferred outflows of resources, less liabilities and deferred inflows of resources. Over time, increases or decreases in net position are one indicator of the improvement or decline of the CSE's financial condition when considered in combination with other non-financial information.

The Statement of Revenues, Expenses, and Changes in Net Position presents revenues earned and expenses incurred during the year. Activities are reported as either operating or non-operating; with the above mentioned activities reported as operating revenues and expenses and investment results reported as non-operating revenues and expenses. This statement is prepared using the accrual basis of accounting, whereby revenues and receivables are recognized when the service is provided and expenses and liabilities are recognized when incurred, regardless of when cash is exchanged.

Another way to assess the financial health of CSE is to review the Statement of Cash Flows. Its primary purpose is to provide relevant information about the sources and uses of cash of an entity during a given period. The information provided in this statement can help financial report users assess CSE's ability to generate future net cash flows, its ability to meet its current and non-current obligations as they become due, and its need for external financing. It also provides insight into the reasons for differences between operating income and associated cash receipts and payments and the effects on CSE's financial position from its cash and noncash investing, capital, and related financing transactions during the year.

CSE's financial statements must be read in conjunction with the Notes to the Financial Statements in order to fully understand the financial position and activities of CSE. The Notes to the Financial Statements provide information intended to paint a more detailed picture for the financial statement reader. Key information provided in the Notes to the Financial Statements are definitions of relevant terms, significant accounting policies, the use of estimates, additional detail on items such as capital assets and long-term debt, investments and investment classifications, postemployment benefits and important disclosures related to potential litigation or subsequent events that occurred after June 30, 2021 that could impact the financial resources of CSE.

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. While the Statement of Net Position and Statement of Revenues, Expenditures and Changes in Net Position look at CSE as a whole, the Schedule of Net Position by Fund and the Schedule of Revenue, Expenses and Changes in Net Position by Fund are presented at the fund level.

Another integral part of CSE's audit report is the Schedule of Expenditures of Federal Awards (SEFA). The SEFA is a supplemental schedule that is required under the Uniform Guidance at 2 CFR 200.510 for organizations that expend more than \$750,000 in federal awards. Key reporting requirements of the SEFA include the Assistance Listing (AL) number, the amount of expenditures by each AL number, the name of the federal funding agency, the contract or agreement number and the grouping of similar programs by cluster.

All sections and financial statement reports must be considered together to obtain a complete understanding of the financial picture of CSE.

**CHICO STATE ENTERPRISES**  
**Management's Discussion and Analysis**  
Year Ended June 30, 2021

**Statement of Net Position**

The Statement of Net Position presents the financial position of CSE as of June 30, 2021. It includes all assets, deferred outflows of resources, liabilities, and the net position – the residual between the assets and liabilities of CSE. Assets and liabilities are generally measured using current values. However, investments are typically measured at fair value using quoted market process or Net Asset Value (NAV) and capital assets are typically carried at historical cost less accumulated depreciation. The difference between current and non-current is measured from the date of the Statement of Net Position. Current means within one year and non-current would be anything past one year from the date of the Statement of Net Position. Therefore, current assets would be expected to be converted to cash within one year and current liabilities are expected to be paid within one year from current resources (assets).

	2021	2020	2019
<b>ASSETS</b>			
Current assets:			
Cash and short-term investments	\$ 12,799,127	\$ 10,155,255	\$ 5,367,899
Accounts receivable, net	11,488,666	12,648,452	16,774,797
Prepaid expenses and other assets	292,380	288,469	430,189
Total current assets	<u>24,580,173</u>	<u>23,092,176</u>	<u>22,572,885</u>
Non-current assets:			
Long-term investments	11,818,645	8,602,252	7,828,232
Capital assets, net	9,745,075	10,504,556	11,164,543
Other assets	843,385	665,423	687,929
Total Noncurrent Assets	<u>22,407,105</u>	<u>19,772,231</u>	<u>19,680,704</u>
Total Assets	<u>46,987,278</u>	<u>42,864,407</u>	<u>42,253,589</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>182,799</u>	-	-
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	3,734,561	2,695,373	3,233,320
Accrued salaries and benefits payable	2,586,859	2,333,134	2,370,413
Unearned revenue	3,714,437	2,819,870	1,713,570
Other current liabilities	693,558	744,260	489,420
Total Current Liabilities	<u>10,729,415</u>	<u>8,592,637</u>	<u>7,806,723</u>
Non-current Liabilities:			
Long-term debt obligations, net of current portion	2,033,879	2,172,604	2,283,733
Other postemployment benefits obligation	951,314	821,398	608,733
Other long-term liabilities	506,312	329,483	343,436
Total Noncurrent Liabilities	<u>3,491,505</u>	<u>3,323,485</u>	<u>3,235,902</u>
Total Liabilities	<u>14,220,920</u>	<u>11,916,122</u>	<u>11,042,625</u>
<b>NET POSITION</b>			
Net investment in capital assets	7,596,196	8,221,952	8,753,215
Restricted for:			
Research	3,213,137	4,351,025	5,478,308
Other	13,232,314	12,068,554	10,930,646
Unrestricted	8,907,510	6,306,754	6,048,795
Total Net Position	<u>\$ 32,949,157</u>	<u>\$ 30,948,285</u>	<u>\$ 31,210,964</u>

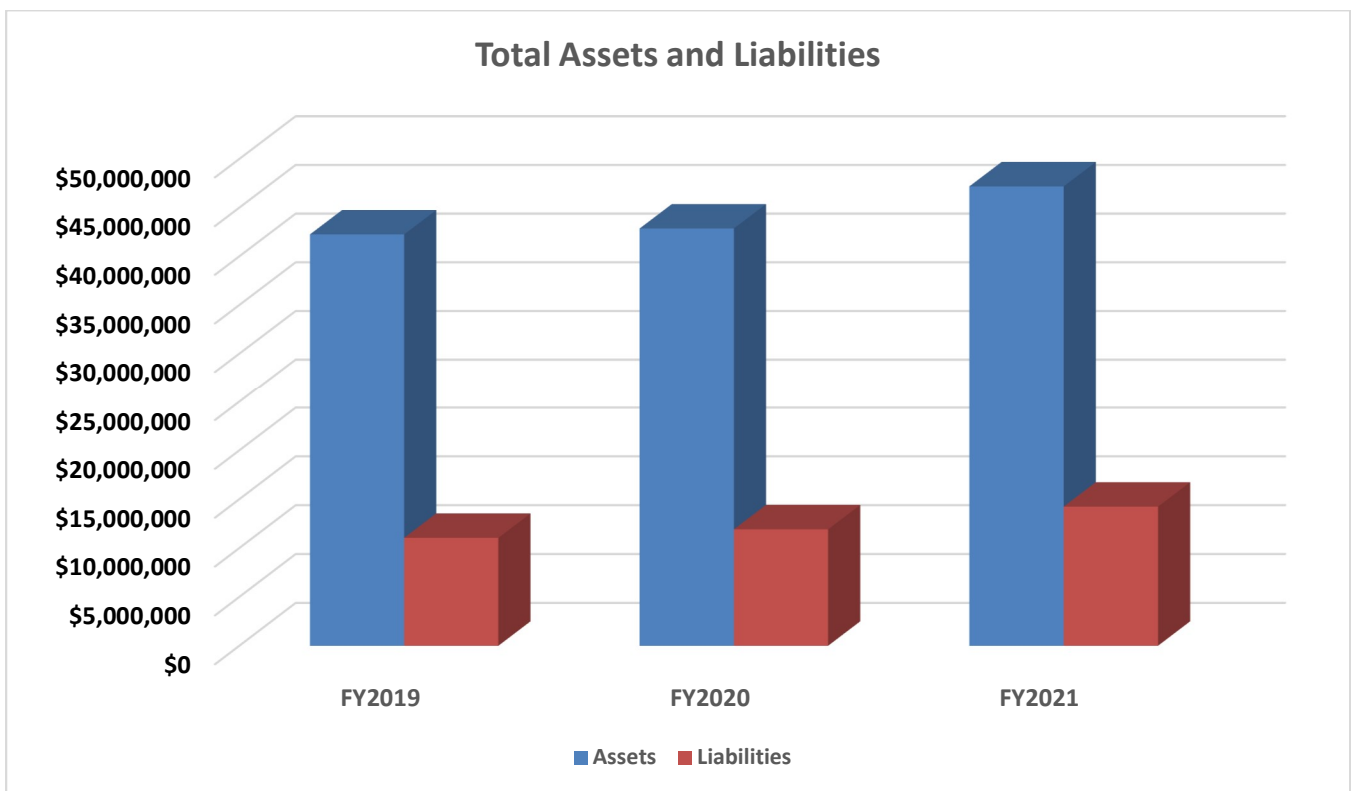
See independent auditors' report.

## CHICO STATE ENTERPRISES

### Management's Discussion and Analysis

Year Ended June 30, 2021

For FY2021, CSE showed an increase (6.47%) in overall net position of \$2,000,872 from FY2020. Although there are several factors that are included in this increase, the largest factor would be the significant recovery in the financial market which positively affected investment income for the organization. From FY2019 to FY2020, CSE showed a slight decline (-0.84%) in net position of (\$262,679) largely due to the decline in the 20 Year Municipal Index rate which negatively impact the Other postemployment benefit (OPEB) liability and resulted in a net cost increase of \$215,665 to the OPEB liability, the cost of the overall market loss from the last half of the fiscal year combined with the increase in unearned revenue and a slight down turn in revenue for the last quarter of the year due to the global pandemic. Deferred outflows and Deferred inflows are reported separately this year on the Statement of Net Position and are related to CSE's OPEB.



Total current assets increased by \$1,487,997 (6.44%) from FY2020 to FY2021 and total assets increased by \$4,122,871 (9.62%) to \$46,987,278 for the same period. The increase is primarily due to the collection of accounts receivable and investment gains. Total current assets increased by \$519,921 (2.30%) from FY2019 to FY2020, due to the increase in cash and short-term investments and the decrease of accounts receivable. Total assets increased by \$610,818 (1.45%) from FY2019 to FY2020 in part due to the increase in long-term investments. Total current liabilities increased by \$2,136,778 (24.87%) with increases in accounts payable and unearned revenue while total liabilities increased by \$2,304,798 (19.34%) with increases in OPEB due to the drop in rates for the 20 Year Municipal Index rate for the latest OPEB Valuation and other liabilities. Total current liabilities increased by \$785,914 (10.07%) from FY2019 to FY2020 and total liabilities increased by \$873,497 (7.91%) from FY2019 to FY2020. The increase in total liabilities was primarily due to the increase in unearned revenue and the increase in other postemployment benefits. The ratio of current assets to current liabilities decreased from 2.89 in FY2019 to 2.69 in FY2020 and 2.29 in FY2021.

See independent auditors' report.



**CHICO STATE ENTERPRISES**  
**Management's Discussion and Analysis**  
Year Ended June 30, 2021

Capital asset balances for the year ended June 30 were as follows:

	2021	2020	2019
<b>Nondepreciable Capital Assets:</b>			
Land and land improvements	\$ 3,979,131	\$ 4,078,046	\$ 4,078,046
Construction in progress	-	10,464	-
Breeding livestock	93,540	149,449	108,440
<b>Total Nondepreciable Capital Assets</b>	<b>4,072,671</b>	<b>4,237,959</b>	<b>4,186,486</b>
<b>Depreciable Capital Assets:</b>			
Building and improvements	8,629,105	8,613,229	8,635,496
Equipment and furnishings	14,968,483	14,369,707	14,354,608
<b>Total Depreciable Capital Assets</b>	<b>23,597,588</b>	<b>22,982,936</b>	<b>22,990,104</b>
<b>Total Capital Assets</b>	<b>27,670,259</b>	<b>27,220,895</b>	<b>27,176,590</b>
<b>Less: Accumulated Depreciation:</b>			
Building and improvements	(6,027,166)	(5,723,839)	(5,536,969)
Equipment and furnishings	(11,898,018)	(10,992,500)	(10,475,078)
<b>Total Accumulated Depreciation</b>	<b>(17,925,184)</b>	<b>(16,716,339)</b>	<b>(16,012,047)</b>
<b>Net Capital Assets</b>	<b>\$ 9,745,075</b>	<b>\$ 10,504,556</b>	<b>\$ 11,164,543</b>

Capital asset purchases were \$681,303, \$773,281 and \$2,039,963 for the years ending June 30, 2021, 2020 and 2019, respectively. The basis of retirements, disposals and transfers of capital assets were \$231,939, \$728,976 and \$317,979 for the years ending June 30, 2021, 2020 and 2019, respectively. Depreciation expense was \$1,240,073, \$1,209,259 and \$1,037,156 for the years ending June 30, 2021, 2020 and 2019, respectively. Balances of \$9,745,075, \$10,504,556 and \$11,164,543 for the years ending June 30, 2021, 2020 and 2019, respectively, are the amounts of capital assets net of accumulated depreciation. Net investment in capital assets (net capital assets less associated debt) for the years ending June 30, 2021, 2020 and 2019 were \$7,596,196, \$8,221,952 and \$8,753,215, respectively.

**Long-Term Debt**

	2021	2020	2019
<b>Long-term debt obligations at June 30:</b>			
Principal amount	\$ 1,880,000	\$ 1,990,000	\$ 2,095,000
Less current portion	(115,000)	(110,000)	(127,595)
Plus unamortized premium	268,879	292,604	316,328
	<b>\$ 2,033,879</b>	<b>\$ 2,172,604</b>	<b>\$ 2,283,733</b>

The long-term debt consists of a note payable to the California State University Chancellor's Office. The debt was incurred to refund the Auxiliary Organization Bond Series 2003. The note will be repaid in annual installments with interest rates ranging from 3% to 5%. The debt includes an unamortized premium component. Interest is payable twice yearly and principal payments are annual. The final payment is scheduled to be made in November of 2032.

See independent auditors' report.

## CHICO STATE ENTERPRISES

### Management's Discussion and Analysis

Year Ended June 30, 2021

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

The statement of revenues, expenses and changes in net position presents the results from CSE's operations. A summary of that statement is presented below.

Operating Revenue:	2021	2020	2019
Grants and contracts - noncapital	\$ 39,019,899	\$ 33,659,425	\$ 33,728,983
Sales and services of educational activities	2,211,943	4,209,094	4,326,347
Sales and services of auxiliary enterprises	2,697,467	2,956,457	2,737,262
Other operating revenues	1,434,828	1,078,837	877,110
Total Operating Revenue and Other Support	45,364,137	41,903,813	41,669,702
Operating Expenses:			
Instruction	2,489,689	2,208,813	3,110,978
Research	3,174,429	3,155,034	2,368,996
Public service	25,478,468	22,599,984	20,144,370
Academic support	1,552,138	2,122,064	2,152,933
Student services	2,045,957	2,014,753	2,053,915
Institutional support	4,998,840	4,315,735	3,655,412
Operation and maintenance of plant	281,550	395,437	356,352
Student grants and scholarships	2,337,224	1,343,169	1,697,652
Auxiliary enterprises expenditures	2,853,428	3,332,075	3,021,067
Depreciation and amortization	1,240,073	1,209,259	1,037,156
Total Operating Expenses	46,451,796	42,696,323	39,598,831
Net Operating Gain (Loss)	(1,087,659)	(792,510)	2,070,871
Non-Operating Revenue:			
Non-operating income	2,668,504	80,649	407,154
Income (Loss) Before Other Additions	1,580,845	(711,861)	2,478,025
Capital grants	420,027	449,182	-
Increase (Decrease) in Net Position	2,000,872	(262,679)	2,478,025
Net Position, beginning	30,948,285	31,210,964	28,732,939
Net Position, ending	\$ 32,949,157	\$ 30,948,285	\$ 31,210,964

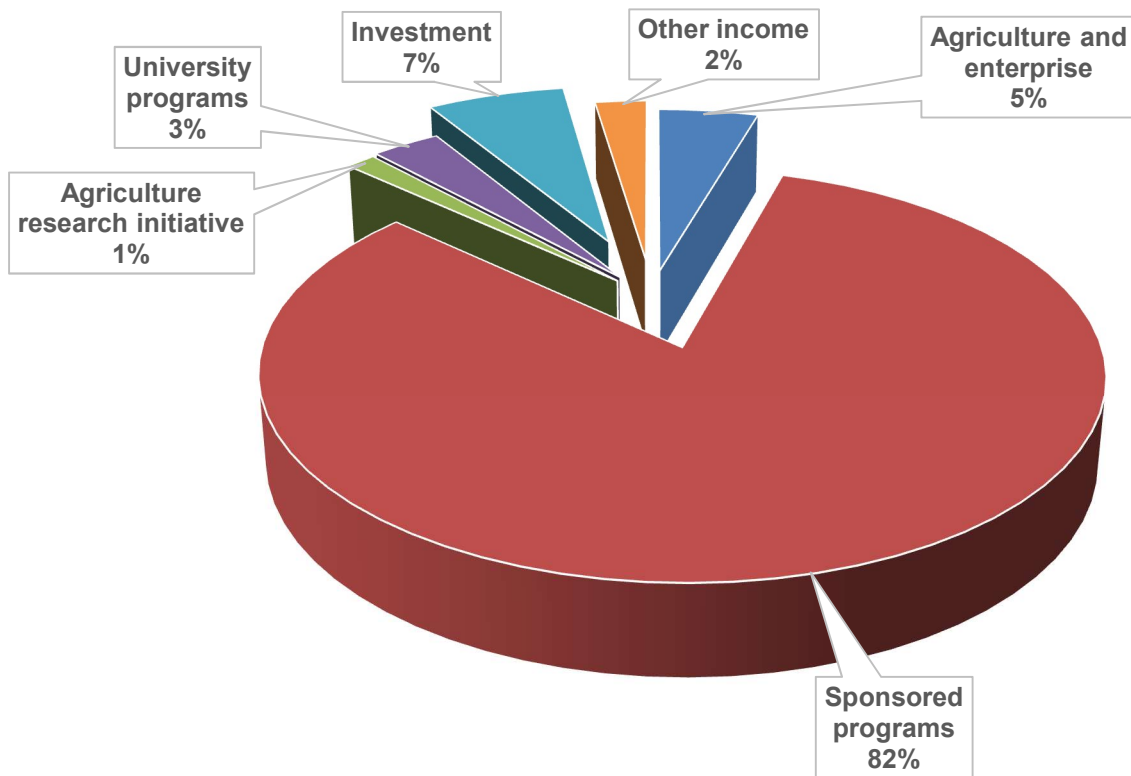
Revenues increased from FY2020 to FY2021, with notable increases in Grant and contract - noncapital and Other operating revenues which offset decreases in Sales and services of educational activities and Sales and services of auxiliary enterprises. Revenues remained fairly consistent between FY2019 and FY2020. FY2021 saw an increase of \$2,587,855 (32.09%) in Non-operating revenue from FY2020 due to a substantial rebound in the market which positively impacted CSE's investment income.

Overall operating expenses increased by \$3,097,492 (7.82%) from FY2019 to FY2020 and there were noted increases in Research, Public service, Institutional support and Auxiliary enterprise expenses offsetting decreases in Instruction and Student grants and scholarships. FY2021 shows an increase of \$3,755,473 (8.80%) in expenses when compared to FY2020, with notable increases in Public services (due to increased subcontracts in the Cal Fresh Outreach program), Institutional support and Student grants and scholarships which offset decreases in expenses for Academic support, Operation and maintenance of plant and Auxiliary enterprises expenditures, which decreased due to the management contract between Capital Public Radio and CSE for the management of NSPR.

See independent auditors' report.

**CHICO STATE ENTERPRISES**  
**Management's Discussion and Analysis**  
Year Ended June 30, 2021

**Fund Level Total Revenue**



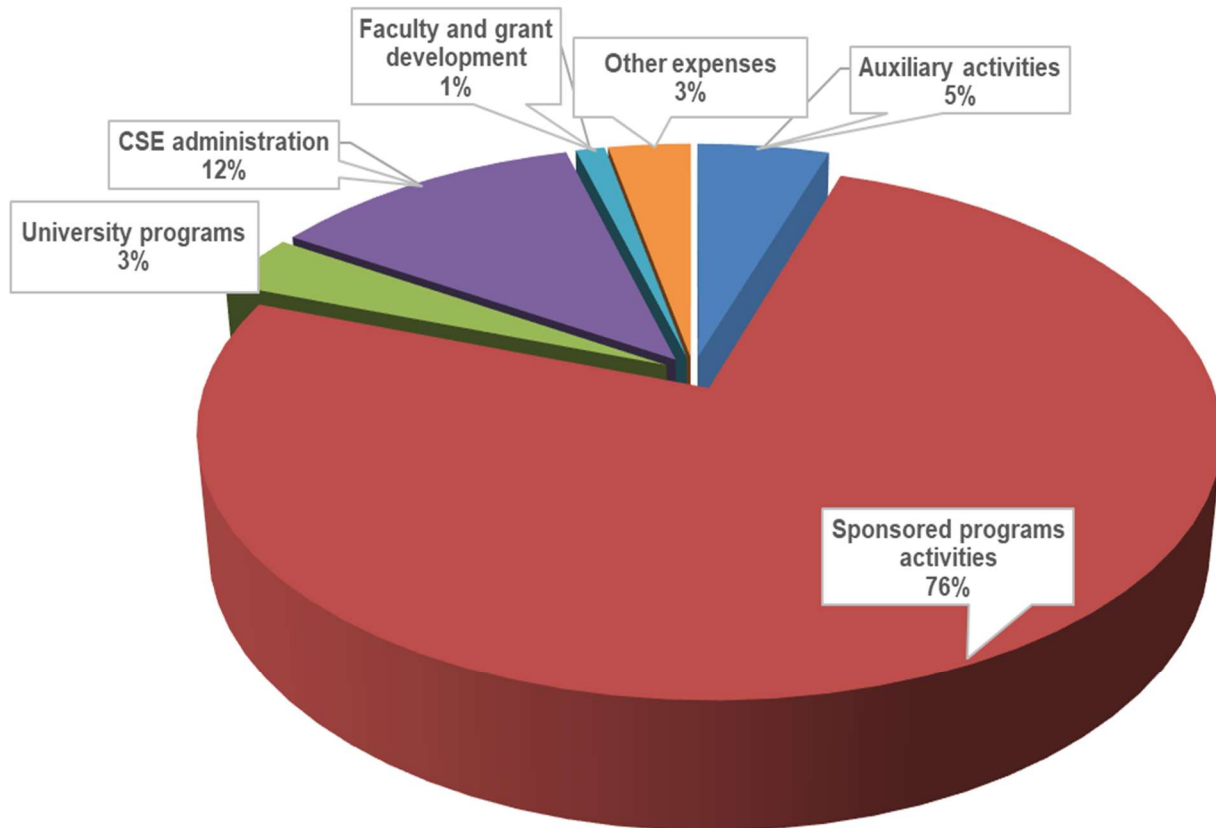
**Fund Level Revenues for the Year Ended June 30:**

	2021	2020	2019
Agriculture and enterprise sales	\$ 2,108,780	\$ 2,186,728	\$ 2,014,421
Sponsored program receipts	38,384,367	32,867,059	33,419,448
Agriculture research initiative	632,952	793,714	293,071
University program receipts	1,461,109	3,291,717	3,872,452
Interest and investment income	2,967,603	150,927	522,032
Other income	1,095,211	915,976	819,137
<b>Totals:</b>	<b>\$ 46,650,022</b>	<b>\$ 40,206,121</b>	<b>\$ 40,940,561</b>

FY2021 revenues at the fund level were up by \$6,443,901 (16.03%), most notably due to increased Sponsored program receipts and extraordinary Interest and investment income. These increases offset a decrease in University program receipts, which continued to be negatively impacted by the global pandemic. FY2020 revenues were down from FY2019 by \$734,440 (-1.79%). The slight decrease was most notably due to the global pandemic which impacted operations the last quarter of the fiscal year.

**CHICO STATE ENTERPRISES**  
**Management's Discussion and Analysis**  
Year Ended June 30, 2021

**Fund Level Total Expenses**



**Fund Level Expenses for the Year Ended June 30:**

	2021	2020	2019
Auxiliary activities' expense	\$ 2,304,375	\$ 2,745,158	\$ 2,492,335
Sponsored programs' disbursements	34,872,824	29,376,600	27,199,370
University programs' expenses	1,585,988	2,997,221	3,434,710
CSE administration	5,447,829	4,553,442	4,203,717
Faculty and grant development	509,718	699,929	510,484
Other expense	1,442,968	1,446,516	1,369,226
<b>Totals:</b>	<b>\$ 46,163,702</b>	<b>\$ 41,818,866</b>	<b>\$ 39,209,842</b>

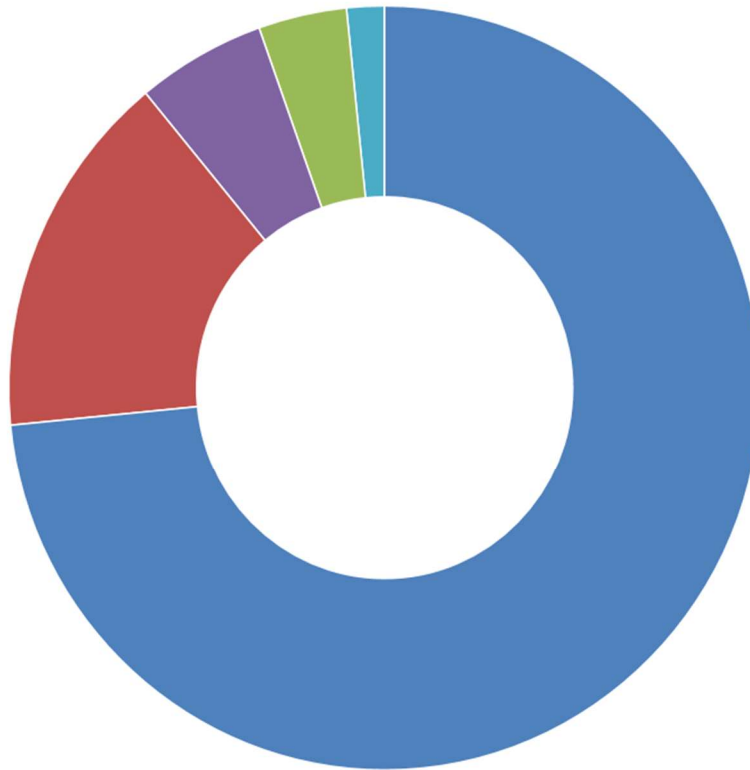
Expenses increased by \$4,344,836 (10.39%) from FY2020 to FY2021, with noted increases in Sponsored program and CSE administration. As noted earlier, Sponsored programs disbursements increased due to increased grants and contracts activity including increased subcontracts under the Cal Fresh Outreach program and increased activity in Bureau of Reclamation projects while CSE administration increased due to the filling of previous vacant staff positions, increased OPEB expenses and professional service contracts which offset decreases in Auxiliary activities and University programs. Expenses increased by \$2,609,024 (6.65%) from FY2019 to FY2020 largely due to OPEB expenses and capital asset purchases. Other expenses remained consistent from FY2019 through FY2021.

See independent auditors' report.

**CHICO STATE ENTERPRISES**  
**Management's Discussion and Analysis**  
Year Ended June 30, 2021

**Grant and Contracts Revenue by Source**

■ Federal government ■ State of California ■ Local governments ■ Nongovernmental ■ Agricultural research initiative

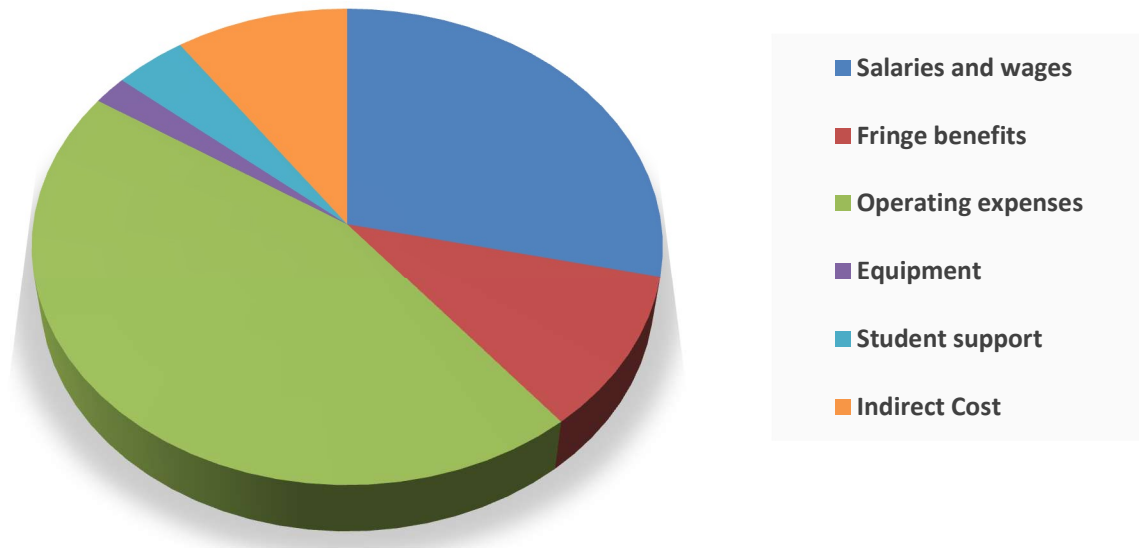


**Grant and Contracts Revenue**

For the year ended June 30:	2021	2020	2019
Federal government	\$ 28,657,938	\$ 22,978,741	\$ 21,909,088
State of California	6,080,451	6,344,618	6,517,773
Local governments	1,483,270	1,483,270	1,316,850
Nongovernmental	2,165,288	2,065,347	3,612,321
Agricultural research initiative	632,952	793,714	378,359
<b>Totals:</b>	<b>\$ 39,019,899</b>	<b>\$ 33,665,690</b>	<b>\$ 33,734,391</b>

FY2021 grants and contracts revenue increased by \$5,354,209 (15.90%) over FY2020 numbers due to the large increase of \$5,679,196 in Federal government revenue. FY2020 grant and contracts revenue decreased slightly by \$68,701 (-.20%) compared to FY2019 figures with the change mostly attributed to the global pandemic the last quarter of the fiscal year. Grant and contracts from the federal government account for 73.44%, 68.26% and 64.95% of the grants and contract revenue for FY2021, FY2020 and FY2019, respectively. Grants and contracts from the State of California account for 15.58%, 18.85% and 19.32% of the grant and contracts revenue for FY2021, FY2020 and FY2019, respectively.

## Grant and Contracts Expenses



### Grant and Contracts Expenses

For the Year Ended June 30:	2021	2020	2019
Salaries and wages	\$ 11,369,703	\$ 10,765,180	\$ 10,131,217
Fringe benefits	4,238,412	4,039,972	4,141,185
Operating expenses	17,996,385	13,187,431	11,878,979
Equipment	773,578	1,108,609	406,314
Student support	1,617,338	1,333,683	1,485,908
Indirect cost	4,087,924	3,880,764	3,627,920
<b>Totals:</b>	<b>\$ 40,083,340</b>	<b>\$ 34,315,639</b>	<b>\$ 31,671,523</b>

Overall, total grants and contract expenses have increased by \$8,411,817 (26.56%) from FY2019 to FY2021. Total grant and contract expenses increased by \$5,767,701 (16.81%) from FY2020 to FY2021. Total grant and contracts expenses for FY2020 increased by \$2,644,116 (8.35%) when compared to FY2019 figures. In October of 2018, CSE was awarded a contract for the Cal Fresh Outreach (CFO) program. CSE serves as the prime contractor on this grant and oversees subcontractors who provide services under the CFO. In FY2021, additional subcontracts were added to the program. The subcontracts range in value from \$10,000 to \$200,000 per year per subcontract. Expenses related to the CFO program and increased activity for Bureau of Reclamation projects are the largest contributing factors to the increase in expenses from FY2019 to FY2021.

**CHICO STATE ENTERPRISES****Statements of Net Position**

June 30, 2021 and 2020

	2021	2020
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 11,058,611	\$ 8,140,631
Short-term investments	1,740,516	2,014,624
Accounts receivable, net	11,488,666	12,648,452
Prepaid expenses and other assets	292,380	288,469
Total Current Assets	<u>24,580,173</u>	<u>23,092,176</u>
Non-current Assets:		
Long-term investments	11,818,645	8,602,252
Capital assets, net	9,745,075	10,504,556
Other assets	843,385	665,423
Total Noncurrent Assets	<u>22,407,105</u>	<u>19,772,231</u>
Total Assets	<u>46,987,278</u>	<u>42,864,407</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Other post-employment benefits	<u>182,799</u>	<u>-</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	3,734,561	2,695,373
Accrued salaries and benefits payable	1,986,040	1,838,912
Accrued compensated absences	600,819	494,222
Unearned revenue	3,714,437	2,819,870
Long-term debt obligations, current portion	115,000	110,000
Other current liabilities	578,558	634,260
Total Current Liabilities	<u>10,729,415</u>	<u>8,592,637</u>
Non-current Liabilities:		
Accrued compensated absences, net of current portion	131,887	108,488
Long-term debt obligations, net of current portion	2,033,879	2,172,604
Other postemployment benefits obligation	951,314	821,398
Other long-term liabilities	374,425	220,995
Total Noncurrent Liabilities	<u>3,491,505</u>	<u>3,323,485</u>
Total Liabilities	<u>14,220,920</u>	<u>11,916,122</u>
<b>NET POSITION</b>		
Net investment in capital assets	7,596,196	8,221,952
Restricted for:		
Research	3,213,137	4,351,025
Other	13,232,314	12,068,554
Unrestricted	8,907,510	6,306,754
Total Net Position	<u>\$ 32,949,157</u>	<u>\$ 30,948,285</u>

See accompanying notes to financial statements.

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**CHICO STATE ENTERPRISES****Statements of Revenue, Expenses, and Changes in Net Position**

Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Revenue:		
Grants and contracts - noncapital:		
Federal	\$ 27,962,072	\$ 22,693,354
State	7,426,202	7,258,066
Local	1,421,034	1,421,229
Non-governmental	2,210,591	2,286,776
Sales and services of educational activities	2,211,943	4,209,094
Sales and services of auxiliary enterprises	2,697,467	2,956,457
Other operating revenues	1,434,828	1,078,837
Total Operating Revenue and Other Support	<u>45,364,137</u>	<u>41,903,813</u>
Expenses:		
Operating Expenses:		
Instruction	2,489,689	2,208,813
Research	3,174,429	3,155,034
Public service	25,478,468	22,599,984
Academic support	1,552,138	2,122,064
Student services	2,045,957	2,014,753
Institutional support	4,998,840	4,315,735
Operation and maintenance of plant	281,550	395,437
Student grants and scholarships	2,337,224	1,343,169
Auxiliary enterprises expenditures	2,853,428	3,332,075
Depreciation and amortization	1,240,073	1,209,259
Total Operating Expenses	<u>46,451,796</u>	<u>42,696,323</u>
Net Operating Loss	(1,087,659)	(792,510)
Non-Operating Revenues (Expenses):		
Investment income, net	2,767,550	82,259
Interest expense	(73,025)	(68,916)
Other non-operating revenue (expense)	<u>(26,021)</u>	<u>67,306</u>
Total Non-Operating Income	<u>2,668,504</u>	<u>80,649</u>
Income (Loss) Before Other Additions	1,580,845	(711,861)
Grants and gifts - capital	420,027	449,182
Increase (Decrease) in Net Position	<u>2,000,872</u>	<u>(262,679)</u>
Net Position, beginning	<u>30,948,285</u>	<u>31,210,964</u>
Net Position, ending	<u>\$ 32,949,157</u>	<u>\$ 30,948,285</u>

See accompanying notes to financial statements.

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## CHICO STATE ENTERPRISES

### Statements of Cash Flows

Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows From Operating Activities:		
Federal grants and contracts	\$ 28,148,554	\$ 25,664,559
State grants and contracts	7,893,410	7,329,963
Local grants and contracts	1,521,418	1,126,362
Nongovernmental grants and contracts	2,392,494	2,299,545
Payments to suppliers	(20,984,022)	(18,621,600)
Payments to employees	(20,242,008)	(19,149,432)
Payments to students	(1,510,898)	(830,937)
Sales and services of educational activities	2,517,864	4,178,121
Sales and services of auxiliary enterprises	2,670,974	2,692,580
Other receipts	1,379,209	1,020,380
	<u>3,786,995</u>	<u>5,709,541</u>
Net Cash Provided by Operating Activities	3,786,995	5,709,541
Cash Flows From Capital and Related Financing Activities:		
Capital grants and gifts	420,027	449,182
Acquisitions of capital assets	(681,303)	(773,281)
Principal paid on capital debt	(133,725)	(128,724)
Interest paid on capital debt	(73,025)	(68,916)
	<u>(468,026)</u>	<u>(521,739)</u>
Net Cash Used by Capital and Related Financing Activities	(468,026)	(521,739)
Cash Flows From Investing Activities:		
Investment income	1,059,414	82,259
Notes receivable payments	-	17,500
Purchase of investments	(7,591,191)	(3,610,095)
Withdrawals from investments	6,130,788	2,168,442
	<u>(400,989)</u>	<u>(1,341,894)</u>
Net Cash Used by Investing Activities	(400,989)	(1,341,894)
Net Increase in Cash and Cash Equivalents	2,917,980	3,845,908
Cash and cash equivalents, beginning	<u>8,140,631</u>	<u>4,294,723</u>
Cash and cash equivalents, ending	<u>\$ 11,058,611</u>	<u>\$ 8,140,631</u>

See accompanying notes to financial statements.

**CHICO STATE ENTERPRISES**  
**Statements of Cash Flows, continued**  
Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Reconciliation of net operating loss to net cash provided by operating activities:		
Net operating loss	\$ (1,087,659)	\$ (792,510)
Adjustments:		
Depreciation and amortization	1,240,073	1,209,259
Changes in operating assets and liabilities:		
Accounts receivable, net	1,159,786	1,650,356
Unbilled revenue	-	2,475,989
Prepaid expenses and other assets	18,599	164,226
Accounts payable	1,039,188	(537,947)
Accrued salaries and benefits payable	147,128	(141,535)
Accrued compensated absences	129,996	127,142
Unearned revenue	894,567	1,106,300
Other postemployment benefits obligation	129,916	212,665
Other liabilities	115,401	235,596
Net Cash Provided by Operating Activities	<u>\$ 3,786,995</u>	<u>\$ 5,709,541</u>
Supplemental schedule of noncash capital and related financing activities:		
Capital grants and gifts received	<u>\$ 420,027</u>	<u>\$ 449,182</u>

## CHICO STATE ENTERPRISES

### Notes to Financial Statements

Years Ended June 30, 2021 and 2020

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#### Note 1 – Organization and Summary of Significant Accounting Policies

##### Nature of Activities

Chico State Enterprises (CSE) is a not-for-profit auxiliary organization of California State University, Chico (CSU, Chico) that administers various funds and performs other activities related to the CSU, Chico community. CSE administers grants and contracts, as well as non-philanthropic agency accounts, incentive accounts, and enterprise activities.

Formerly The CSU, Chico Research Foundation, the organization changed its name to Chico State Enterprises in June of 2019. This name change resulted from an internal reorganization of the auxiliary to include activities of The Office of Research and Sponsored Programs which had previously been managed through Academic Affairs of CSU, Chico. In addition to administering grant and contract activities, CSE also oversees the development of grants and contracts, a function that had previously resided with The Office of Research and Sponsored Programs.

##### Basis of Accounting

Pursuant to the requirements established by the Chancellor of the California State University, CSE has adopted the provisions of Statement No. 35 of the Governmental Accounting Standards Board (GASB), *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities*. With minor exceptions, this statement provides that public colleges and universities are subject to the financial reporting requirements of GASB Statement No. 34, which is applicable to state and local governments. CSE is an auxiliary organization to CSU, Chico. Therefore, CSE is determined to be a component unit of CSU, Chico, in accordance with GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. All component units are required to adopt GASB Statement Nos. 34 and 35. CSE adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. These statements establish standards for reporting deferred outflows of resources, deferred inflows of resources, and net position for all state and local governments.

The financial statements are prepared using the economic measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred.

##### Cash and Cash Equivalents

Cash and cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and present insignificant risk of change in value because of a change in interest rates. They consist of cash on hand and in commercial checking and savings accounts

##### Investments

Short-term investments consist of deposits in Local Agency Investment Fund (LAIF), hedge funds, and money market accounts.

CSE has a memorandum of understanding (MOU) with the University Foundation (UF) to invest CSE's cash balances that exceed operating needs. As the auxiliary managing the investment of over \$107,000,000 on behalf of CSU, Chico, a primary focus of the UF is investment oversight. The MOU between the two auxiliaries leverages the investment expertise of UF and maximizes investment earnings of CSE efficiently. CSE funds are invested in an account belonging to CSE, and management of the funds is subject to the Investment Policy of the UF. Fees to the UF are 10% of earnings on an annual basis, paid monthly. In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at the time of purchase are stated at amortized cost. All other investments are stated at fair value.

CSE participates in LAIF managed by the State of California. The fair value of CSE's investment in LAIF is the same as the carrying value of the pool shares. There were no LAIF funds invested in derivatives as of June 30, 2021 and 2020. Oversight of LAIF is provided by the Local Investment Advisory Board (LIAB), which consists of five members as designated by statute. The Chairman of the LIAB is the CA State Treasurer or their designated representative.

## CHICO STATE ENTERPRISES

### Notes to Financial Statements

Years Ended June 30, 2021 and 2020

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#### Note 1 – Organization and Summary of Significant Accounting Policies, continued

##### Investments, continued

Fair Value Measurements GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value and establishes a framework for measuring fair value under generally accepted accounting principles.

CSE classifies its fair value assets and liabilities into a hierarchy of three levels based on the markets in which they are traded and the reliability of the assumptions used to determine fair value. The asset or liability measurement level within the hierarchy is based on the lowest level of any assumption that is significant to the measurement. The three levels are defined as follows:

- Level 1 – Quoted market prices for identical instruments traded in active exchange markets.
- Level 2 – Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable or can be corroborated by observable market data.
- Level 3 – Model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect CSE's estimates of assumptions that market participants would use on pricing the asset or liability. Valuation techniques include management judgment and estimation, which may be significant.

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. As a practical expedient, certain financial instruments may be valued using net asset value (NAV) per share. NAV is the amount of net assets attributable to each share of outstanding capital stock at the end of the period.

##### Accounts Receivable

Accounts receivable include amounts due from federal, state and local governments, and private sources in connection with reimbursement of allowable expenditures made pursuant to CSE's grants and contracts. CSE utilizes the allowance method where uncollectible accounts are determined based on past payment history. Allowance for doubtful accounts was \$8,058 at June 30, 2021 and \$0 at June 30, 2020.

##### Unbilled Revenue

Unbilled revenue includes amounts which have been expended through grants and contracts that as of June 30, 2021 and 2020, had yet to be billed to the grant or contract funder.

##### Unearned Revenue

Unearned revenue represents payments received for grants and contracts, for which services or other deliverables have not yet been provided as well as upfront billing for amounts in which CSE is entitled to the funds but services or other deliverables have yet to be provided.

##### Prepaid Expenses and Other Assets

Prepaid expenses include advance payments and deposits for grant and contract expenses for contracted services, materials and supplies, and travel. Other assets include inventories. Also included in other assets is the reserve for post-retirement health benefits held as a quasi-endowment in the University Foundation.

##### Capital Assets

Capital assets are stated at cost or, if acquired by gift, are recorded at estimated market value at the date of acquisition. Livestock is recorded at a unit value which approximates average cost for the particular species, gender, size, and age of the animal. Capital assets are not capitalized by CSE if the title remains with or reverts to the grantor. Planned major maintenance is accounted for using the direct expense method. Expenditures for new construction, major renewals and replacements, and equipment over \$5,000 are capitalized.

## CHICO STATE ENTERPRISES

### Notes to Financial Statements

Years Ended June 30, 2021 and 2020

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#### Note 1 – Organization and Summary of Significant Accounting Policies, continued

##### Capital Assets, continued

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Depreciation for capital assets purchased with grant and contract funds has been charged using an estimated useful life of five years. Livestock is not depreciated because management considers the unit values to approximate amounts to be realized on the ultimate disposition of livestock.

##### Net Position

CSE's net position is classed as follows:

- Net Investment in Capital Assets – This represents CSE's total investment in capital assets, net of outstanding debt obligations related to those capital assets.
- Restricted Net Position – Expendable – This includes resources in which CSE is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. Restricted net position amounts include funds held for CSU, Chico for campus licensing agreements.
- Unrestricted – This represents amounts that are not restricted for any project or other purposes.

When an expense is incurred for purposes of which both restricted and unrestricted net positions are available, restricted resources are applied first.

##### Operating and Non-operating Revenues (Expenses)

All revenues that relate to the ongoing operations of CSE are included in operating revenues. Gains and losses not directly related to the ongoing operations and interest incurred on capital related debt are reported as nonoperating.

Charges for services include revenues based on exchange transactions, namely sales of educational and student activities and sales of agricultural products.

Grants and contracts are received from federal and state governmental agencies and various other organizations. CSE receives an administration fee to cover indirect overhead costs and recognizes this fee as income over the life of the grant or contract as a percentage of total expenditures or salaries and wages as specified in the grant or contract.

##### Grants and Gifts – Capital

Includes real property or equipment received from donors, federal, state and other funding agencies.

##### Administrative Expenses

Administrative overhead charges are included in operating expenses. When these charges are made to various programs, they are included in the direct expenses of those programs. Allocations of overhead expenses from one function to another, and those within one function, are eliminated in the statement of activities so that allocated expenses are reported only by the function to which they were allocated.

##### 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.

##### Income Taxes

CSE is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. Continuance of such exemption is subject to compliance with laws and regulations of the taxing authorities. However, income from certain activities not directly related to the tax- exempt purpose is subject to taxation as unrelated business income. Expenses have exceeded the business income;

## **CHICO STATE ENTERPRISES**

### **Notes to Financial Statements**

Years Ended June 30, 2021 and 2020

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#### **Note 1 – Organization and Summary of Significant Accounting Policies, continued**

##### Income Taxes, continued

accordingly, no provision for income taxes has been recorded. CSE functionally supports CSU, Chico and has been classified in accordance with Section 509(a)(3), Type I.

CSE utilizes accounting standards generally accepted in the United States of America related to the recognition of uncertain tax positions. CSE recognizes accrued interest and penalties associated with uncertain tax positions as part of the Statements of Revenues, Expenses, and Changes in Net Position, when applicable. Management has determined that CSE has no uncertain tax positions at June 30, 2021 and 2020 and therefore, no amounts have been accrued.

##### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and thus, will not be recognized as revenue until then.

##### Subsequent Events

Management has evaluated subsequent events through September 20, 2021, the date which the report was available to be issued.

#### **Note 2 – Concentrations of Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, CSE's deposits may not be returned. The California Government Code and Education Code do not contain legal or policy requirements that limit exposure to custodial credit risk for deposits, other than the provision that a financial institution must secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. This risk is mitigated in that CSE's deposits are maintained at financial institutions that are collateralized as required by state law. The balances at times may exceed Federal Deposit Insurance Corporation (FDIC) limits. Accounts at each financial institution are insured by the FDIC up to \$250,000.

## CHICO STATE ENTERPRISES

### Notes to Financial Statements

Years Ended June 30, 2021 and 2020

#### Note 3 – Investments and Fair Market Value

Investments consist of the following as of June 30, 2021:

	Current Unrestricted	Noncurrent Unrestricted	Total
LAIF	\$ 1,118,090	\$ -	\$ 1,118,090
Certificates of deposit	-	253,814	253,814
Money market funds	773	-	773
Mutual funds - fixed income	-	2,483,890	2,483,890
Mutual funds - equity	-	9,062,409	9,062,409
Private equity	621,653	18,532	640,185
	<u>\$ 1,740,516</u>	<u>\$ 11,818,645</u>	<u>\$ 13,559,161</u>

Investments consist of the following as of June 30, 2020:

	Current Unrestricted	Noncurrent Unrestricted	Total
LAIF	\$ 1,108,699	\$ -	\$ 1,108,699
Certificates of deposit	-	746,857	746,857
Money market funds	9,450	-	9,450
Mutual funds - fixed income	-	1,988,208	1,988,208
Mutual funds - equity	-	5,848,655	5,848,655
Private equity	896,475	18,532	915,007
	<u>\$ 2,014,624</u>	<u>\$ 8,602,252</u>	<u>\$ 10,616,876</u>

The fair value of investments is categorized as follows as of June 30, 2021:

	Level 1	Level 2	Level 3	NAV	Total
LAIF	\$ -	\$ -	\$ -	\$ 1,118,090	\$ 1,118,090
Certificates of deposit	-	253,814	-	-	253,814
Money market funds	773	-	-	-	773
Mutual funds - fixed income	2,483,890	-	-	-	2,483,890
Mutual funds - equity	9,062,409	-	-	-	9,062,409
Private equity	-	-	18,532	621,653	640,185
	<u>\$ 11,547,072</u>	<u>\$ 253,814</u>	<u>\$ 18,532</u>	<u>\$ 1,739,743</u>	<u>\$ 13,559,161</u>

The fair value of investments is categorized as follows as of June 30, 2020:

	Level 1	Level 2	Level 3	NAV	Total
LAIF	\$ -	\$ -	\$ -	\$ 1,108,699	\$ 1,108,699
Certificates of deposit	-	746,857	-	-	746,857
Money market funds	9,450	-	-	-	9,450
Mutual funds - fixed income	1,988,208	-	-	-	1,988,208
Mutual funds - equity	5,848,655	-	-	896,475	6,745,130
Private equity	-	-	18,532	-	18,532
	<u>\$ 7,846,313</u>	<u>\$ 746,857</u>	<u>\$ 18,532</u>	<u>\$ 2,005,174</u>	<u>\$ 10,616,876</u>

## CHICO STATE ENTERPRISES

### Notes to Financial Statements

Years Ended June 30, 2021 and 2020

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#### Note 3 – Investments and Fair Market Value, continued

There were no changes in CSE's Level 3 investments for the years ended June 30, 2021 and 2020.

CSE's investment policy does not limit its investment choices. CSE's investment in LAIF, money market, equity securities and mutual funds are unrated.

Financial instruments which potentially subject CSE to concentrations of credit risk consist primarily of cash investments. At June 30, 2021, LAIF and investments in interest bearing certificates of deposit were 8.25% and 1.87%, respectively, of CSE's total investments. At June 30, 2020, LAIF and investments in interest bearing certificates of deposit were 10.44% and 7.03%, respectively, of CSE's total investments

Interest rate risk is the risk whereby changes in market interest rates could adversely affect the fair value of an investment. CSE does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The average maturity for investments held within LAIF is less than one year.

#### Note 4 – Accounts Receivable

Accounts receivable consist of the following at June 30:

	<u>2021</u>	<u>2020</u>
Federal, state, and other grants and contracts	\$ 7,943,944	\$ 8,675,723
Unbilled revenue	2,330,091	2,721,343
Due from other auxiliaries	428,478	638,596
Other	<u>786,153</u>	<u>612,790</u>
	<u>\$ 11,488,666</u>	<u>\$ 12,648,452</u>



## CHICO STATE ENTERPRISES

### Notes to Financial Statements

Years Ended June 30, 2021 and 2020

#### Note 5 – Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Nondepreciable Capital Assets:					
Land and land improvements	\$ 4,078,046	\$ -	\$ (98,915)	\$ -	\$ 3,979,131
Construction in progress	10,464	-	(10,464)	-	-
Breeding livestock	149,449	16,176	(72,085)	-	93,540
Total Nondepreciable Capital Assets	4,237,959	16,176	(181,464)	-	4,072,671
Depreciable Capital Assets:					
Building and improvements	8,613,229	15,876	-	-	8,629,105
Equipment and furnishings	14,369,707	649,251	(50,475)	-	14,968,483
Total Depreciable Capital Assets	22,982,936	665,127	(50,475)	-	23,597,588
Total Capital Assets	27,220,895	681,303	(231,939)	-	27,670,259
Less: Accumulated Depreciation:					
Building and improvements	(5,723,839)	(303,327)	-	-	(6,027,166)
Equipment and furnishings	(10,992,500)	(936,746)	31,228	-	(11,898,018)
Total Accumulated Depreciation	(16,716,339)	(1,240,073)	31,228	-	(17,925,184)
Net Capital Assets	\$ 10,504,556	\$ (558,770)	\$ (200,711)	\$ -	\$ 9,745,075

Capital asset activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Nondepreciable Capital Assets:					
Land and land improvements	\$ 4,078,046	\$ -	\$ -	\$ -	\$ 4,078,046
Construction in progress	-	10,464	-	-	10,464
Breeding livestock	108,440	41,009	-	-	149,449
Total Nondepreciable Capital Assets	4,186,486	51,473	-	-	4,237,959
Depreciable Capital Assets:					
Building and improvements	8,635,496	88,698	(110,965)	-	8,613,229
Equipment and furnishings	14,354,608	633,110	(618,011)	-	14,369,707
Total Depreciable Capital Assets	22,990,104	721,808	(728,976)	-	22,982,936
Total Capital Assets	27,176,590	773,281	(728,976)	-	27,220,895
Less: Accumulated Depreciation:					
Building and improvements	(5,536,969)	(297,835)	110,965	-	(5,723,839)
Equipment and furnishings	(10,475,078)	(911,424)	394,002	-	(10,992,500)
Total Accumulated Depreciation	(16,012,047)	(1,209,259)	504,967	-	(16,716,339)
Net Capital Assets	\$ 11,164,543	\$ (435,978)	\$ (224,009)	\$ -	\$ 10,504,556

## CHICO STATE ENTERPRISES

### Notes to Financial Statements

Years Ended June 30, 2021 and 2020

#### Note 6 – Other Assets

	<u>2021</u>	<u>2020</u>
Deposits held by unemployment insurance trust	\$ 149,206	\$ 135,856
Amount for post-retirement health benefit held as a quasi-endowment in the University Foundation	659,383	497,695
Notes receivable	<u>34,796</u>	<u>31,872</u>
	<u>\$ 843,385</u>	<u>\$ 665,423</u>

#### Note 7 – Accrued Compensated Absences

Employees of CSE are entitled to paid vacation and paid sick leave based on length of service and other factors. CSE negotiates a fixed (with carry-forward) fringe benefit rate with the Department of Health and Human Services to be applied to regular wages for all CSE activities. This fringe rate includes all payroll related costs, including accrued vacation, holiday, and estimated sick leave. The liability for compensated absences relating to paid vacation has been accrued for all employees. CSE's policy is to recognize the costs of sick leave absences when actually paid to employees as sick leave does not vest to the employee.

#### Note 8 – Long-Term Debt Obligations

Long-term debt obligations consisted of the following at June 30:

	<u>2021</u>	<u>2020</u>
Chancellor's Office note payable in the amount of \$2,475,000 was used to refund the Auxiliary Organization Bonds Series 2003. The note will be paid to the Chancellor's Office in 18 annual installments including principal and interest, with interest rates ranging from 3.00% to 5.00% and principal payments ranging from \$90,000 to \$200,000. The note is secured by revenues of CSE and the final payment is scheduled to be made in November of 2032.	\$ <u>1,880,000</u>	\$ <u>1,990,000</u>
Less current portion	(115,000)	(110,000)
Plus unamortized premium	<u>268,879</u>	<u>292,604</u>
	<u>\$ 2,033,879</u>	<u>\$ 2,172,604</u>

The note payable to the Trustees included a premium related to the debt refunding with an original amount of \$431,986. Amortization expense was \$23,725 and \$23,724 for the years ended June 30, 2021 and 2020, respectively.

## CHICO STATE ENTERPRISES

### Notes to Financial Statements

Years Ended June 30, 2021 and 2020

#### Note 8 – Long-Term Debt Obligations, continued

Debt service requirements are as follows:

Year Ending June 30,	Note Payable to CSU, Chancellor's Office		
	Principal	Interest	Total
2022	\$ 115,000	\$ 91,125	\$ 206,125
2023	125,000	85,125	210,125
2024	130,000	78,750	208,750
2025	135,000	72,125	207,125
2026	145,000	65,125	210,125
2027-2031	835,000	207,375	1,042,375
2032-2033	395,000	19,875	414,875
	<u>\$ 1,880,000</u>	<u>\$ 619,500</u>	<u>\$ 2,499,500</u>

#### Note 9 – Health Care Benefits

CSE has fully insured medical and vision healthcare plans for benefited (30 hours/week or more) employees contracted through The LBL Group. Fully insured medical coverage is offered through Blue Shield and fully insured dental & vision coverage is offered through Principal Financial Services. Postemployment health benefits (medical only) are available to those employees meeting eligibility requirements detailed in the CSE Employee Handbook.

#### Note 10 – Retirement Plan

CSE sponsors a 403(b) savings plan, which covers fully benefited employees in a funded position. The employer contributions to the plan are at the discretion of the Board of Directors. The employer contribution is based upon an employee's year of service. At the beginning of the second year of service, CSE contributes 2% of the employee's pay to the plan. The percentage increases by 2% for each year of service up to a maximum contribution of 8%. Employer contributions vest immediately to the employee. Expenses recognized for the plan amounted to \$624,500 and \$622,879 for the years ended June 30, 2021 and 2020, respectively.

#### Note 11 – Postemployment Benefits Other Than Pension Benefits (OPEB)

##### Plan Description

CSE administers an endowment-funded single-employer defined benefit healthcare plan. CSE currently provides retiree health benefits to eligible employees to the extent sustainable by the provided endowment and can be terminated at any time. The postemployment health care plan is contributory with retiree contributions adjusted annually. Separate stand-alone financial statements for the plan are not prepared.

##### Eligibility and Benefits

Tier 1: Employees hired before January 1, 2006 who have attained age 55 and have completed 15 years of credited CSE service will be eligible to receive a CSE-paid medical plan contribution upon retirement. Eligibility is lost for breaks in service that exceed one year. CSE will pay up to \$200 per month for those with single coverage and \$400 for those with dual or family coverage. Benefits are paid for the lifetime of the retiree. As of July 1, 2019, there are 37 active employees and 3 retirees under this benefit structure.

Tier 2: Employees hired on or after January 1, 2006 who have attained age 60 and have completed 15 years of credited CSE service will be eligible to receive a CSE-paid medical plan contribution upon retirement. Eligibility is lost for breaks in service that exceed one year. CSE will pay up to \$200 per month for those with single coverage and \$400 for those with dual or family coverage. Benefits are paid until the retiree reaches age 65. As of July 1, 2019, there are 176 active employees under this benefit structure.

## CHICO STATE ENTERPRISES

### Notes to Financial Statements

Years Ended June 30, 2021 and 2020

#### Note 11 – Postemployment Benefits Other Than Pension Benefits (OPEB), continued

As of July 1, 2019, the date of the most recent actuarial valuation, plan participation consisted of:

Retirees and beneficiaries receiving benefits	3
Active employees	213
Total plan participants	<u>216</u>

#### Funding Policy

CSE has the right to establish and amend the funding policy for its OPEB plan. CSE will fund the plan monthly, on a pay-as-you-go basis for members who meet the eligibility criteria. The contribution requirements of plan members and CSE are established and may be amended by CSE's Board of Directors. For the year ended June 30, 2021, CSE contributed \$17,326, which was the annual required contribution per the July 1, 2019 Actuarial Report for the OPEB.

#### OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OEPB

CSE's Net OPEB Liability was measured as of June 30, 2021. CSEs' annual OPEB cost (expense) is an amount actuarially determined in accordance with Governmental Accounting Standards Board (GASB) Statement Number 75. The Actuarially Determined Contribution (ADC) is an amount actuarially determined by the Actuarial Standards of Practice and applicable Federal and State laws. The ADC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The following table shows the components of CSE's annual OPEB cost for the year, the amount actually contributed, and the changes in CSE's net OPEB plan position as of June 30, 2021.

	2021	2020
Service cost	\$ 64,849	\$ 55,357
Interest on net OPEB Obligation	21,503	23,155
Change of assumptions	60,800	151,389
Annual OPEB cost (expense)	<u>147,152</u>	<u>229,901</u>
Benefit payments	<u>(17,236)</u>	<u>(17,236)</u>
Net change in total OPEB liability	129,916	212,665
Net OPEB Obligation - Beginning of Year	<u>821,398</u>	<u>608,733</u>
Net OPEB Obligation - End of Year	<u>\$ 951,314</u>	<u>\$ 821,398</u>

The Net OPEB liability of \$951,314 is presented as a non-current liability on CSE's Statement of Net Position.

Year Ended June 30,	Annual OPEB Cost	Actual Employer Contributions	Percentage Contributed	Net Ending OPEB Obligation
2021	\$ 147,152	\$ 17,236	11.71%	\$ 951,314
2020	\$ 229,901	\$ 17,236	7.50%	\$ 821,398
2019	\$ 92,753	\$ 13,776	14.85%	\$ 608,733
2018	\$ 32,171	\$ 17,701	55.02%	\$ 529,756
2017	\$ 55,214	\$ 22,967	41.60%	\$ 598,646
2016	\$ 54,096	\$ 58,427	108.01%	\$ 566,399

## CHICO STATE ENTERPRISES

### Notes to Financial Statements

Years Ended June 30, 2021 and 2020

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#### Note 11 – Postemployment Benefits Other Than Pension Benefits (OPEB), continued

(NOTE: The schedule above is intended to show information for the previous ten (10) years. Since 2018 was the first year for the presentation of this information, only data from 2016 and forward is available.)

On June 30, 2021, CSE's deferred outflows of resources were:

	Deferred Outflows of Resources
Difference between expected and actual experience	\$ 58,283
Changes in assumptions or other inputs	124,516
<b>Totals</b>	<b>\$ 182,799</b>

#### Funded Status and Funding Progress

The most recent actuarial valuation report for CSE's OPEB plan was prepared as of July 1, 2019. As of June 30, 2021, the actuarial accrued liability for benefits was \$951,314 and the fair value of other assets held at the University Foundation was \$659,383. The annual covered payroll was \$15,860,353 and the ratio of the unfunded actuarial accrued liability to covered payroll was 6.00%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

#### Actuarial Methods and Assumptions

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.00 percent
Inflation rate	3.00 percent
Healthcare cost trend rate	5.80 percent for 2021; 5.70 percent for 2022; 5.60 percent for 2023; decreasing 0.10 percent per year to 5.00 percent for 2029 and later years
Cap increases	None

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Retirement and termination assumptions used were based on a review of plan experience and our best estimate of future plan experience.

## CHICO STATE ENTERPRISES

### Notes to Financial Statements

Years Ended June 30, 2021 and 2020

#### Note 11 – Postemployment Benefits Other Than Pension Benefits (OPEB), continued

GASB 75 requires a discount rate that reflects the following:

a) The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan’s fiduciary net position (if any) is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;

b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

To determine a resulting single (blended) rate, the amount of the plan’s projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments.

The discount rate used to measure CSE’s Total OPEB liability is based on these requirements and the following information:

Reporting date	Measurement Date	Long-Term Expected Rate of Plan Investments (if any)	Municipal Bond 20- Year High Grade Rate Index	Discount Rate
June 30, 2020	June 30, 2020	4.00%	2.45%	2.45%
June 30, 2021	June 30, 2021	4.00%	1.92%	1.92%

#### Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (.92%) or 1 percentage point higher (2.92%) than the current discount rate:

	1% Decrease (0.92%)	Discount Rate (1.92%)	1% Increase (2.92%)
Net OPEB liability	\$ 1,079,859	\$ 951,314	\$ 840,429

**Sensitivity of the Net OPEB Liability to Changes in the Trend Rate** The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.00%) or 1 percentage point higher (6.00%) than the current healthcare cost trend rate of 5%:

	1% Decrease (4.80% decreasing to 4.00%)	Trend Rate (5.80% decreasing to 5.00%)	1% Increase (6.80% decreasing to 6.00%)
Net OPEB liability	\$ 884,783	\$ 951,314	\$ 1,033,779

#### Note 12 – Self-Insurance

CSE is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. CSE participates in the California State University Risk Management Authority (CSURMA), a public entity risk pool currently operating as a common risk management and insurance program. CSE pays annual premiums for general liability, property, and workers’ compensation insurance to the Auxiliary Organizations Risk Management Alliance (AORMA), which operates within CSURMA to provide tailored coverage for CSU Auxiliaries.

## **CHICO STATE ENTERPRISES**

### **Notes to Financial Statements**

Years Ended June 30, 2021 and 2020

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#### **Note 12 – Self-Insurance, continued**

CSE participates in AORMA's Unemployment Insurance Program (UIP). At June 30, 2021 and 2020 the deposit requirement within AORMA UIP were \$149,206 and \$135,856, respectively, and are included in other assets as a long-term deposit. CSE will maintain a vested interest in the amount held by AORMA UIP.

CSURMA is economically dependent on its members for funding and has secured a commitment from members to provide sufficient cash flow to meet its operating needs and to fund losses over a period of time. The CSURMA has reinsurance policies through a joint powers authority as well as commercial companies.

#### **Note 13 – Related-Party Transactions**

Operating Lease and Faculty Use Agreement - CSE operates as an auxiliary organization to CSU, Chico under an operating agreement negotiated every ten years. The current operating and lease agreements expire on June 30, 2027. CSE uses certain CSU, Chico and other facilities under lease agreements requiring annual or monthly rental payments, or space trades.

Information Technology Services – Since March of 2019, CSE has outsourced its IT functions to CSU, Chico for all IT activities except for maintenance and support of CSE's enterprise resource planning (ERP) software, OneSolution.

Facilities Management Services – CSU, Chico provides facilities management support services to CSE for its office buildings, 25 and 35 Main Street.

CSE provides administrative and financial services to the University Foundation.

The University Foundation provides investment oversight to CSE through an MOU. CSE cash balances in excess of operating needs are invested under the investment policy of the University Foundation. CSE pays the University Foundation 10% of earnings on an annual basis, paid on a monthly basis.

Receivable/Payable with CSU, Chico - As required by the operating lease agreement between CSU, Chico and the Associated Students, all payments related to this agreement are directed to CSE.

Receivables and payables with CSU, Chico are a result of grant and contract transactions and other miscellaneous supplies and services.

CSE provides personnel services to the University Foundation under contract. The University Foundation reimburses CSE for the cost of these services. The personnel hired are employees of CSE and participate in CSE's benefit plans. The University Foundation indemnifies CSE for the acts of its employees under the University Foundation's supervision.

## CHICO STATE ENTERPRISES

### Notes to Financial Statements

Years Ended June 30, 2021 and 2020

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#### Note 13 – Related-Party Transactions, continued

The following is a schedule of transactions with related parties at June 30:

	<u>2021</u>	<u>2020</u>
Transactions with CSU, Chico		
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 2,328,893	\$ 2,300,402
Payments to University for other than salaries of University personnel	1,598,386	1,843,379
Payments received from University for services, space, and programs	2,888,388	1,897,471
Gifts-in-kind to the University from recognized Auxiliary Organizations	-	150,252
Gifts (cash or assets) to the University from recognized Auxiliary Organizations	277,153	289,430
Accounts (payable to) University	(99,018)	(177,503)
Accounts receivable from University	12,960	250
Transactions with Associated Students		
Accounts receivable from Associated Students	\$ 244,008	\$ 473,839
Accounts (payable to) Associated Students	(33,482)	(29,500)
Transactions with University Foundation		
Payments received for administrative and financial services	\$ 490,000	\$ 608,676
Amount receivable for personnel service expenses	843,854	681,426
Accounts (payable to) University Foundation	(54,904)	(68,030)

#### Note 14 – Commitments and Contingencies

##### Coronavirus

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders, including California, where CSE is headquartered. The impact of COVID-19 continues to have significant effects on global markets, businesses, and communities. CSE is continually monitoring the potential impact of COVID-19 and its effects on the financial statements. The extent to which COVID-19 impacts operations will depend on numerous evolving factors, which cannot be reasonably estimated at this time.



SUPPLEMENTAL INFORMATION

## CHICO STATE ENTERPRISES

### Schedule of Net Position by Fund

June 30, 2021 (with comparative totals as of June 30, 2020)

	General Fund	Plant and Bond Fund	Board Designated Fund	Auxiliary Activities Fund	Sponsored Programs Fund	Campus Program Fund	2021	2020
<b>Assets</b>								
Cash and cash equivalents	\$ 2,736,772	\$ 47,563	\$ 588,849	\$ 217,562	\$ 1,652,104	\$ 5,815,761	\$ 11,058,611	\$ 8,140,631
Short-term investments	384,242	6,686	82,640	218,562	232,180	816,206	1,740,516	2,014,624
Accounts receivable, net	209,596	-	3,675	253,849	8,153,403	538,052	9,158,575	9,927,109
Unbilled revenue	-	-	-	-	2,330,091	-	2,330,091	2,721,343
Inventories	-	-	-	157,363	-	-	157,363	135,491
Prepaid expenses and other assets	821,522	-	5,943	12,931	46,056	40,327	926,779	769,679
Long-term investments	2,920,591	50,819	628,138	231,869	1,764,782	6,222,446	11,818,645	8,602,252
Notes receivable	-	-	-	-	-	51,623	51,623	48,722
Capital assets, net	-	7,402,116	13,928	2,021,793	-	307,238	9,745,075	10,504,556
Total Assets	<u>7,072,723</u>	<u>7,507,184</u>	<u>1,323,173</u>	<u>3,113,929</u>	<u>14,178,616</u>	<u>13,791,653</u>	<u>46,987,278</u>	<u>42,864,407</u>
<b>Deferred Outflows of Resources</b>								
Other postemployment benefits	<u>182,799</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>182,799</u>	<u>-</u>
<b>Liabilities</b>								
Accounts payable	132,668	116,251	2,615	157,251	3,355,687	85,089	3,849,561	2,695,373
Accrued expenses and other liabilities	2,846,766	-	16,015	5,601	26,901	446,446	3,341,729	3,106,620
Unearned revenue	-	-	-	310	3,649,066	65,061	3,714,437	2,819,870
Interfund (receivables) payables	(4,107,488)	-	(500,705)	674,368	3,933,825	-	-	-
Long-term debt obligations	-	2,033,879	-	-	-	-	2,033,879	2,282,604
Other postemployment benefits obligation	951,314	-	-	-	-	-	951,314	821,398
Reserve for grant cost disallowance	330,000	-	-	-	-	-	330,000	190,257
Total Liabilities	<u>153,260</u>	<u>2,150,130</u>	<u>(482,075)</u>	<u>837,530</u>	<u>10,965,479</u>	<u>596,596</u>	<u>14,220,920</u>	<u>11,916,122</u>
<b>Net Position</b>	<u>\$ 7,102,262</u>	<u>\$ 5,357,054</u>	<u>\$ 1,805,248</u>	<u>\$ 2,276,399</u>	<u>\$ 3,213,137</u>	<u>\$ 13,195,057</u>	<u>\$ 32,949,157</u>	<u>\$ 30,948,285</u>

See independent auditors' report and notes to supplemental information.

## CHICO STATE ENTERPRISES

### Schedule of Revenue, Expenses, and Changes in Net Position by Fund

Year Ended June 30, 2021 (with comparative totals as of June 30, 2020)

	General Fund	Plant and Bond Fund	Board Designated Fund	Auxiliary Activities Fund	Sponsored Programs Fund	Campus Program Fund	2021	2020
Revenues and Other Support:								
Agriculture and enterprise sales	\$ -	\$ -	\$ -	\$ 2,108,780	\$ -	\$ -	\$ 2,108,780	\$ 2,186,728
Sponsored program receipts	-	-	-	-	38,384,367	-	38,384,367	32,867,059
Agriculture research initiative	-	-	-	-	632,952	-	632,952	793,714
University program receipts	-	-	-	-	-	1,461,109	1,461,109	3,291,717
Interest and investment income	2,962,229	-	-	1,580	-	3,794	2,967,603	150,927
Other income	803,427	137,304	30	154,400	-	50	1,095,211	915,976
<b>Total Revenues and Other Support</b>	<b>3,765,656</b>	<b>137,304</b>	<b>30</b>	<b>2,264,760</b>	<b>39,017,319</b>	<b>1,464,953</b>	<b>46,650,022</b>	<b>40,206,121</b>
Expenses:								
Auxiliary activities' cost of sales	-	-	-	156,281	-	-	156,281	262,403
Auxiliary activities' expense	-	-	-	2,148,094	-	-	2,148,094	2,482,755
Sponsored programs' disbursements	-	-	-	-	34,872,824	-	34,872,824	29,376,600
University programs' expenses	-	-	-	-	-	1,585,988	1,585,988	2,997,221
CSE administration	5,313,345	134,484	-	-	-	-	5,447,829	4,553,442
Faculty and grant development	-	-	509,718	-	-	-	509,718	699,929
Interest expense	-	73,025	-	-	-	-	73,025	68,916
Other expense	-	820,914	-	549,029	-	-	1,369,943	1,377,600
<b>Total Expenses</b>	<b>5,313,345</b>	<b>1,028,423</b>	<b>509,718</b>	<b>2,853,404</b>	<b>34,872,824</b>	<b>1,585,988</b>	<b>46,163,702</b>	<b>41,818,866</b>
<b>Change in Operations Before Transfer</b>	<b>(1,547,689)</b>	<b>(891,119)</b>	<b>(509,688)</b>	<b>(588,644)</b>	<b>4,144,495</b>	<b>(121,035)</b>	<b>486,320</b>	<b>(1,612,745)</b>
Transfers:								
Transfers with CSU, Chico	285,000	-	(57,838)	184,500	(8,815)	(36,944)	365,903	130,008
Transfers with other auxiliaries	161,689	-	13,493	257,577	2,579	713,311	1,148,649	1,220,058
Indirect cost recovery transfers	4,087,926	-	-	-	(4,087,926)	-	-	-
Administrative fee transfers	247,616	-	-	(123,711)	-	(123,905)	-	-
Interfund transfers	(562,310)	774,991	482,557	3,913	(1,188,221)	489,070	-	-
<b>Net Transfers</b>	<b>4,219,921</b>	<b>774,991</b>	<b>438,212</b>	<b>322,279</b>	<b>(5,282,383)</b>	<b>1,041,532</b>	<b>1,514,552</b>	<b>1,350,066</b>
<b>Change in Net Position</b>	<b>2,672,232</b>	<b>(116,128)</b>	<b>(71,476)</b>	<b>(266,365)</b>	<b>(1,137,888)</b>	<b>920,497</b>	<b>2,000,872</b>	<b>(262,679)</b>
<b>Net Position, beginning</b>	<b>4,430,030</b>	<b>5,473,182</b>	<b>1,876,724</b>	<b>2,542,764</b>	<b>4,351,025</b>	<b>12,274,560</b>	<b>30,948,285</b>	<b>31,210,964</b>
<b>Net Position, ending</b>	<b>\$ 7,102,262</b>	<b>\$ 5,357,054</b>	<b>\$ 1,805,248</b>	<b>\$ 2,276,399</b>	<b>\$ 3,213,137</b>	<b>\$ 13,195,057</b>	<b>\$ 32,949,157</b>	<b>\$ 30,948,285</b>

See independent auditors' report and notes to supplemental information.

**CHICO STATE ENTERPRISES****Schedule of Activity of the Auxiliary Activities Fund**

Year Ended June 30, 2021 (with comparative totals as of June 30, 2020)

	<u>University Farm</u>	<u>Other Enterprise</u>	<u>2021</u>	<u>2020</u>
Sales:				
Livestock and dairy	\$ 985,215	\$ -	\$ 985,215	\$ 739,516
Crop and orchard	983,204	-	983,204	849,566
Enterprise receipts	<u>84,378</u>	<u>55,983</u>	<u>140,361</u>	<u>597,646</u>
Total Sales	<u>2,052,797</u>	<u>55,983</u>	<u>2,108,780</u>	<u>2,186,728</u>
Cost of Sales:				
Livestock and dairy	<u>156,281</u>	-	<u>156,281</u>	<u>262,403</u>
Gross Profit	<u>1,896,516</u>	<u>55,983</u>	<u>1,952,499</u>	<u>1,924,325</u>
Operating Expenses:				
Salaries and employee benefits	-	370,798	370,798	788,120
Operating supplies	745,371	14,995	760,366	652,760
Accounting and contractual services	266,393	107,896	374,289	565,176
Depreciation	295,722	253,307	549,029	355,508
Other operating expenses	149,198	38,327	187,525	292,078
Repair and maintenance	104,593	27,927	132,520	215,134
Rent and leasing	217,663	8,764	226,427	99,645
Utilities and telephone	28,126	22,993	51,119	32,889
Travel and meetings	2,362	725	3,087	21,298
Registration fees	13,309	5,748	19,057	15,002
Postage and printing	901	12,359	13,260	7,399
Insurance	<u>4,738</u>	<u>4,908</u>	<u>9,646</u>	<u>2,923</u>
Total Operating Expenses	<u>1,828,376</u>	<u>868,747</u>	<u>2,697,123</u>	<u>3,047,932</u>
Income (Loss) from Operations	<u>68,140</u>	<u>(812,764)</u>	<u>(744,624)</u>	<u>(1,123,607)</u>
Other Income:				
Other income	153,646	754	154,400	74,567
Interest income	<u>1,580</u>	-	<u>1,580</u>	<u>7,586</u>
Total Other Income	<u>155,226</u>	<u>754</u>	<u>155,980</u>	<u>82,153</u>
Transfers:				
In	6,448	195,186	201,634	271,733
Out	<u>(74,476)</u>	<u>(62,456)</u>	<u>(136,932)</u>	<u>(188,723)</u>
From other auxiliaries	<u>12,151</u>	<u>245,426</u>	<u>257,577</u>	<u>552,980</u>
Net Transfers	<u>(55,877)</u>	<u>378,156</u>	<u>322,279</u>	<u>635,990</u>
Net Income (Loss):	<u>\$ 167,489</u>	<u>\$ (433,854)</u>	<u>\$ (266,365)</u>	<u>\$ (405,464)</u>

See independent auditors' report and notes to supplemental information.

## CHICO STATE ENTERPRISES

### Schedules of Source of Funding and Expenditures for Grants and Contracts

Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Source of Direct Funding:		
Federal government	\$ 26,325,356	\$ 20,755,870
State of California	4,878,984	5,333,098
Local governments	1,279,384	1,236,328
Nongovernmental funds	1,815,296	1,665,916
Agricultural research initiative	632,952	793,714
Total Direct Sources and Transfers	<u>34,931,972</u>	<u>29,784,926</u>
Source of Indirect Cost Reimbursements		
Federal government	2,332,581	2,222,871
State of California	1,201,467	1,011,520
Local governments	203,886	246,942
Nongovernmental funds	349,992	399,431
Total Indirect Cost Reimbursements	<u>4,087,926</u>	<u>3,880,764</u>
Total Funding	<u>39,019,898</u>	<u>33,665,690</u>
Direct Expenditures:		
Salaries and wages	11,369,703	10,765,180
Fringe benefits	4,238,412	4,039,972
Operating expenses	17,996,385	13,187,431
Equipment	773,578	1,108,609
Student support	1,617,338	1,333,683
Total Direct Expenditures	<u>35,995,416</u>	<u>30,434,875</u>
Indirect Expenditures:		
Salaries, wages, and fringe benefits	2,140,539	1,855,422
Administrative expenses	644,853	1,069,172
Development	603,481	469,361
Program allocation	350,000	184,978
Other	349,051	301,831
Total Indirect Expenditures	<u>4,087,924</u>	<u>3,880,764</u>
Total Expenditures	<u>40,083,340</u>	<u>34,315,639</u>
Sponsored Programs, Net	<u>(1,063,442)</u>	<u>(649,949)</u>
Surplus distribution	<u>(74,446)</u>	<u>(477,334)</u>
Sponsored Programs Fund, Net	<u>\$ (1,137,888)</u>	<u>\$ (1,127,283)</u>

## **CHICO STATE ENTERPRISES**

### **Notes to Supplemental Information**

Years Ended June 30, 2021 and 2020

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#### **Note A – Fund Accounting**

The accounts of CSE are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. The funds are organized as follows:

- **General Fund:** This fund is used to account for all financial resources except those required to be accounted for in another fund. This fund recognizes as income various administrative from other funds.
- **Plant and Bond Fund:** This fund is used to account for acquisition of physical properties and funds expended and invested in physical properties for the General Fund, Board Designated Fund, Sponsored Programs Fund, and Campus Programs Fund.
- **Board Designated Fund:** This fund is used to account for all amounts specifically allocated by the Board of Directors to certain programs. These funds are used primarily for the development of grant and contract proposals. Funding is also allocated to support and to finance other CSU, Chico related projects.
- **Auxiliary Activities Fund:** This fund is used to account for the operations of the University Farm, North State Public Radio, and other enterprise activities. These operations reimburse the General Fund for accounting and data processing administration expenses based on the usage of these services.
- **Sponsored Programs Fund:** This fund reflects the activity of various programs designed for instruction, research, and community services. These programs are funded by federal and state governmental agencies and various other organizations. The General Fund receives administrative fees to cover the indirect overhead costs of these programs.
- **Campus Program Fund:** This fund accounts for certain special activities of CSE-affiliated programs. These funds are carried as unrestricted net position. CSE receives an administrative fee equal to 8% of Campus Program Fund expenditures.

**OTHER INFORMATION**  
For inclusion in the California State University

# CHICO STATE ENTERPRISES

Other Information (for inclusion in the California State University)

June 30, 2021

## Schedule of Net Position

### Assets:

#### Current assets:

Cash and cash equivalents	\$	11,058,611
Short-term investments		1,740,516
Accounts receivable, net		11,488,666
Capital lease receivable, current portion		-
Notes receivable, current portion		-
Pledges receivable, net		-
Prepaid expenses and other current assets		292,380

#### Total current assets

24,580,173

#### Noncurrent assets:

Restricted cash and cash equivalents		-
Accounts receivable, net		-
Capital lease receivable, net of current portion		-
Notes receivable, net of current portion		-
Student loans receivable, net		-
Pledges receivable, net		-
Endowment investments		-
Other long-term investments		11,818,645
Capital assets, net		9,745,075
Other assets		843,385

#### Total noncurrent assets

22,407,105

#### Total assets

46,987,278

#### Deferred outflows of resources:

Unamortized loss on debt refunding		-
Net pension liability		-
Net OPEB liability		182,799
Others		-

#### Total deferred outflows of resources

182,799

### Liabilities:

#### Current liabilities:

Accounts payable		3,734,561
Accrued salaries and benefits		1,986,040
Accrued compensated absences, current portion		600,819
Unearned revenues		3,714,437
Capital lease obligations, current portion		-
Long-term debt obligations, current portion		115,000
Claims liability for losses and loss adjustment expenses, current portion		-
Depository accounts		-
Other liabilities		578,558

#### Total current liabilities

10,729,415

See independent auditors' report.



**CHICO STATE ENTERPRISES**

Other Information (for inclusion in the California State University)

June 30, 2021

## Schedule of Net Position, continued

**Noncurrent liabilities:**

Accrued compensated absences, net of current portion	131,887
Unearned revenues	-
Grants refundable	-
Capital lease obligations, net of current portion	-
Long-term debt obligations, net of current portion	2,033,879
portion	-
Depository accounts	-
Net other postemployment benefits liability	951,314
Net pension liability	-
Other liabilities	374,425
<b>Total noncurrent liabilities</b>	<b>3,491,505</b>
<b>Total liabilities</b>	<b>14,220,920</b>

**Deferred inflows of resources:**

Service concession arrangements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Others	-
<b>Total deferred inflows of resources</b>	<b>-</b>

**Net position:**

Net investment in capital assets	7,596,196
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	3,213,137
Loans	-
Capital projects	-
Debt service	-
Others	13,232,314
Unrestricted	8,907,510
<b>Total net position</b>	<b>\$ 32,949,157</b>

See independent auditors' report.

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# CHICO STATE ENTERPRISES

Other Information (for inclusion in the California State University)

June 30, 2021

## Schedule of Revenues, Expenses, and Changes in Net Position

### Revenues:

#### Operating revenues:

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

#### Grants and contracts, noncapital:

Federal	27,962,072
State	7,426,202
Local	1,421,034
Nongovernmental	2,210,591
Sales and services of educational activities	2,211,943
Sales and services of auxiliary enterprises, gross	2,697,467
Scholarship allowances (enter as negative)	-
Other operating revenues	1,434,828

**Total operating revenues** 45,364,137

### Expenses:

#### Operating expenses:

Instruction	2,489,689
Research	3,174,429
Public service	25,478,468
Academic support	1,552,138
Student services	2,045,957
Institutional support	4,998,840
Operation and maintenance of plant	281,550
Student grants and scholarships	2,337,224
Auxiliary enterprise expenses	2,853,428
Depreciation and amortization	1,240,073

**Total operating expenses** 46,451,796

**Operating income (loss)** (1,087,659)

#### 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	2,767,550
Endowment income (loss), net	-
Interest expense	(73,025)
Other nonoperating revenues (expenses) - excl. interagency transfers	(26,021)

**Net nonoperating revenues (expenses)** 2,668,504

**Income (loss) before other revenues (expenses)** 1,580,845

State appropriations, capital	-
Grants and gifts, capital	420,027
Additions (reductions) to permanent endowments	-
<b>Increase (decrease) in net position</b>	<u>2,000,872</u>

#### Net position:

Net position at beginning of year, as previously reported	30,948,285
Restatements	-

**Net position at beginning of year, as restated** 30,948,285

**Net position at end of year** \$ 32,949,157

See independent auditors' report.

## CHICO STATE ENTERPRISES

Other Information (for inclusion in the California State University)

June 30, 2021

### 1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments	
All other restricted cash and cash equivalents	\$ -
<b>Noncurrent restricted cash and cash equivalents</b>	<b>-</b>
Current cash and cash equivalents	11,058,611
<b>Total</b>	<b>\$ 11,058,611</b>

### 2.1 Composition of investments:

Investment Type	Current	Noncurrent	Total
Money market funds	\$ 773	\$ -	\$ 773
Repurchase agreements			-
Certificates of deposit		253,814	253,814
U.S. agency securities			-
U.S. treasury securities			-
Municipal bonds			-
Corporate bonds			-
Asset backed securities			-
Mortgage backed securities			-
Commercial paper			-
Mutual funds		11,546,299	11,546,299
Exchange traded funds			-
Equity securities			-
Alternative investments:			
Private equity (including limited partnerships)		18,532	18,532
Hedge funds	621,653		621,653
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)	1,118,090		1,118,090
State of California Surplus Money Investment Fund (SMIF)			-
Other investments:			
Total Other investments	-	-	-
<b>Total investments</b>	<b>1,740,516</b>	<b>11,818,645</b>	<b>13,559,161</b>
Less endowment investments (enter as negative number)			-
<b>Total investments, net of endowments</b>	<b>\$ 1,740,516</b>	<b>\$ 11,818,645</b>	<b>\$ 13,559,161</b>

See independent auditors' report.

## CHICO STATE ENTERPRISES

Other Information (for inclusion in the California State University)

June 30, 2021

### 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	\$ 773	\$ 773	\$ -	\$ -	\$ -
Repurchase agreements	-				
Certificates of deposit	253,814		253,814		
U.S. agency securities	-				
U.S. treasury securities	-				
Municipal bonds	-				
Corporate bonds	-				
Asset backed securities	-				
Mortgage backed securities	-				
Commercial paper	-				
Mutual funds	11,546,299	11,546,299			
Exchange traded funds	-				
Equity securities	-				
Alternative investments:					
Private equity (including limited partnerships)	18,532			18,532	
Hedge funds	621,653				621,653
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)	1,118,090				1,118,090
State of California Surplus Money Investment Fund (SMIF)	-				
Other investments:					
Total Other investments	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total investments</b>	<b>\$ 13,559,161</b>	<b>\$ 11,547,072</b>	<b>\$ 253,814</b>	<b>\$ 18,532</b>	<b>\$ 1,739,743</b>

### 2.3 Investments held by the University under contractual agreements:

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

See independent auditors' report.

## CHICO STATE ENTERPRISES

### Other Information (for inclusion in the California State University)

June 30, 2021

#### 3.1 Composition of capital assets:

	Balance June 30, 2020	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2020 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2021
<b>Non-depreciable/Non-amortizable capital assets:</b>									
Land and land improvements	\$ 4,078,046.00				\$ 4,078,046		\$ (98,915)		\$ 3,979,131
Works of art and historical treasures	149,449				149,449	\$ 16,176	(72,085)		93,540
Construction work in progress (CWIP)	10,464				10,464		(10,464)		-
Intangible assets:									
Rights and easements					-				-
Patents, copyrights and trademarks					-				-
Intangible assets in progress (PWIP)					-				-
Licenses and permits					-				-
Other intangible assets:									
Total Other intangible assets	-	-	-	-	-	-	-	-	-
<b>Total intangible assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total non-depreciable/non-amortizable capital assets</b>	<b>\$ 4,237,959</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 4,237,959</b>	<b>\$ 16,176</b>	<b>\$ (181,464)</b>	<b>-</b>	<b>\$ 4,072,671</b>
<b>Depreciable/Amortizable capital assets:</b>									
Buildings and building improvements	8,613,229				8,613,229	15,876			8,629,105
Improvements, other than buildings					-				-
Infrastructure					-				-
Leasehold improvements					-				-
Personal property:									
Equipment	14,369,707				14,369,707	649,251	(50,475)		14,968,483
Library books and materials					-				-
Intangible assets:									
Software and websites					-				-
Rights and easements					-				-
Patents, copyrights and trademarks					-				-
Licenses and permits					-				-
Other intangible assets:									
Total Other intangible assets:	-	-	-	-	-	-	-	-	-
<b>Total intangible assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total depreciable/amortizable capital assets</b>	<b>22,982,936</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,982,936</b>	<b>665,127</b>	<b>(50,475)</b>	<b>-</b>	<b>23,597,588</b>
<b>Total capital assets</b>	<b>\$ 27,220,895</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 27,220,895</b>	<b>\$ 681,303</b>	<b>\$ (231,939)</b>	<b>-</b>	<b>\$ 27,670,259</b>

See independent auditors' report.

## CHICO STATE ENTERPRISES

### Other Information (for inclusion in the California State University)

June 30, 2021

#### Less accumulated depreciation/amortization:

Buildings and building improvements	(5,723,839)			(5,723,839)	(303,327)		(6,027,166)
Improvements, other than buildings				-			-
Infrastructure				-			-
Leasehold improvements				-			-
Personal property:							
Equipment	(10,992,500)			(10,992,500)	(936,746)	31,228	(11,898,018)
Library books and materials				-			-
Intangible assets:							
Software and websites				-			-
Rights and easements				-			-
Patents, copyrights and trademarks				-			-
Licenses and permits				-			-
Other intangible assets:							
Total Other intangible assets:	-	-	-	-	-	-	-
<b>Total intangible assets</b>	-	-	-	-	-	-	-
<b>Total accumulated depreciation/amortization</b>	<b>(16,716,339)</b>	-	-	<b>(16,716,339)</b>	<b>(1,240,073)</b>	<b>31,228</b>	<b>(17,925,184)</b>
<b>Total capital assets, net</b>	<b>\$ 10,504,556</b>	-	-	<b>\$ 10,504,556</b>	<b>\$ (558,770)</b>	<b>\$ (200,711)</b>	<b>- \$ 9,745,075</b>

#### 3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense related to capital assets	\$ 1,240,073
Amortization expense related to other assets	
<b>Total depreciation and amortization</b>	<b>\$ 1,240,073</b>

#### 4 Long-term liabilities:

	Balance June 30, 2020	Prior Period Adjustments/Reclassifications	Balance June 30, 2020 (Restated)	Additions	Reductions	Balance June 30, 2021	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 602,710		\$ 602,710	\$ 583,956	\$ (453,960)	\$ 732,706	\$ 600,819	\$ 131,887
2. Claims liability for losses and loss adjustment expenses	-		-			-	-	-
3. Capital lease obligations:								
Gross balance	-		-			-	-	-
Unamortized net premium/(discount)	-		-			-	-	-
<b>Total capital lease obligations</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

See independent auditors' report.

## CHICO STATE ENTERPRISES

### Other Information (for inclusion in the California State University)

June 30, 2021

#### 4. Long-term debt obligations:

4.1 Auxiliary revenue bonds (non-SRB related)	\$	-	-	-	\$	-	-	-
4.2 Commercial paper		-	-	-		-	-	-
4.3 Notes payable (SRB related)		1,990,000	1,990,000	(110,000)		1,880,000	115,000	1,765,000
4.4 Others:								
Total others		-	-	-		-	-	-
Sub-total long-term debt	\$	1,990,000	1,990,000	(110,000)	\$	1,880,000	115,000	1,765,000
4.5 Unamortized net bond premium/(discount)		292,604	292,604	(23,725)		268,879	-	268,879
Total long-term debt obligations		2,282,604	2,282,604	(133,725)		2,148,879	115,000	2,033,879
Total long-term liabilities	\$	2,885,314	2,885,314	583,956	(587,685)	2,881,585	715,819	2,165,766

#### 5 Capital lease obligations schedule:

	Capital lease obligations related to SRB			All other capital lease obligations			Total capital lease obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2022			-			-			-
2023			-			-			-
2024			-			-			-
2025			-			-			-
2026			-			-			-
2027 - 2031			-			-			-
2032 - 2036			-			-			-
2037 - 2041			-			-			-
2042 - 2046			-			-			-
2047 - 2051			-			-			-
Thereafter			-			-			-
Total minimum lease payments	\$	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
Present value of future minimum lease payments									-
Unamortized net premium/(discount)									-
Total capital lease obligations									-
Less: current portion									-
Capital lease obligations, net of current portion									\$ -

See independent auditors' report.

## CHICO STATE ENTERPRISES

### Other Information (for inclusion in the California State University)

June 30, 2021

#### 6 Long-term debt obligations schedule:

	Auxiliary revenue bonds (non-SRB related)			All other long-term debt obligations			Total long-term debt obligations		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
<b>Year ending June 30:</b>									
2022	-	\$	115,000	\$	91,125	\$	206,125	\$	206,125
2023	-		125,000		85,125		210,125		210,125
2024	-		130,000		78,750		208,750		208,750
2025	-		135,000		72,125		207,125		207,125
2026	-		145,000		65,125		210,125		210,125
2027 - 2031	-		835,000		207,375		1,042,375		1,042,375
2032 - 2036	-		395,000		19,875		414,875		414,875
2037 - 2041	-		-		-		-		-
2042 - 2046	-		-		-		-		-
2047 - 2051	-		-		-		-		-
Thereafter	-		-		-		-		-
<b>Total minimum payments</b>	<b>\$</b>	<b>-</b>	<b>-</b>	<b>\$</b>	<b>1,880,000</b>	<b>\$</b>	<b>619,500</b>	<b>\$</b>	<b>2,499,500</b>
Less: amounts representing interest									(619,500)
<b>Present value of future minimum payments</b>									<b>1,880,000</b>
Unamortized net premium/(discount)									268,879
<b>Total long-term debt obligations</b>									<b>2,148,879</b>
Less: current portion									(115,000)
<b>Long-term debt obligations, net of current portion</b>									<b>\$ 2,033,879</b>

#### 7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$	2,328,893
Payments to University for other than salaries of University personnel		1,598,386
Payments received from University for services, space, and programs		2,888,388
Gifts-in-kind to the University from discretely presented component units		-
Gifts (cash or assets) to the University from discretely presented component units		277,153
Accounts (payable to) University		(99,018)
Other amounts (payable to) University		-
Accounts receivable from University		12,960
Other amounts receivable from University		-

See independent auditors' report.



# CHICO STATE ENTERPRISES

## Other Information (for inclusion in the California State University)

June 30, 2021

### 8 Restatements

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

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

### 9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	\$ 1,221,056	\$ 470,040	-	-	-	798,593	-	\$ 2,489,689
Research	1,542,811	325,974	-	-	-	1,305,644	-	3,174,429
Public service	8,736,123	3,143,957	-	-	-	13,598,388	-	25,478,468
Academic support	937,243	184,458	-	-	-	430,437	-	1,552,138
Student services	1,177,722	374,623	-	-	-	493,612	-	2,045,957
Institutional support	2,354,565	1,088,273	-	-	-	1,556,002	-	4,998,840
Operation and maintenance of plant	-	-	-	-	-	281,550	-	281,550
Student grants and scholarships	-	-	-	-	\$ 2,337,224	-	-	2,337,224
Auxiliary enterprise expenses	286,225	89,514	-	-	-	2,477,689	-	2,853,428
Depreciation and amortization	-	-	-	-	-	-	\$ 1,240,073	1,240,073
<b>Total operating expenses</b>	<b>\$ 16,255,745</b>	<b>\$ 5,676,839</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,337,224</b>	<b>\$ 20,941,915</b>	<b>\$ 1,240,073</b>	<b>\$ 46,451,796</b>

### 10 Deferred outflows/inflows of resources:

#### 1. Deferred Outflows of Resources

Deferred outflows - unamortized loss on refunding(s)

Deferred outflows - net pension liability

Deferred outflows - net OPEB liability

182,799

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**

**\$ 182,799**

#### 2. Deferred Inflows of Resources

Deferred inflows - service concession arrangements

Deferred inflows - net pension liability

Deferred inflows - net OPEB liability

-

Deferred inflows - unamortized gain on debt refunding(s)

Deferred inflows - nonexchange transactions

Deferred inflows - 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**

**\$ -**

### 11 Other nonoperating revenues (expenses)

Other nonoperating revenues

Other nonoperating (expenses)

(26,021)

**Total other nonoperating revenues (expenses)**

**\$ (26,021)**

See independent auditors' report.

**CHICO STATE ENTERPRISES**  
**Schedule of Expenditures of Federal Awards**  
Year Ended June 30, 2021

<u>Assistance Listing No.</u>	<u>Project</u>	<u>Project Description</u>	<u>FIRM CODE</u>	<u>CONTRACT NUMBER</u>	<u>FY20-21 FEDERAL EXPENDITURES</u>
<b>Department of Agriculture</b>					
<b>Direct Awards - Research and Development</b>					
10.326	SP6081601	RAD Lab	200	2019-08154-2009	\$ 77,700.21
10.903	SP6076901	REGIONAL SOIL HEALTH ASSMNT	200	68-3A75-18-012	4,899.06
<b>Sub-Total Research and Development Direct Awards</b>					<b>82,599.27</b>
<b>Direct Awards</b>					
10.175	SP6081001	Local Producer Marketing TAF	300	AM190100XXXXG088	100,635.96
10.351	SP6078601	Very Rural Broadband Partnersh	300	759063088	33,917.33
10.699	SP6078401	Recreation Site Management	300	18-PA-11052009-068	341,927.52
10.699	SP6080401	CESU: NVUM	300	19-CS-11052009-032	328,068.26
10.868	SP6079601	Energy Efficiency & Renewable	300	759063088	33,644.65
10.CNT	SP6064101	NURTURING THE PROMISE	300	14-CS-11052009-027	100,472.52
10.XXX	SP6077301	5 ADDTL COMMUNITIES AND ANALY	300	15-CS-11052006-070	0.01
<b>Sub-Total Direct Awards</b>					<b>938,666.25</b>
<b>Pass Through Awards</b>					
CA Dept Of Food & Agriculture					
10.170	SP6476301	USDA Fababean Germplasm	200	18-0001-015-SC	69,433.77
10.170	SP6490401	CDFA Nutrient Mgt w Cover Crop	200	20-0001-037-SF	4,115.14
<b>Sub-Total Pass Through Awards, CA Dept of Food &amp; Agriculture</b>					<b>73,548.91</b>
CA Dept Of Food & Agriculture					
10.170	SP6490201	North State Farm to School	300	20-0001-022-SF	58,469.56
<b>Sub-Total Pass Through Awards, CA Dept of Food &amp; Agriculture</b>					<b>58,469.56</b>
Montana State University					
10.215	SP6481701	Potential Economic & Nitrogen	200	G119-20-W7500	86,729.80
<b>Sub-Total Pass Through Awards, Montana State University</b>					<b>86,729.80</b>
Ecology Center (Berkeley)					
10.331	SP6467801	ECOLOGY CENTER MARKET MATCH	300	DTD 08/10/2017	(84.84)
10.331	SP6474501	Ecology Center Mkt Mch 18/19	300	Y2 Amd 1	0.07
10.331	SP6483601	Ecology Center Market Match Y1	300	SP-19-339	52,814.01
10.331	SP6483602	Ecology Center Market Match Y2	300	SP-19-339	55,494.28
<b>Sub-Total Pass Through Awards, Ecology Center (Berkeley)</b>					<b>108,223.52</b>
CA Dept Of Social Services					
10.561	SP6476102	CA Far North & Higher Ed CFO	300	18-7015	758,613.96
10.561	SP6476103	CA Far Nor. & High Ed CFO 2021	300	18-7015	2,774,618.76
10.561	SP6476402	CDSS Multi Services	300	18-3031	11,075.28
<b>Sub-Total, SNAP Cluster, Pass Through Awards, CA Dept of Public Health</b>					<b>3,544,308.00</b>
CA Dept Of Aging					
10.561	SP6481301	CalFresh Expansion-Passages 19	300	CF-1920-03	968.36
10.561	SP6481302	CalFresh Expansion-CHC 19/20	300	CF-1920-03	1,905.75
10.561	SP6482501	SNAP-Ed PSA2 19/20	300	SP-1920-03	16,698.72
10.561	SP6482601	SNAP-Ed PSA3 19/20	300	SP-1920-03	22,665.79
10.561	SP6489101	SNAP-Ed PSA2 20/21	300	SP-2021-03	72,112.23
10.561	SP6489201	SNAP-Ed PSA3 20/21	300	SP-2021-03	67,399.18
<b>Sub-Total, SNAP Cluster, Pass Through Awards, CA Dept of Aging</b>					<b>181,750.03</b>

**CHICO STATE ENTERPRISES**  
**Schedule of Expenditures of Federal Awards**  
Year Ended June 30, 2021

<u>Assistance Listing No.</u>	<u>Project</u>	<u>Project Description</u>	<u>FIRM CODE</u>	<u>CONTRACT NUMBER</u>	<u>FY20-21 FEDERAL EXPENDITURES</u>
CA Dept Of Public Health					
10.561	SP6482801	SNAP-ED COLUSA SUBVENTION Y1	300	19-10354	17,517.32
10.561	SP6482802	SNAP-ED GLENN SUBVENTION Y1	300	19-10354	29,228.98
10.561	SP6482803	SNAP-ED YUBA SUBVENTION Y1	300	19-10354	48,502.88
10.561	SP6482804	SNAP-ED COLUSA SUBVENTION Y2T1	300	19-10354	86,750.43
10.561	SP6482805	SNAP-ED GLENN SUBVENTION Y2T2	300	19-10354	100,949.38
10.561	SP6482806	SNAP-ED YUBA SUBVENTION Y2T3	300	19-10354	112,814.21
10.561	SP6485201	SNAP-ED on CSU Campuses	300	19-10818	293,945.44
10.561	SP6485202	SNAP-ED on CSU Campuses	300	19-10818	679,615.07
<b>Sub-Total, SNAP Cluster, Pass Through Awards, CA Dept of Public Health</b>					<b>1,369,323.71</b>
Siskiyou County Health & Human Services Agency, Public Health Division					
10.561	SP6483101	Siskiyou County SNAP-Ed SubK	300	SP-19-306	1,903.29
10.561	SP6483102	Siskiyou County SNAP-Ed 20/21	300	SP-19-306	16,060.62
<b>Sub-Total, SNAP Cluster, Pass Through Awards, Siskiyou Co. Health &amp; Human Svcs. Agency, Pub Health Div</b>					<b>17,963.91</b>
Tehama County					
10.561	SP6484301	Tehama County SNAP-Ed 19/20	300	069PA20 / SP-19-305	10,609.21
<b>Sub-Total, SNAP Cluster, Pass Through Awards, Tehama County</b>					<b>10,609.21</b>
Uc Davis					
10.912	SP6476701	Vegetable Cropping Systems	200	A19-1144-S001	50,289.45
<b>Sub-Total Pass Through Awards, UC Davis</b>					<b>50,289.45</b>
<b>Total Research and Development Direct Awards</b>					<b>82,599.27</b>
<b>Total Direct Awards</b>					<b>938,666.25</b>
<b>Total Research and Development Pass Through Awards</b>					<b>210,568.16</b>
<b>Total Pass Through Awards</b>					<b>166,693.08</b>
<b>Total SNAP Cluster Pass Through Awards</b>					<b>5,123,954.86</b>
<b>Total Department of Agriculture</b>					<b>6,522,481.62</b>
<b>Department of Commerce</b>					
<b>Direct Awards</b>					
11.303	SP6078803	EDA University Center 20/21	300	ED17SEA3030036	79,458.48
11.303	SP6078903	EDA Univ Center 20/21-Fresno	300	ED17SEA3030036	79,485.00
<b>Sub-Total Direct Awards</b>					<b>158,943.48</b>
11.307	SP6077001	N.CA BROADBAND PLAN EDA Y1 18	300	07-79-07431	97,611.43
11.307	SP6081901	COVID-19 - EDA Univ Cntr CARES 2020	300	ED20SEA3070053	74,231.88
11.307	SP6082001	COVID-19 - EDA Univ Cntr CARES Fresno	300	ED20SEA3070053	75,000.00
<b>Sub-Total, Economic Development Cluster, Direct Awards</b>					<b>246,843.31</b>
<b>Pass Through Awards</b>					
California Manufacturing Techn					
11.611	SP6475601	CMTC MEP 18-19	300	70NANB16H208	(467.05)
11.611	SP6483501	CMTC Technical Assist 2020	300	70NANB16H208	30,888.22
11.611	SP6489701	CMTC Technical Assist 2021	300	70NANB16H208	62,741.45
<b>Sub-Total Pass Through Awards, CA Manufacturing Tech Consulting</b>					<b>93,162.62</b>

**CHICO STATE ENTERPRISES**  
**Schedule of Expenditures of Federal Awards**  
Year Ended June 30, 2021

<u>Assistance Listing No.</u>	<u>Project</u>	<u>Project Description</u>	<u>FIRM CODE</u>	<u>CONTRACT NUMBER</u>	<u>FY20-21 FEDERAL EXPENDITURES</u>
	<b>Total Direct Awards</b>				158,943.48
	<b>Total Economic Development Cluster Other Direct Awards</b>				246,843.31
	<b>Total Pass Through Awards</b>				93,162.62
<b>Total Department of Commerce</b>					<b>498,949.41</b>
<b>Department of Defense</b>					
	<b>Direct Awards - Research and Development</b>				
12.300	SP6079301	High Speed Cost Effect Sim Y1	200	N00014-19-1-2056	142,653.68
12.300	SP6079401	High Speed Simulation & Design	200	N00014-19-1-2055	118,250.91
	<b>Sub-Total Research and Development Direct Awards</b>				<b>260,904.59</b>
	<b>Pass Through Awards</b>				
	SNA International				
12.XXX	SP6482401	STABLE ISOTOPE ANALYSIS	200	DPAA001	45,392.84
	<b>Sub-Total Pass Through Awards, SNA International</b>				<b>45,392.84</b>
	<b>Total Research and Development Direct Awards</b>				260,904.59
	<b>Total Research and Development, Pass Through Awards</b>				45,392.84
<b>Total Department of Defense</b>					<b>306,297.43</b>
<b>Department of Interior</b>					
	<b>Direct Awards - Research and Development</b>				
15.533	SP6081701	Modeling Effects of Wildfire	200	R20AC00111	13,251.42
15.533	SP6076801	MERCURY TRANS/TANSPORT WILDFIR	200	R18AC00005	552.25
15.933	SP6080501	JACS: ALASKA AT TULE LAKE	200	P19AP00224	13,853.61
	<b>Sub-Total Research and Development Direct Awards</b>				<b>27,657.28</b>
	<b>Direct Awards</b>				
15.512	SP6069601	USBR SIDE CHNNLS RESTOR-SRCAF	300	R16AC00099	213,750.67
15.512	SP6072201	USBR SIDE CHNNLS RESTOR-GIC	300	R16AC00099	185,616.08
15.512	SP6072301	USBR SIDE CHNNLS RESTOR-BANET	300	R16AC00099	118,427.66
15.512	SP6072501	USBR SIDE CHNNLS RESTOR-ABL	300	R16AC00099	3,120.25
15.512	SP6072601	USBR SIDE CHNNLS RESTOR-SUBKS	300	R16AC00099	4,760,609.36
15.670	SP6079901	National Wildlife Refuge Data	300	140F0119P0098	26,269.11
15.945	SP6080801	Stream Condition Monitoring-Me	300	P19AC01202	37,550.93
	<b>Sub-Total Direct Awards</b>				<b>5,345,344.06</b>
	<b>Pass Through Awards</b>				
	CA Dept Of Parks & Recreation				
15.904	SP6482101	OHP 2018-2019	300	C8963507	(2.86)
15.904	SP6485301	OHP Annual Grant FFY19-20	300	C8964508	1,002.26
	<b>Sub-Total Pass Through Awards, CA Dept of Parks &amp; Recreation</b>				<b>999.40</b>
	Cal Poly San Luis Obispo				
N/A	SP6468001	H2O CONS TECH ASST 1718 Y3T1	300	2015-11-48729 amd 5	(0.01)
N/A	SP6468101	H2O CONS TECH ASST 1718 Y3T3	300	2015-11-48729 amd 5	259.34
N/A	SP6475503	H2O Cons Tech Asst 18/19 Y4 T3	300	2015-11-48729 amd 5	(6.30)
N/A	SP6475504	H2O Cons Tech Asst 19/20 Y5 T1	300	2015-11-48729 amd 5	31,344.91
N/A	SP6475505	H2O Cons Tech Asst 19/20 Y5 T3	300	2015-11-48729 amd 5	59,853.13
	<b>Sub-Total Pass Through Awards, Cal Poly Corporation</b>				<b>91,451.07</b>

**CHICO STATE ENTERPRISES**  
**Schedule of Expenditures of Federal Awards**  
Year Ended June 30, 2021

<u>Assistance Listing No.</u>	<u>Project</u>	<u>Project Description</u>	<u>FIRM CODE</u>	<u>CONTRACT NUMBER</u>	<u>FY20-21 FEDERAL EXPENDITURES</u>
		<b>Total Research and Development Direct Awards</b>			27,657.28
		<b>Total Direct Awards</b>			5,345,344.06
		<b>Total Pass Through Awards</b>			92,450.47
<b>Total Department of Interior</b>					<b>5,465,451.81</b>
<b>Department of Justice Bureau of Justice Assistance</b>					
<b>Direct Awards - Research and Development</b>					
16.560	SP6073501	HUMAN REMAINS SEARCH PARAMETER	200	2016-DN-BX-0159	31,749.60
16.560	SP6074101	HUMAN REMAINS SEARCH - FACULTY	200	2016-DN-BX-0159	137.46
<b>Sub-Total Research and Development Direct Awards</b>					<b>31,887.06</b>
<b>Pass Through Awards</b>					
Butte County					
16.738	SP6487901	Butte County Local Eval. Plan	300	20-135	4,450.90
16.738	SP6490901	Butte Co. LEP 20/21	300	X24122	9,416.18
<b>Sub-Total Pass Through Awards, Butte County</b>					<b>13,867.08</b>
<b>Total Research and Development Direct Awards</b>					<b>31,887.06</b>
<b>Total Pass Through Awards</b>					<b>13,867.08</b>
<b>Total Department of Justice Bureau of Justice Assistance</b>					<b>45,754.14</b>
<b>Department of Labor</b>					
<b>Pass Through Awards</b>					
17.259	SP6490101	NCCC Summr Workforce Exp 20/21	300	20-23	5,917.24
<b>Sub-Total, WIOA Cluster, Pass Through Awards, North Central Counties Consortium</b>					<b>5,917.24</b>
<b>Total WIOA Cluster Pass Through Awards</b>					<b>5,917.24</b>
<b>Total Department of Labor</b>					<b>5,917.24</b>
<b>Department of State Bureau of Educational and Cultural Affairs</b>					
<b>Pass Through Awards</b>					
University of Montana					
19.401	SP6478201	University of Montana 2019	300	PG19-26933-01	(32.90)
19.401	SP6489501	Study of US Institutes	300	20107	45,820.81
<b>Sub-Total Pass Through Awards, University of Montana</b>					<b>45,787.91</b>
Int'l. Research & Exchanges Brd					
19.408	SP6483001	IREX-TEA Program 19/20	300	FY20-FTEA_CSU-01	1,027.99
<b>Sub-Total Pass Through Awards, Int'l Research &amp; Exchanges Brd</b>					<b>1,027.99</b>
<b>Total Pass Through Awards</b>					<b>46,815.90</b>
<b>Total Department of State Bureau of Educational and Cultural Affairs</b>					<b>46,815.90</b>
<b>Department of Transportation</b>					
<b>Pass Through Awards</b>					
Fehr & Peers, a California Corporation					
20.205	SP6482901	Post Campfire Pop & Trans Stud	300	SP-19-355	24,770.74
<b>Sub Total, Highway Planning and Construction Cluster, Pass Through Awards, Fehr &amp; Peers, a CA Corp.</b>					<b>24,770.74</b>
<b>Total Highway Planning and Construction Cluster Pass Through Awards</b>					<b>24,770.74</b>
<b>Total Department of Transportation</b>					<b>24,770.74</b>

**CHICO STATE ENTERPRISES**  
**Schedule of Expenditures of Federal Awards**  
Year Ended June 30, 2021

<u>Assistance Listing No.</u>	<u>Project</u>	<u>Project Description</u>	<u>FIRM CODE</u>	<u>CONTRACT NUMBER</u>	<u>FY20-21 FEDERAL EXPENDITURES</u>
<b>Department of the Treasury</b>					
<b>Pass Through Awards</b>					
Butte County					
21.019	SP6490001	COVID-19 - CARES Act - OLLI Stabil Prg	300	DTD 11-19-2020	29,333.50
<b>Sub-Total Pass Through Awards, Butte County</b>					29,333.50
<b>Total Pass Through Awards</b>					29,333.50
<b>Total Department of Transportation</b>					29,333.50
<b>National Endowment for the Arts</b>					
<b>Direct Awards</b>					
45.313	SP6081501	Western Rural Copy Ed Research	200	20060	69,687.05
<b>Sub-Total Direct Awards</b>					69,687.05
<b>Total Direct Awards</b>					69,687.05
<b>Total National Endowment for the Arts</b>					69,687.05
<b>National Science Foundation</b>					
<b>Direct Awards - Research and Development</b>					
47.041	SP6078701	NSF MRI: FTIR Spec Imaging Sys	200	1827134	14,371.30
47.041	SP6079701	NSF: RAPID	200	1917165	34,354.70
47.041	SP6080201	NSF: ACQUIST - OCT IMAGING SYS	200	1920345	445.58
47.041	SP6080301	NSF: ACQUIST - RAMAN SPECTROM	200	1920332	4,245.00
47.041	SP6082201	NSF: RAPID Collaborative Res	200	2101904	8,869.23
47.050	SP6079501	NSF: Mass Spectrometer Acquisi	200	1826807	12,377.55
47.074	SP6079801	NSF: RAPID - Camp Fire	200	1929912	4,300.71
47.076	SP6075101	NSF LEARNING PHYSICS	200	DUE-1726249	108,004.80
47.076	SP6077401	NSF NORCAL MAST NOYCE TRACK 1	200	1758522	163,981.36
47.076	SP6080001	NSF HDR: STEM EVAL & RSRCH	200	1928596	333,420.15
47.076	SP6080101	NSF: Geoscience Inquiry Labs	200	1933488	68,117.02
47.076	SP6081101	NSF: HSI IUUSE	200	1953751	392,270.04
47.076	SP6081201	NSF: Career	200	1944802	53,448.94
47.076	SP6081801	NSF: Engaged Student Learning	200	2021307	830.01
<b>Sub-Total Research and Development Direct Awards</b>					1,199,036.39
<b>Direct Awards</b>					
47.074	SP6077901	NSF Digitization TCN	100	1802182	1,267.73
<b>Sub-Total Direct Awards</b>					1,267.73
<b>Pass Through Awards</b>					
Univ Of Nevada - Reno					
47.041	SP6482201	NSF: UNR NEWIR Manure 19/20 Y1	200	UNR-20-19	49,667.87
<b>Sub-Total Pass Through Awards, University of Nevada - Reno</b>					49,667.87
Henry M. Jackson Fnd					
47.041	SP6483901	Rapid Calc Earthquake Rep Cost	200	SP-19-198	32,462.74
<b>Sub-Total Pass Through Awards, Henry M Jackson Fnd</b>					32,462.74

**CHICO STATE ENTERPRISES**  
**Schedule of Expenditures of Federal Awards**  
Year Ended June 30, 2021

<u>Assistance Listing No.</u>	<u>Project</u>	<u>Project Description</u>	<u>FIRM CODE</u>	<u>CONTRACT NUMBER</u>	<u>FY20-21 FEDERAL EXPENDITURES</u>
47.076	Univ Of Colorado SP6456601	SUSTAINED 2016 - BOULDER Y1	100	1553945	(3.38)
	<b>Sub-Total Pass Through Awards, Univ of Colorado</b>				<b>(3.38)</b>
47.076	Uc Berkeley SP6462701	FLP FOR STEM FAC DEV 1617 Y1	400	00009394 amd 2	325.98
	<b>Sub-Total Pass Through Awards, UC Berkeley</b>				<b>325.98</b>
47.076	Portland State University SP6482301	NSF: UNDERGRAD STUDENT TRANSIT	200	100112	34,609.89
	<b>Sub-Total Pass Through Awards, Portland State University</b>				<b>34,609.89</b>
47.076	Univ Enterprises (University Enterprises) SP6482702	LSAMP NSF FUNDS 19/20	100	553052	7,500.00
	<b>Sub-Total Pass Through Awards, University Enterprises, Inc., CSU Sacramento</b>				<b>7,500.00</b>
	<b>Total Research and Development Direct Awards</b>				<b>1,199,036.39</b>
	<b>Total Direct Awards</b>				<b>1,267.73</b>
	<b>Total Research and Development Pass Through Awards</b>				<b>116,740.50</b>
	<b>Total Pass Through Awards</b>				<b>7,822.60</b>
<b>Total National Science Foundation</b>					<b>1,324,867.22</b>
<b>Environmental Protection Agency Office of Research and Development</b>					
<b>Direct Awards - Research and Development</b>					
66.516	SP6077101	RESBL BIODGRDBL SLVNTS BIODSL	200	SV-83935101-0	3,993.75
	<b>Sub-Total Research and Development Direct Awards</b>				<b>3,993.75</b>
	<b>Total Research and Development Direct Awards</b>				<b>3,993.75</b>
<b>Total Environmental Protection Agency Office of Research and Development</b>					<b>3,993.75</b>
<b>Department of Education</b>					
<b>Direct Awards - Research and Development</b>					
84.305A	SP6078101	Assess Diff in Adult Learners	200	R305A180417	(1,171.12)
84.305A	SP6078102	Assess Diff in Adult Learners	200	R305A180417	1,171.11
84.305A	SP6078103	Assess Diff in Adult Learners	200	R305A180417	315,219.96
	<b>Sub-Total Research and Development Direct Awards</b>				<b>315,219.95</b>
<b>Direct Awards</b>					
84.031C	SP6076103	CHICO STEM CONN Y4 19/20	500	P031C160125	330,384.98
84.031C	SP6076104	CHICO STEM CONN Y5 20/21	500	P031C160125	622,523.57
84.031S	SP6080601	Adelante: A Pipeline Program f	400	P031S190332	188,348.37
84.031S	SP6080602	Adelante: A Pipeline Program f	400	P031S190332	359,301.31
84.299B	SP6076203	NORCAL PRIE II 19/20 Y4	100	S299B160013	27,054.03
84.325	SP6079101	Training Interdisc. Edu & Res	100	H325K180127-19	(320.43)
84.325	SP6079102	T.I.E.R. Y2 19/20	100	H325K180127-19	148,100.56
84.325	SP6079103	T.I.E.R. Y3 20/21	100	H325K180127-19	92,857.46
84.335A	SP6079002	Childcare Access Parents	300	P335A180211	36,171.88
84.335A	SP6079003	Childcare Access Parents	300	P335A180211	154,608.47
84.336S	SP6065601	PRISMSY1 14/15	100	U336S140023	(206.47)
84.336S	SP6065602	PRISMS Y5 18/19	100	U336S140023	13,535.23
84.336S	SP6080701	The CLASS Project	100	U336S190030	276,545.53
84.336S	SP6080702	The CLASS Project	100	U336S190030	672,190.88
84.365Z	SP6075703	CIELO EXPAND ENG LNR ED OP	300	T365Z170163	64,660.17
84.365Z	SP6075704	CIELO EXPAND ENG LNR ED OP	300	T365Z170163	428,005.45
	<b>Sub-Total Direct Awards</b>				<b>3,413,760.99</b>

**CHICO STATE ENTERPRISES**  
**Schedule of Expenditures of Federal Awards**  
Year Ended June 30, 2021

<u>Assistance Listing No.</u>	<u>Project</u>	<u>Project Description</u>	<u>FIRM CODE</u>	<u>CONTRACT NUMBER</u>	<u>FY20-21 FEDERAL EXPENDITURES</u>
<b>TRIO Cluster, Direct Awards</b>					
84.042A	SP6075503	SSSP Y5 2019/20	500	P042A150256 Act 7	49,921.52
84.042A	SP6082101	TRIO Student Support 20/21	500	P042A200376	225,939.11
84.044A	SP6075603	ETS I Y4 19/20	500	P044A160598	72,546.75
84.044A	SP6075604	ETS I Y5 20/21	500	P044A160598	310,269.78
84.044A	SP6075803	ED TALENT SEARCH II Y4 19/20	500	P044A160601	44,513.87
84.044A	SP6075804	ED TALENT SEARCH II Y5 20/21	500	P044A160601	190,099.80
84.047A	SP6077602	UPWARD BOUND I Y2 19/20	300	P047A180184	(27.15)
84.047A	SP6077603	UPWARD BOUND I Y3 20/21	300	P047A180184	613,175.56
84.047A	SP6077604	UPWARD BOUND I Y4 21/22	300	P047A180184	72,862.77
84.047A	SP6078303	Upward Bound II Y3 20/21	500	P047A180185	287,715.69
84.047M	SP6075903	UB MATH/SCIENCE Y3 19/20	500	P047M170193	84,154.73
84.047M	SP6075904	UB MATH/SCIENCE Y4 20/21	500	P047M170193	205,739.58
84.047M	SP6076003	UB STEM Y3 19/20	500	P047M170194	108,695.96
84.047M	SP6076004	UB STEM Y4 20/21	500	P047M170194	217,105.44
84.047M	SP6078302	Upward Bound II Y2 19/20	500	P047A180185	99,914.71
<b>Sub-Total, TRIO Cluster, Direct Awards</b>					<b>2,582,628.12</b>
<b>Pass Through Awards</b>					
CA Dept Of Education					
84.048A	SP6482001	Chico Ag Field Office 19-21 Y1	300	CN190123	17.50
84.048A	SP6482002	Chico Ag Field Office 19-21 Y2	300	CN190123	2,571.42
<b>Sub-Total Pass Through Awards, CA Dept of Education</b>					<b>2,588.92</b>
Four Winds Of Indian Education					
84.299A	SP6489301	WEAVING INDIGENOUS PERSPECT	300	NSP - BN - FY21	17,415.26
<b>Sub-Total Pass Through Awards, Four Winds of Indian Education</b>					<b>17,415.26</b>
Chico Unified School District					
84.366B	SP6449201	CAMSP - COHORT 12 15/16 Y1	300	S366B140005	5.52
<b>Sub-Total Pass Through Awards, Chico Unified School District</b>					<b>5.52</b>
Uc Regents/Office Of The President					
84.367A	SP6476801	Ca Reading Lit Project -ESSA18	300	ESSA-CRLP-CHICO	976.46
84.367A	SP6477501	ESSA Inland NorCal Sci Proj	300	ESSA-CSP-CHICO	166.08
84.367A	SP6477601	ESSA NorCal Art Proj 2019	300	ESSA18-TCAP-CHICO	202.19
84.367A	SP6481901	CA READING LIT PROJECT-ESSA	300	ESSA19-CRLP-CHICO	0.39
84.367A	SP6484001	NCLB INLAND N. SCI PJCT 17/18	300	ESSA-19-CSP-CHICO	10.07
84.367A	SP6484101	Chico Math Project 2019-20	300	ESSA19-CMP-CHICO	3,700.06
84.367A	SP6485601	CA READ LIT PROJ-ESSA 20/21	300	ESSA20-CRLP-Chico	43,626.83
84.367A	SP6490501	INLAND N. SCI PJCT 20/21	300	ESSA20-CSP-CHICO	35,671.52
84.367A	SP6490701	Chico Math Project 2020-21	300	ESSA20-CMP-CHICO	26,016.69
84.367A	SP6490801	N. CWP ESSA 20/21	300	ESSA20-CWP-CHICO	38,364.33
<b>Sub-Total Pass Through Awards, UC Regents/Office of the Pres</b>					<b>148,734.62</b>
Nat'L Writing Project					
84.411A	SP6478401	NWP i3 Scale Up Prof Dev 19/20	300	92-CA04-2019i3C3WP	23,840.51
84.411A	SP6485101	NCWP I3 Scale-up	300	20-309	112,845.76
<b>Sub-Total Pass Through Awards, National Writing Project</b>					<b>136,686.27</b>



**CHICO STATE ENTERPRISES**  
**Schedule of Expenditures of Federal Awards**  
Year Ended June 30, 2021

<u>Assistance Listing No.</u>	<u>Project</u>	<u>Project Description</u>	<u>FIRM CODE</u>	<u>CONTRACT NUMBER</u>	<u>FY20-21 FEDERAL EXPENDITURES</u>
84.424	CA Dept Of Education				
	SP6488201	NOR-CAL ELC	100	15665-AA05-00	838,378.67
	<b>Sub-Total Pass Through Awards, CA Dept of Education</b>				<b>838,378.67</b>
	<b>Total Research and Development Direct Awards</b>				<b>315,219.95</b>
	<b>Total Direct Awards</b>				<b>3,413,760.99</b>
	<b>Total TRIO Cluster Direct Awards</b>				<b>2,582,628.12</b>
	<b>Total Pass Through Awards</b>				<b>1,143,809.26</b>
<b>Total Department of Education</b>					<b>7,455,418.32</b>
<b>Department of Health and Human Services</b>					
<b>Direct Awards - Research and Development</b>					
93.847	SP6071801	NIH - MICRO RNA-375 AND CREM	200	2R15DK088281-02A1	42,741.28
93.847	SP6075001	NIH STEMCELL GENERATION RSRCH	200	1R15DK114732-01	68,427.29
	<b>Sub-Total Research and Development Direct Awards</b>				<b>111,168.57</b>
<b>Pass Through Awards</b>					
CA Dept Of Aging					
93.041	SP6486901	7B ELDER ABUSE 20/21	300	AP-2021-03	8,798.49
	<b>Sub-Total Federal \$ Aging Cluster Pass Through Awards, CA Dept of Aging</b>				<b>8,798.49</b>
CA Dept Of Aging					
93.042	SP6486703	7A OMBUDSMAN 20/21	300	AP-2021-03	39,416.52
93.042	SP6488701	COVID-19 - CARES 7A OMB 20/21	300	CK #09-219513 CARES-03	3,933.18
	<b>Sub-Total Federal \$ Aging Cluster Pass Through Awards, CA Dept of Aging</b>				<b>43,349.70</b>
PSA2 Area Agency On Aging					
93.043	SP6468201	PSA2 3D HEALTH PROMO 17/18	300	6002-1920-A12	0.38
93.043	SP6481801	PSA 2 IIID Health Promotion	300	6002-1920-A12	61.98
93.043	SP6491101	PSA 2 IIID Health Promotion	300	6002-2021-A12	11,637.74
	<b>Sub-Total Federal \$ Pass Through Awards, PSA2 Area Agency of Aging CA Dept of Aging</b>				<b>11,700.10</b>
CA Dept Of Aging					
93.043	SP6487001	3D DISEASE PREVENTION 20/21	300	AP-2021-03	15,666.29
	<b>Sub-Total Federal \$ Aging Cluster Pass Through Awards, CA Dept of Aging</b>				<b>15,666.29</b>
CA Dept Of Aging					
93.044	SP6479001	AP ADMIN 19/20	300	AP-1920-03	34.74
93.044	SP6479401	3B INFO & ASSIST 19/20	300	AP-1920-03	(3,347.34)
93.044	SP6479501	3B PUBLIC INFO 19/20	300	AP-1920-03	5,692.50
93.044	SP6479701	3B COMMUNITY EDUC 19/20	300	AP-1920-03	3,325.38
93.044	SP6479801	3B SENIOR COMPANION 19/20	300	AP-1920-03	(151.28)
93.044	SP6479901	3B & 7A OMBUDSMAN 19/20	300	AP-1920-03	(79.56)
93.044	SP6485801	AP ADMIN 20/21	300	AP-2021-03	170,692.18
93.044	SP6485901	3B HOME MAKER 20/21	300	AP-2021-03	4,129.40
93.044	SP6486201	3B INFO & ASSIST 20/21	300	AP-2021-03	193,236.14
93.044	SP6486301	3B PUBLIC INFO 20/21	300	AP-2021-03	18,413.65
93.044	SP6486501	3B COMMUNITY EDUC 20/21	300	AP-2021-03	0.02
93.044	SP6486601	3B SENIOR COMPANION 20/21	300	AP-2021-03	11,365.18
93.044	SP6486702	3B OMBUDSMAN 20/21	300	AP-2021-03	30,773.86
93.044	SP6487401	3B SUBCONTRACTS 20/21	300	AP-2021-03	192,702.00
93.044	SP6487801	AP ED DISTRIBUTION 20/21	300	AP-2021-03	410.52
93.044	SP6488401	COVID-19 - CARES 3B Direct 20/21	300	CK #09-219663 CARES-03	5,528.97
93.044	SP6488402	COVID-19 - CARES 3B Phone Buddies 20/21	300	CK #09-219663 CARES-03	66,731.99
	<b>Sub-Total Federal \$ Aging Cluster Pass Through Awards, CA Dept of Aging</b>				<b>699,458.35</b>

**CHICO STATE ENTERPRISES**  
**Schedule of Expenditures of Federal Awards**  
Year Ended June 30, 2021

<u>Assistance Listing No.</u>	<u>Project</u>	<u>Project Description</u>	<u>FIRM CODE</u>	<u>CONTRACT NUMBER</u>	<u>FY20-21 FEDERAL EXPENDITURES</u>
CA Dept Of Aging					
93.045	SP6480401	3C1 DIRECT SERVICES 19/20	300	AP-1920-03	(3,867.02)
93.045	SP6480501	3C2 DIRECT SERVICES 19/20	300	AP-1920-03	(4,004.96)
93.045	SP6484501	DIRECT FFCRA 3C1	300	CK #09-215722 FFCRA-03	7,357.90
93.045	SP6484601	DIRECT FFCRA 3C2	300	CK #09-215722 FFCRA-03	27,978.93
93.045	SP6484701	SUBK FFCRA 3C1	300	CK #09-215722 FFCRA-03	59,311.45
93.045	SP6484801	SUBK FFCRA 3C1	300	CK #09-215722 FFCRA-03	121,599.11
93.045	SP6487202	3C1 DIRECT 20/21	300	AP-2021-03	73,682.89
93.045	SP6487302	3C2 DIRECT 20/21	300	AP-2021-03	37,341.44
93.045	SP6487502	3C1 SUBK FED 20/21	300	AP-1920-03	322,476.84
93.045	SP6487602	3C2 SUBK 20/21	300	AP-2021-03	172,834.16
93.045	SP6488501	COVID-19 - CARES 3C2 Direct 20/21	300	CK #09-219663 CARES-03	102,752.76
93.045	SP6488801	COVID-19 - CARES 3C Subk 20/21	300	CK #09-219663 CARES-03	183,423.23
<b>Sub-Total Federal \$ Aging Cluster Pass Through Awards, CA Dept of Aging</b>					<b>1,100,886.73</b>
CA Dept Of Aging					
93.052	SP6488601	COVID-19 - CARES 3E Direct 20/21	300	CK #09-219663 CARES-03	111,238.51
<b>Sub-Total Federal \$ Aging Cluster Pass Through Awards, CA Dept of Aging</b>					<b>111,238.51</b>
CA Health Advocates					
93.048	SP6490301	Senior Medicare Patrol 20/21	300	90MPPG0019-03-00	995.00
<b>Sub-Total Pass Through Awards, CA Health Advocates</b>					<b>995.00</b>
CA Dept Of Aging					
93.052	SP6480301	3E FCSP 19/20	300	AP-1920-03	(80.04)
93.052	SP6487101	3E FCSP 20/21	300	AP-2021-03	208,456.95
<b>Sub-Total Federal \$ Pass Through Awards, CA Dept of Aging</b>					<b>208,376.91</b>
PSA2 Area Agency On Aging					
93.052	SP6488301	PSA2 3E FCSP 20/21	300	6001-2021-A12	83,881.57
<b>Sub-Total Federal \$ Pass Through Awards, PSA2 Area Agency of Aging CA Dept of Aging</b>					<b>83,881.57</b>
CA Dept Of Aging					
93.053	SP6487203	3C1 Direct NSIP 20/21	300	AP-2021-03	10,502.73
93.053	SP6487303	3C2 DIRECT NSIP 20/21	300	AP-2021-03	18,722.20
93.053	SP6487503	3C1 SUBK NSIP 20/21	300	AP-2021-03	25,461.88
93.053	SP6487504	3C1 SUBK STATE 20/21	300	AP-2021-03	107,989.00
93.053	SP6487603	3C2 SUBK NSIP 20/21	300	AP-2021-03	43,907.12
93.053	SP6487604	3C2 SUBK STATE 20/21	300	AP-2021-03	203,702.00
<b>Sub-Total Federal \$ Aging Cluster Pass Through Awards, CA Dept of Aging</b>					<b>410,284.93</b>
CA Dept Of Aging					
93.071	SP6477902	MIPPA 2018 - 2020	300	MI-1819-03	(1,129.16)
93.071	SP6477903	MIPPA 2018 - 2020	300	MI-1819-03	1,734.40
93.071	SP6491001	MIPPA SFY 2020-2021	300	MI-2021-03	13,546.61
<b>Sub-Total Federal \$ Pass Through Awards, CA Dept of Aging</b>					<b>14,151.85</b>

**CHICO STATE ENTERPRISES**  
**Schedule of Expenditures of Federal Awards**  
Year Ended June 30, 2021

<u>Assistance Listing No.</u>	<u>Project</u>	<u>Project Description</u>	<u>FIRM CODE</u>	<u>CONTRACT NUMBER</u>	<u>FY20-21 FEDERAL EXPENDITURES</u>
National Council On Aging					
93.071	SP6476601	North State Benefit Enrollment	300	SP-19-086	6,500.53
93.071	SP6483801	NCOA NSBEC 2020	300	SP-20-098	21,423.88
93.071	SP6489601	BEC Sustainability Grant	300	SP-21-070	38,786.36
<b>Sub-Total Federal \$ Pass Through Awards, National Council on Aging</b>					<b>66,710.77</b>
University of North Carolina at Chapel Hill					
93.307	SP6484901	ROLE OF HEALTH CENTERS/DUAL EL	200	5115734	69,161.80
<b>Sub-Total Pass Through Awards, University of North Carolina at Chapel Hill</b>					<b>69,161.80</b>
CA Dept Of Aging					
93.324	SP6481101	HICAP PROGRAM 19/20	300	HI-1718-03	(3,421.91)
93.324	SP6488104	HICAP FED PROGRAM 20/21	300	HI-2021-03	74,844.68
<b>Sub-Total Federal \$ Pass Through Awards, CA Dept of Aging</b>					<b>71,422.77</b>
CA Dept Of Public Health					
93.439	SP6477801	SPAN Grant - Colusa & Glenn	300	18-10550	(2.81)
93.439	SP6477802	SPAN Grant-Colusa & Glenn 1920	300	18-10550	4,001.94
93.439	SP6477803	SPAN Grant-Colusa & Glenn 2021	300	18-10550	36,977.70
<b>Sub-Total Pass Through Awards, CA Dept of Public Health</b>					<b>40,976.83</b>
CA Dept Of Social Services					
93.558	SP6478701	CALWORKS 19-20 Y2	300	18-3027	87,417.90
93.558	SP6478702	CALWORKS 19-20 Y3	300	18-3027	43,485.90
93.558	SP6489001	CalWORKS Fam Plan 20-22	300	20-3040	2,856.79
93.558	SP6489002	CalWORKS Fam Plan 20-22	300	20-3040	326,867.31
<b>Sub-Total, TANF Cluster, Pass Through Awards, CA Dept of Social Services</b>					<b>460,627.90</b>
Community Action Agency Butte					
93.569	SP6489401	Food Rescue Project	300	20F-3501-FRC	49,043.83
<b>Sub-Total Pass Through Awards, Community Action Agency Butte</b>					<b>49,043.83</b>
UC Berkeley					
93.658	SP6473902	Title IV-E Chld	100	9911	24,846.62
93.658	SP6485401	Title IV-E Chl Wif 20-22	100	#00010496	1,334,979.96
<b>Sub-Total Pass Through Awards, UC Berkeley</b>					<b>1,359,826.58</b>
CA Dept Of Aging					
93.778	SP6478501	MSSP CMS-ADMIN 19/20	300	MS-1920-10	(1,722.70)
93.778	SP6478503	MSSP WAIVED SVCS 19/20	300	MS-1920-10	100.00
93.778	SP6485501	MSSP CMS-ADMIN 20/21	300	MS-2021-10	305,532.06
93.778	SP6485502	MSSP Care Management 20/21	300	MS-2021-10	295,996.59
93.778	SP6485503	MSSP Care Waived Svcs 20/21	300	MS-2021-10	119,883.99
<b>Sub-Total Medicaid Cluster Pass Through Awards, CA Dept of Social Services</b>					<b>719,789.94</b>

**CHICO STATE ENTERPRISES**  
**Schedule of Expenditures of Federal Awards**  
Year Ended June 30, 2021

<u>Assistance Listing No.</u>	<u>Project</u>	<u>Project Description</u>	<u>FIRM CODE</u>	<u>CONTRACT NUMBER</u>	<u>FY20-21 FEDERAL EXPENDITURES</u>
	Butte County Dept Of Behavioral				
93.982	SP6489901	Butte Disaster Response 20/21	300	X24082	47,337.50
	<b>Sub-Total Pass Through Awards, Butte County Dept of Behavioral</b>				<b>47,337.50</b>
	CA Dept Of Aging				
STATE	SP6480701	3C1 SUBCONTRACTS 19/20	300	AP-1920-03	12,500.17
STATE	SP6480801	3C2 SUBCONTRACTS 19/20	300	AP-1920-03	31,256.65
STATE	SP6487204	STATE 3C1 DIRECT 20/21	300	AP-2021-03	42,289.36
STATE	SP6487304	STATE 3C2 DIRECT 20/21	300	AP-2021-03	70,750.54
	<b>Sub-Total State \$ Aging Cluster Pass Through Awards, CA Dept of Aging</b>				<b>156,796.72</b>
STATE	SP6488001	HICAP ADMIN 20/21	300	HI-2021-03	2,551.99
STATE	SP6488002	HICAP STATE ADMIN 20/21	300	HI-2021-03	8,278.74
STATE	SP6488003	HICAP ST F ADMIN 20/21	300	HI-2021-03	4,139.88
STATE	SP6488102	HICAP STATE R PROGRAM 20/21	300	HI-2021-03	116,543.63
STATE	SP6488103	HICAP STATE F PROG 20/21	300	HI-2021-03	58,724.95
STATE	SP6480001	STATE OMBUDSMAN 19/20	300	AP-1920-03	14.04
STATE	SP6486801	STATE OMBUDSMAN 20/21	300	AP-2021-03	39,359.05
STATE	SP6486802	OMB STATE 3B GF 20/21	300	AP-2021-03	63,557.93
STATE	SP6486803	OMB STATE LIC & CERT PRO 20/21	300	AP-2021-03	2,473.73
STATE	SP6486804	OMB STATE FACILITY 20/21	300	AP-2021-03	5,901.55
STATE	SP6486805	OMB STATE SNF Q&A FUND 20/21	300	AP-2021-03	11,745.92
	<b>Sub-Total State \$ Pass Through Awards, CA Dept of Aging</b>				<b>313,291.41</b>
	<b>Total Research and Development Direct Awards</b>				<b>111,168.57</b>
	<b>Total Federal \$ Pass Through Awards, CA Dept of Aging</b>				<b>293,951.53</b>
	<b>Total State \$ Pass Through Awards, CA Dept of Aging</b>				<b>313,291.41</b>
	<b>Total Federal \$ Aging Cluster Pass Through Awards, CA Dept of Aging</b>				<b>2,389,683.00</b>
	<b>Total State \$ Aging Cluster Pass Through Awards, CA Dept of Aging</b>				<b>156,796.72</b>
	<b>Total TANF Cluster Pass Through Awards, CA Dept of Social Services</b>				<b>460,627.90</b>
	<b>Total Pass Through Awards</b>				<b>1,729,633.98</b>
	<b>Total Medicaid Cluster Pass Through Awards, CA Dept of Social Services</b>				<b>719,789.94</b>
	<b>Total Department of Health and Human Services</b>				<b>6,174,943.05</b>
	<b>Corporation for National and Community Services</b>				
	<b>Direct Awards</b>				
94.011	SP6077702	Foster Grandparents 19/20	300	17SFPCA005	4,828.38
94.011	SP6081401	FOSTER GRANDPARENTS 20/21	300	20SFPCA003	235,651.91
94.016	SP6077802	Senior Companions 19/20	300	17SCPCA002	(325.94)
94.016	SP6081301	SENIOR COMPANIONS 20/21	300	20SCPCA001	67,778.04
	<b>Sub-Total, Foster Grandparent/Senior Companion Cluster, Direct Awards</b>				<b>307,932.39</b>
	<b>Total Direct Awards, Foster Grandparent/Senior Companion Cluster</b>				<b>307,932.39</b>
	<b>Total Corporation for National and Community Services</b>				<b>307,932.39</b>

**CHICO STATE ENTERPRISES**  
**Schedule of Expenditures of Federal Awards**  
Year Ended June 30, 2021

<u>Assistance Listing No.</u>	<u>Project</u>	<u>Project Description</u>	<u>FIRM CODE</u>	<u>CONTRACT NUMBER</u>	<u>FY20-21 FEDERAL EXPENDITURES</u>
Department of Homeland Security					
Pass Through Awards					
97.067	SP6476201	Comm Infrastructure-Fairground	300	2017-0083	0.01
Sub-Total Pass Through Awards, CA Office of Emergency Services					0.01
Total Pass Through Awards					0.01
Total Department of Homeland Security					0.01
Total Direct Awards					9,927,669.56
Total Research and Development Direct Awards					2,032,466.86
Total Pass Through Awards					3,323,588.50
Total SNAP Cluster Pass Through Awards					5,123,954.86
Total Economic Development Cluster Other Direct Awards					246,843.31
Total WIOA Cluster Pass Through Awards					5,917.24
Total Highway Planning and Construction Cluster Pass Through Awards					24,770.74
Total Research and Development Pass Through Awards					372,701.50
Total TRIO Cluster Direct Awards					2,582,628.12
Total Federal \$ Pass Through Awards, CA Dept of Aging					293,951.53
Total Federal \$ Aging Cluster Pass Through Awards, CA Dept of Aging					2,389,683.00
Total TANF Cluster Pass Through Awards, CA Dept of Social Services					460,627.90
Total Medicaid Cluster Pass Through Awards, CA Dept of Social Services					719,789.94
Total Foster Grandparent/Senior Companion Cluster Direct Awards					307,932.39
Total Federal and Federal Pass Through Awards					27,812,525.45
Total State \$ Pass Through Awards, CA Dept of Aging					313,291.41
Total State \$ Aging Cluster Pass Through Awards, CA Dept of Aging					156,796.72
Total State and Other Awards Through CA Dept of Aging					470,088.13
Grand Total Federal, Federal Pass Through and CDA Other Awards					\$ 28,282,613.58

## **CHICO STATE ENTERPRISES**

### **Notes to Schedule of Expenditures of Federal Awards**

Year Ended June 30, 2021

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#### **Note 1 – Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Chico State Enterprises (CSE) under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of CSE, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the CSE.

#### **Note 2 – Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

#### **Note 3 – Indirect Cost Rate**

CSE did not elect to use the 10% de minimis cost rate as covered in the Uniform Guidance 2.CFR.200.414 indirect costs.

## OTHER 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 of  
Chico State Enterprises

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 Chico State Enterprises (CSE), which comprise the statement of net position as of June 30, 2021, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 20, 2021.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered CSE'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CSE's internal control. Accordingly, we do not express an opinion on the effectiveness of CSE'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 may exist that were not identified. 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 CSE's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



**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*, CONTINUED**

**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 CSE's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CSE's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Aldrich CPAs + Advisors LLP*

San Diego, California  
September 20, 2021



Aldrich CPAs + Advisors LLP  
7676 Hazard Drive, #1300  
San Diego, California 92108

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
of Chico State Enterprises

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

We have audited Chico State Enterprises' (CSE) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of CSE's major federal programs for the year ended June 30, 2021. CSE'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 CSE's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America: the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about CSE'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 CSE's compliance.

***Opinion on Each Major Federal Program***

In our opinion, CSE complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE, CONTINUED**

**Report on Internal Control over Compliance**

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

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

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

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

*Aldrich CPAs + Advisors LLP*

San Diego, California  
September 20, 2021

**CHICO STATE ENTERPRISES**  
**Schedule of Findings and Questioned Costs**  
Year Ended June 30, 2021

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**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Significant deficiency(ies) identified?	None noted
Material weakness(es) identified?	No
Noncompliance material to the financial statements noted?	No

**Federal Awards**

Internal control over major program:	
Significant deficiency(ies) identified?	None reported
Material weakness(es) identified?	No
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, 2 CFR section 200.516(a)?	No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
15.512	Central Valley Improvement Act, Title XXXIV
84.031	Higher Education Institutional Aid
Various	TRIO Cluster
93.558	Temporary Assistance for Needy Families
93.778	Medical Assistance Program
Various	Research and Development Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	\$848,748
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Auditee qualified as a low-risk auditee under the Uniform Guidance, 2 CFR section 200.520?	No
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**CHICO STATE ENTERPRISES**  
**Schedule of Findings and Questioned Costs**  
Year Ended June 30, 2021

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**Section II – Financial Statement Findings**

None reported.

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

None reported.

**CHICO STATE ENTERPRISES**  
**Schedule of Findings and Questioned Costs**  
Year Ended June 30, 2021

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**Section IV – Prior Audit Findings**

None reported.