

# The CSU, Chico Research Foundation

Financial Statements and Supplemental Information

Years Ended June 30, 2018 and 2017



# THE CSU, CHICO RESEARCH FOUNDATION

## Financial Statements

Years Ended June 30, 2018 and 2017

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
The CSU, Chico Research Foundation

### Report on the Financial Statements

We have audited the accompanying financial statements of The CSU, Chico Research Foundation (the Foundation), which comprise the statements of net position as of June 30, 2018 and 2017, 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 The CSU, Chico Research Foundation as of June 30, 2018 and 2017, 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*

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. The supplemental information presented on pages 22 - 34 is presented for the purposes of additional analysis 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 19, 2018, on our consideration of Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Foundation's internal control over financial reporting and compliance.

*Aldrich CPAs + Advisors LLP*

San Diego, California  
September 19, 2018

**THE CSU, CHICO RESEARCH FOUNDATION****Statements of Net Position**

June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 4,069,021	\$ 2,083,394
Short-term investments	6,151,512	4,115,643
Accounts receivable, net	5,449,601	5,455,490
Unbilled revenue	3,437,372	3,265,992
Prepaid expenses and other assets	<u>376,172</u>	<u>302,205</u>
Total Current Assets	19,483,678	15,222,724
Non-Current Assets:		
Notes receivable, net of current portion	36,339	22,095
Long-term investments	6,534,439	8,250,469
Capital assets, net	10,178,555	11,102,997
Other assets	<u>799,874</u>	<u>188,547</u>
Total Noncurrent Assets	<u>17,549,207</u>	<u>19,564,108</u>
Total Assets	<u>37,032,885</u>	<u>34,786,832</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	1,358,438	1,474,570
Accrued salaries and benefits payable	1,871,689	1,063,873
Accrued compensated absences	358,211	328,076
Unearned revenue	1,800,500	2,037,093
Long-term debt obligations, current portion	123,725	117,846
Other current liabilities	<u>10,052</u>	<u>32,010</u>
Total Current Liabilities	5,522,615	5,053,468
Non-Current Liabilities:		
Accrued compensated absences, net of current portion	78,632	72,017
Long-term debt obligations, net of current portion	2,411,328	2,611,660
Other postemployment benefits obligation	529,756	598,646
Other long-term liabilities	<u>250,846</u>	<u>254,928</u>
Total Noncurrent Liabilities	<u>3,270,562</u>	<u>3,537,251</u>
Total Liabilities	<u>8,793,177</u>	<u>8,590,719</u>
<b>NET POSITION</b>		
Net investment in capital assets	7,643,502	8,373,491
Restricted for:		
Expendable:		
Research	950,943	1,155,121
Loans	-	50,101
Other	4,514,072	1,634,879
Unrestricted	<u>15,131,191</u>	<u>14,982,521</u>
Total Net Position	<u>\$ 28,239,708</u>	<u>\$ 26,196,113</u>

**THE CSU, CHICO RESEARCH FOUNDATION**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating Revenue:		
Grants and contracts - noncapital:		
Federal	\$ 20,566,979	\$ 19,382,029
State	7,137,040	4,685,002
Local	1,338,685	1,060,155
Non-governmental	2,501,097	2,233,170
Sales and services of educational activities	4,029,832	4,013,230
Sales and services of auxiliary enterprises	3,147,756	2,804,464
Other operating revenues	<u>1,707,522</u>	<u>1,493,622</u>
Total Operating Revenue and Other Support	40,428,911	35,671,672
Operating Expenses:		
Instruction	4,339,955	4,682,132
Research	2,293,448	1,337,704
Public service	21,263,438	18,843,843
Academic support	2,540,174	2,799,164
Student services	2,074,486	1,516,653
Institutional support	3,578,803	4,437,147
Operation and maintenance of plant	244,892	304,074
Student grants and scholarships	110,795	76,411
Auxiliary enterprises expenditures	2,666,421	2,517,796
Depreciation and amortization	<u>874,070</u>	<u>1,065,281</u>
Total Operating Expenses	<u>39,986,482</u>	<u>37,580,205</u>
Net Operating Income (Loss)	442,429	(1,908,533)
Non-Operating Revenues (Expenses):		
Investment income, net	422,181	313,461
Interest expense	(86,274)	(94,009)
Other non-operating revenue (expense)	<u>425,469</u>	<u>(2,343)</u>
Total Non-Operating Income	<u>761,376</u>	<u>217,109</u>
Income (Loss) Before Other Additions	1,203,805	(1,691,424)
Grants and Gifts - capital	<u>839,790</u>	<u>78,291</u>
Change in Net Position	2,043,595	(1,613,133)
Net Position, beginning	<u>26,196,113</u>	<u>27,809,246</u>
Net Position, ending	<u>\$ 28,239,708</u>	<u>\$ 26,196,113</u>

## THE CSU, CHICO RESEARCH FOUNDATION

### Statements of Cash Flows

Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities:		
Federal grants and contracts	\$ 19,952,692	\$ 19,158,597
State grants and contracts	7,725,470	4,222,039
Local grants and contracts	1,392,458	1,152,515
Nongovernmental grants and contracts	2,282,870	2,040,548
Payments to suppliers	(19,612,729)	(16,665,180)
Payments to employees	(20,343,295)	(19,509,787)
Payments to students	(96,320)	(76,411)
Sales and services of educational activities	4,039,939	4,052,343
Sales and services of auxiliary enterprises	3,016,241	2,813,224
Other receipts	2,505,299	2,555,954
Net Cash Provided (Used) by Operating Activities	<u>862,625</u>	<u>(256,158)</u>
Cash Flows from Capital and Related Financing Activities:		
Capital grants and gifts	839,790	78,291
Proceeds from sales of capital assets	2,082,990	14,323
Acquisitions of capital assets	(1,178,629)	(503,056)
Principal paid on capital debt	(168,971)	(137,633)
Interest paid on capital debt	(111,650)	(116,733)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>1,463,530</u>	<u>(664,808)</u>
Cash Flows from Investing Activities:		
Investment income	138,871	62,546
Notes receivable payments	35	-
Purchase of investments	(3,000,000)	(1,750,000)
Withdrawals from investments	2,520,566	1,365,000
Net Cash Provided (Used) by Investing Activities	<u>(340,528)</u>	<u>(322,454)</u>
Net Change in Cash	1,985,627	(1,243,420)
Cash, beginning	<u>2,083,394</u>	<u>3,326,814</u>
Cash, ending	<u>\$ 4,069,021</u>	<u>\$ 2,083,394</u>

**THE CSU, CHICO RESEARCH FOUNDATION****Statements of Cash Flows, continued**

Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Reconciliation of net operating income (loss) to net cash provided (used) by operating activities:		
Cash Flows from Operating Activities:		
Operating Income (Loss)	\$ 442,429	\$ (1,908,533)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	874,070	1,065,281
Changes in assets and liabilities:		
Accounts receivable, net	5,889	(2,165,002)
Unbilled revenue	(171,380)	1,898,151
Prepaid expenses and other assets	(685,294)	142,680
Accounts payable	(116,132)	159,389
Accrued salaries and benefits payable	807,816	(170,239)
Accrued compensated absences	36,750	326,561
Unearned revenue	(236,593)	379,013
Other postemployment benefits obligation	(68,890)	32,247
Other liabilities	(26,040)	(15,706)
	<u>\$ 862,625</u>	<u>\$ (256,158)</u>
Supplemental schedule of noncash capital and related financing activities:		
Capital Grants and Gifts:		
Capital grants and gifts received	\$ <u>839,790</u>	\$ <u>78,291</u>
Principal Paid on Capital Debt:		
Principal paid on capital debt	\$ <u>(168,971)</u>	\$ <u>(137,633)</u>



## THE CSU, CHICO RESEARCH FOUNDATION

### Notes to Financial Statements

Years Ended June 30, 2018 and 2017

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

##### Nature of Activities

The CSU, Chico Research Foundation (the Foundation) 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. The Foundation administers grants and contracts, as well as non-philanthropic agency accounts, incentive accounts, and enterprise activities.

##### Basis of Accounting

Pursuant to the requirements established by the Chancellor of the California State University, the Foundation 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. The Foundation is an auxiliary organization to CSU, Chico. Therefore, 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. Management has elected not to present management's discussion and analysis (MD&A) that GASB has determined is necessary to supplement, although not required to be a part of, the basic financial statements. The Foundation 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). Investments also include a note receivable and investments in Common Fund.

Common Fund consists of U.S. government securities, corporate obligations, and other securities that are recorded at their estimated fair value based on information provided by the fund manager. Common Fund is considered an alternative investment since the fair value is not readily determinable. The investment in Common Fund was liquidated in April 2018 and the funds transferred to The University Foundation, California State University, Chico (University Foundation) for investment and the funds transferred to The, California State University, Chico (University Foundation) for investment. For the year ended June 30, 2017, the investment in Common Fund amounted to \$1,881,709 (7.18% of net position).

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.

The Foundation participates in LAIF managed by the State of California. The fair value of the Foundation's investment in LAIF is the same as the carrying value of the pool shares; as such, the investments are measured and reported at net asset value. As of June 30, 2018 and 2017, the fair value of LAIF was 100.03% of the carrying value and is deemed to not represent a material difference. There were no LAIF funds invested in derivatives as of June 30, 2018 and 2017. 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 State treasurer or his designated representative.

## THE CSU, CHICO RESEARCH FOUNDATION

### Notes to Financial Statements

Years Ended June 30, 2018 and 2017

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

##### Investments, continued

Long-term investments includes certificates of deposit reported at original par value. All certificates of deposit are held to maturity and the Foundation has no intentions for early redemption.

The Foundation defines fair value as the exchange price that would be received for an asset or paid for a liability in the principal or most advantageous market. The Foundation applies fair value measurements to assets and liabilities that are required to be recorded at fair value under generally accepted accounting principles. Fair value measurement techniques maximize the use of observable inputs and minimize the use of unobservable inputs, and are categorized in a fair value hierarchy based on the transparency of inputs. The three levels are defined as follows:

- Level 1 - Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the same term of the financial instrument.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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.

The carrying value of cash, receivables, and payables approximates fair value as of June 30, 2018 due to the relative short maturities of these instruments.

##### 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 the Foundation's grants and contracts. The Foundation utilizes the allowance method where uncollectible accounts are determined based on past payment history. There was no allowance recorded for the years ended June 30, 2018 and 2017.

##### Unbilled Revenue

Unbilled revenue includes amounts which have been expended through grants and contracts that as of June 30, 2018 and 2017, had yet to be billed to the grant or contract funder.

##### Prepaid Expenses and Other Assets

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

## THE CSU, CHICO RESEARCH FOUNDATION

### Notes to Financial Statements

Years Ended June 30, 2018 and 2017

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

##### 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 the Foundation 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.

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.

##### Unearned Revenue

Unearned revenue represents payments received for grants and contracts, for which services or other deliverables have not yet been provided.

##### Net Position

The Foundation's net position is classed as follows:

- Net Investment in Capital Assets – This represents the Foundation'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 the Foundation 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 the Foundation 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. The Foundation 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.

## THE CSU, CHICO RESEARCH FOUNDATION

### Notes to Financial Statements

Years Ended June 30, 2018 and 2017

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

##### 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

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

The Foundation follows accounting standards generally accepted in the United States of America related to the recognition of uncertain tax positions. The Foundation 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 the Foundation has no uncertain tax positions at June 30, 2018 and 2017 and therefore no amounts have been accrued. The Foundation files exempt organization returns in the U.S. federal and California jurisdictions.

##### Subsequent Events

Management has evaluated subsequent events through September 19, 2018, 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, the Foundation'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 the Foundation's deposits are maintained at financial institutions that are collateralized as required by state law. As of June 30, 2018 and 2017, the Foundation had uninsured cash of \$2,894,655 and \$2,633,842, respectively.

#### Note 3 – Investments

Investments consist of the following for the year ended June 30, 2018:

	Current Unrestricted	Noncurrent Unrestricted	Total
LAIF	\$ 5,244,891	\$ -	\$ 5,244,891
Certificates of deposit	-	6,515,907	6,515,907
Money market funds	906,621	-	906,621
Private equity	-	18,532	18,532
	<u>\$ 6,151,512</u>	<u>\$ 6,534,439</u>	<u>\$ 12,685,951</u>

## THE CSU, CHICO RESEARCH FOUNDATION

### Notes to Financial Statements

Years Ended June 30, 2018 and 2017

#### Note 3 – Investments, continued

Investments consist of the following for the year ended June 30, 2017:

	Current Unrestricted	Noncurrent Unrestricted	Total
LAIF	\$ 2,194,473	\$ -	\$ 2,194,473
Certificates of deposit	-	8,250,469	8,250,469
Money market funds	39,462	-	39,462
Common Fund	1,881,708	-	1,881,708
	<u>\$ 4,115,643</u>	<u>\$ 8,250,469</u>	<u>\$ 12,366,112</u>

The fair market value of investments is categorized as follows for the year ended June 30, 2018:

	Level 1	Level 2	Level 3	NAV	Total
LAIF	\$ -	\$ -	\$ -	\$ 5,244,891	\$ 5,244,891
Certificates of deposit	-	6,515,907	-	-	6,515,907
Money market funds	906,621	-	-	-	906,621
Private equity	-	-	18,532	-	18,532
	<u>\$ 906,621</u>	<u>\$ 6,515,907</u>	<u>\$ 18,532</u>	<u>\$ 5,244,891</u>	<u>\$ 12,685,951</u>

The fair market value of investments is categorized as follows for the year ended June 30, 2017:

	Level 1	Level 2	Level 3	NAV	Total
LAIF	\$ -	\$ -	\$ -	\$ 2,194,473	\$ 2,194,473
Certificates of deposit	-	8,250,469	-	-	8,250,469
Money market funds	39,462	-	-	-	39,462
Common Fund	-	-	1,881,708	-	1,881,708
	<u>\$ 39,462</u>	<u>\$ 8,250,469</u>	<u>\$ 1,881,708</u>	<u>\$ 2,194,473</u>	<u>\$ 12,366,112</u>

The following schedules summarize the change in the fair value of the Foundation's Level 3 assets. The gains and losses included in the following schedules are reported as non-operating revenue in the statement of revenues, expenses, and changes in net position.

For the year ending June 30, 2018: Change in Level 3

	Private Equity	Common Fund	Total
June 30, 2017 Balance	\$ -	\$ 1,881,708	\$ 1,881,708
Interest and dividends	-	21,901	21,901
Realized gains	-	116,970	116,970
Unrealized gains	-	5,827	5,827
Purchases, sales and conversions, net	18,532	(2,026,406)	(2,007,874)
June 30, 2018 Balance	<u>\$ 18,532</u>	<u>\$ -</u>	<u>\$ 18,532</u>

## THE CSU, CHICO RESEARCH FOUNDATION

### Notes to Financial Statements

Years Ended June 30, 2018 and 2017

#### Note 3 – Investments, continued

For the year ending June 30, 2017: Change in Level 3

	<u>Private Equity</u>	<u>Common Fund</u>	<u>Total</u>
June 30, 2016 Balance	\$ 10,781	\$ 1,646,087	\$ 1,656,868
Interest and dividends	-	26,635	26,635
Realized losses	(10,781)	-	(10,781)
Unrealized gains	-	208,986	208,986
June 30, 2017 Balance	<u>\$ -</u>	<u>\$ 1,881,708</u>	<u>\$ 1,881,708</u>

The Foundation's investment policy does not limit its investment choices. The Foundation's investment in LAIF, money market, equity securities, mutual funds, and the Common Fund are unrated.

Financial instruments which potentially subject the Foundation to concentrations of credit risk consist primarily of cash investments. At June 30, 2018, LAIF, the Common Fund investments, and investments in interest bearing certificates of deposit were 41.34%, 0%, and 51.24%, respectively, of the Foundation's total investments. At June 30, 2017, LAIF, the Common Fund investments, and investments in interest bearing certificates of deposit were 17.75%, 15.22%, and 66.72%, respectively, of the Foundation's total investments.

The investments in LAIF have no unfunded commitment, no redemption frequency, and no redemption notice period as of June 30, 2018.

#### Note 4 – Accounts Receivable

Accounts receivable consist of the following at June 30:

	<u>2018</u>	<u>2017</u>
Federal, state, and other grants and contracts	\$ 4,331,754	\$ 4,316,303
CSU, Chico, faculty emergency loan funds	-	50,101
Due from other auxiliaries	766,249	798,176
Other	351,598	290,910
	<u>\$ 5,449,601</u>	<u>\$ 5,455,490</u>

## THE CSU, CHICO RESEARCH FOUNDATION

### Notes to Financial Statements

Years Ended June 30, 2018 and 2017

#### Note 5 – Capital Assets

Capital assets activity for the year ended June 30, 2018 was as follows:

	June 30, 2017	Additions	Disposals	Transfers	June 30, 2018
Nondepreciable Capital Assets:					
Land and land improvements	\$ 5,056,163	\$ 251,553	\$ (1,229,670)	\$ -	\$ 4,078,046
Construction in progress	116,944	436,525	-	-	553,469
Breeding livestock	93,360	-	(4,060)	-	89,300
	<u>5,266,467</u>	<u>688,078</u>	<u>(1,233,730)</u>	<u>-</u>	<u>4,720,815</u>
Depreciable Capital Assets:					
Building and improvements	9,275,986	13,523	(765,853)	-	8,523,656
Equipment and furnishings	11,489,048	909,608	(187,661)	-	12,210,995
	<u>20,765,034</u>	<u>923,131</u>	<u>(953,514)</u>	<u>-</u>	<u>20,734,651</u>
	26,031,501	1,611,209	(2,187,244)	-	25,455,466
Less: Accumulated Depreciation:					
Building and improvements	(5,335,939)	(300,921)	362,188	-	(5,274,672)
Equipment and furnishings	(9,592,565)	(573,149)	163,475	-	(10,002,239)
	<u>(14,928,504)</u>	<u>(874,070)</u>	<u>525,663</u>	<u>-</u>	<u>(15,276,911)</u>
	<u>\$ 11,102,997</u>	<u>\$ 737,139</u>	<u>\$ (1,661,581)</u>	<u>\$ -</u>	<u>\$ 10,178,555</u>

Capital assets activity for the year ended June 30, 2017 was as follows:

	June 30, 2016	Additions	Disposals	Transfers	June 30, 2017
Nondepreciable Capital Assets:					
Land and land improvements	\$ 5,056,163	\$ -	\$ -	\$ -	\$ 5,056,163
Construction in progress	248,654	2,790	-	(134,500)	116,944
Breeding livestock	81,660	11,700	-	-	93,360
	<u>5,386,477</u>	<u>14,490</u>	<u>-</u>	<u>(134,500)</u>	<u>5,266,467</u>
Depreciable Capital Assets:					
Building and improvements	9,158,632	3,713	(20,859)	134,500	9,275,986
Equipment and furnishings	11,042,960	484,853	(38,765)	-	11,489,048
	<u>20,201,592</u>	<u>488,566</u>	<u>(59,624)</u>	<u>134,500</u>	<u>20,765,034</u>
	25,588,069	503,056	(59,624)	-	26,031,501
Less: accumulated depreciation:					
Building and improvements	(5,013,524)	(343,274)	20,859	-	(5,335,939)
Equipment and furnishings	(8,892,658)	(722,007)	22,100	-	(9,592,565)
	<u>(13,906,182)</u>	<u>(1,065,281)</u>	<u>42,959</u>	<u>-</u>	<u>(14,928,504)</u>
	<u>\$ 11,681,887</u>	<u>\$ (562,225)</u>	<u>\$ (16,665)</u>	<u>\$ -</u>	<u>\$ 11,102,997</u>

The detail of depreciation and amortization expense was as follows:

	2018	2017
Depreciation and amortization expense related to capital assets	\$ <u>874,070</u>	\$ <u>1,065,281</u>

## THE CSU, CHICO RESEARCH FOUNDATION

### Notes to Financial Statements

Years Ended June 30, 2018 and 2017

#### Note 6 – Other Assets

Other assets consisted of the following at June 30:

	<u>2018</u>	<u>2017</u>
Deposits held by property managers	\$ 51,280	\$ 17,424
Deposits held by unemployment insurance trust	146,636	171,123
Reserve for post-retirement health benefit fund held as a quasi-endowment in the University Foundation	<u>601,958</u>	<u>-</u>
	<u>\$ 799,874</u>	<u>\$ 188,547</u>

#### Note 7 – Accrued Compensated Absences

Employees of the Foundation are entitled to paid vacation and paid sick leave based on length of service and other factors. Beginning with fiscal year 2017, the Foundation negotiated a fixed (with carry-forward) fringe benefit rate with the Department of Health and Human Services to be applied to regular wages for all Foundation 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. The Foundation'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>2018</u>	<u>2017</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 which begins November 2015, with interest rates ranging from 3.00% to 5.00% and principal payments ranging from \$130,000 to \$295,000. The note is secured by revenues of the Research Foundation.	\$ 2,195,000	\$ 2,290,000
Noninterest bearing agreements with the State of California, payable in cash or in-kind upon mutual agreement or 30 days' notice by either party. The agreements are secured by cattle, sheep, swine, and horticulture. This note was paid in full at June 30, 2018.	<u>-</u>	<u>73,971</u>
	2,195,000	2,363,971
Less current portion	(123,725)	(117,846)
Plus unamortized premium	<u>340,053</u>	<u>365,535</u>
	<u>\$ 2,411,328</u>	<u>\$ 2,611,660</u>



## THE CSU, CHICO RESEARCH FOUNDATION

### Notes to Financial Statements

Years Ended June 30, 2018 and 2017

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

The note payable to the Trustees included a premium related to the debt refunding with an original amount of \$431,986. Amortization expense was \$25,482 and \$22,846 for the years ended June 30, 2018 and 2017, respectively.

Debt service requirements are as follows:

Year Ending June 30,	Note Payable to CSU, Chancellor's Office	
	Principal	Interest
2019	\$ 100,000	\$ 107,250
2020	105,000	102,125
2021	110,000	96,750
2022	115,000	91,125
2023	125,000	85,125
2024-2028	720,000	323,750
2029-2033	920,000	119,500
	<u>\$ 2,195,000</u>	<u>\$ 925,625</u>

#### Note 9 – Other Long-Term Liabilities

Other long-term liabilities consisted of the following at June 30:

	2018	2017
Reserve for grant cost disallowance	\$ 236,539	\$ 236,539
Other	14,307	18,389
	<u>\$ 250,846</u>	<u>\$ 254,928</u>

#### Note 10 – Health Care Benefits

The Foundation obtained 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 by Blue Shield and fully insured dental & vision coverage by Lincoln Financial Group. Post-retirement health benefits (medical only) are available to those employees meeting eligibility requirements detailed in the Foundation Employee Handbook.

#### Note 11 – Retirement Plan

The Foundation 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, the Foundation 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 \$542,109 and \$561,168 for the years ended June 30, 2018 and 2017, respectively.

## THE CSU, CHICO RESEARCH FOUNDATION

### Notes to Financial Statements

Years Ended June 30, 2018 and 2017

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#### Note 12 – Postemployment Benefits Other Than Pension Benefits (OPEB)

##### Plan Description

The Foundation administers an endowment-funded single-employer defined benefit healthcare plan. The Foundation currently provides retiree health benefits to eligible employees to the extent sustainable by the provided endowment and can be terminated at any time. The postretirement 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 Foundation service will be eligible to receive a Foundation-paid medical plan contribution upon retirement. Eligibility is lost for breaks in service that exceed one year. The Foundation 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, 2017, there are 45 active employees and 2 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 Foundation service will be eligible to receive a Foundation-paid medical plan contribution upon retirement. Eligibility is lost for breaks in service that exceed one year. The Foundation 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, 2017, there are 136 active employees under this benefit structure.

As of July 1, 2017, the date of the most recent actuarial validation, plan participation consisted of:

Retirees and beneficiaries receiving benefits	2
Active employees	181
Total plan participants	<u>183</u>

##### Funding Policy

The Foundation has the right to establish and amend the funding policy for its OPEB plan. The Foundation 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 the Foundation are established and may be amended by the Foundation's Board of Directors. For the year ended June 30, 2018, the Foundation contributed \$17,701, which was the annual required contribution per the July 1, 2017 Actuarial Report for the OPEB.

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

The Foundation's Net OPEB Liability was measured as of June 30, 2018. The Foundation's 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 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 cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Foundation's annual OPEB plan cost for the year, the amount actually contributed, and the changes in the Foundation's net OPEB plan position as of June 30, 2018.

## THE CSU, CHICO RESEARCH FOUNDATION

### Notes to Financial Statements

Years Ended June 30, 2018 and 2017

#### Note 12 – Postemployment Benefits Other Than Pension Benefits (OPEB), continued

	2018
Service cost	\$ 44,538
Interest on net OPEB Obligation	15,854
Change of assumptions	(28,221)
Annual OPEB cost (expense)	32,171
Benefit payments	(17,701)
Net change in total OPEB liability	14,470
Net OPEB Obligation - Beginning of Year	515,286
Net OPEB Obligation - End of Year	\$ 529,756

The Net OPEB liability of \$529,756 is presented as a liability on the Foundation's statement of net position.

Year Ended June 30,	Annual OPEB Cost	Actual Employer Contributions	Percentage Contributed	Net Ending OPEB Obligation
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

(\*Note schedules above are intended to show information for 10 years. Since 2018 is the first year for this presentation, no other data, prior to 2018 is available. However, additional years will be included as they become available.)

#### Funded Status and Funding Progress

The most recent actuarial report for the Foundation's OPEB plan was prepared as of July 1, 2017. As of this point in time, the actuarial accrued liability for benefits was \$529,756 and the fair value of other assets held at the University Foundation was \$601,958 and a funded ratio of 113%. The annual covered payroll was \$7,666,419 and the ratio of the unfunded actuarial accrued liability to covered payroll was 7%.

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 supplemental 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
Healthcare cost trend rate	6.00 percent for 2017; 5.00 percent for 2018; 5.00 percent for 2019; and 5.00 percent for 2020 and later years
Cap increases	None

## THE CSU, CHICO RESEARCH FOUNDATION

### Notes to Financial Statements

Years Ended June 30, 2018 and 2017

#### Note 12 – Postemployment Benefits Other Than Pension Benefits (OPEB), continued

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.

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 the Foundation’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
July 1, 2017	July 1, 2017	4.00%	3.13%	3.13%
June 30, 2018	June 30, 2018	4.00%	3.62%	3.62%

#### 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 (2.62 percent) or 1-percentage-point higher (4.62 percent) than the current discount rate:

	1% Decrease (2.62%)	Discount Rate (3.62%)	1% Increase (4.62)
Net OPEB liability	\$ 592,986	\$ 529,756	\$ 474,347

#### 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 (5.00 percent decreasing to 4.00 percent) or 1-percentage-point higher (7.00 percent decreasing to 6.00 percent) than the current healthcare cost trend rates:

	1% Decrease (5.00% decreasing to 4.00%)	Trend Rate (6.00% decreasing to 5.00%)	1% Increase (7.00% decreasing to 6.00%)
Net OPEB liability	\$ 526,159	\$ 529,756	\$ 531,177

## **THE CSU, CHICO RESEARCH FOUNDATION**

### **Notes to Financial Statements**

Years Ended June 30, 2018 and 2017

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#### **Note 13 – Self-Insurance**

The Foundation 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. The Foundation 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. The Foundation 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.

The Foundation participates in AORMA's Unemployment Insurance Program (UIP). At June 30, 2018 and 2017 the deposit requirement within AORMA UIP was \$146,636 and \$171,123, respectively and is included in other assets as a long-term deposit. The Foundation 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 14 – Related-Party Transactions**

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

Business, Financial, and Information Technology Services - The Associated Students of CSU, Chico (Associated Students) are contracted to provide information technology service to the Foundation.

The Foundation provides administrative and financial services to the University Foundation.

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 the Foundation

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

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

The Foundation transferred approximately \$1.2 million from the liquidated Common Fund investment to the University Foundation under contractual agreement for investment.

## THE CSU, CHICO RESEARCH FOUNDATION

### Notes to Financial Statements

Years Ended June 30, 2018 and 2017

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#### Note 14 – Related-Party Transactions, continued

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

	<u>2018</u>	<u>2017</u>
Transaction with CSU, Chico		
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 2,317,272	\$ 2,537,120
Payments to University for other than salaries of University personnel	1,889,528	1,596,195
Payments received from University for services, space, and programs	1,468,749	1,335,976
Gifts (cash or assets) to the University from recognized Auxiliary Organizations	337,742	491,794
Accounts (payable to) University	(225,749)	(236,038)
Accounts receivable from University	810	35,551
Other amounts receivable from University	-	50,101
Transaction with Associated Students		
Payments for information technology services	\$ 101,084	\$ 106,000
Accounts receivable from Associated Students for operating leases and facility use agreements with CSU, Chico	590,532	560,057
Accounts (payable to) Associated Students	(10,969)	(2,682)
Transactions with University Foundation		
Administrative and financial service expenses	\$ (570,402)	\$ (569,788)
Amount receivable for personnel service expenses	800,315	238,119

SUPPLEMENTAL INFORMATION

# THE CSU, CHICO RESEARCH FOUNDATION

## Schedule of Net Position

June 30, 2018

(for inclusion in the California State University)

Assets:	
Current assets:	
Cash and cash equivalents	\$ 4,069,021
Short-term investments	6,151,512
Accounts receivable, net	8,886,973
Capital lease receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	376,172
Total current assets	<u>19,483,678</u>
Noncurrent assets:	
Restricted cash and cash equivalents	-
Accounts receivable, net	-
Capital lease receivable, net of current portion	-
Notes receivable, net of current portion	36,339
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	6,534,439
Capital assets, net	10,178,555
Other assets	799,874
Total noncurrent assets	<u>17,549,207</u>
Total assets	<u>37,032,885</u>
Deferred outflows of resources:	
Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	-
Others	-
Total deferred outflows of resources	<u>-</u>
Liabilities:	
Current liabilities:	
Accounts payable	1,358,438
Accrued salaries and benefits	1,871,689
Accrued compensated absences, current portion	358,211
Unearned revenues	1,800,500
Capital lease obligations, current portion	-
Long-term debt obligations, current portion	100,000
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	10,052
Total current liabilities	<u>5,498,890</u>
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	78,632
Unearned revenues	-
Grants refundable	-
Capital lease obligations, net of current portion	-
Long-term debt obligations, net of current portion	2,435,053
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	529,756
Net pension liability	-
Other liabilities	250,846
Total noncurrent liabilities	<u>3,294,287</u>
Total liabilities	<u>8,793,177</u>
Deferred inflows of resources:	
Service concession arrangements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Others	-
Total deferred inflows of resources	<u>-</u>
Net Position:	
Net investment in capital assets	7,643,502
Restricted for:	-
Nonexpendable – endowments	-
Expendable:	-
Scholarships and fellowships	-
Research	950,943
Loans	-
Capital projects	-
Debt service	-
Others	4,514,072
Unrestricted	15,131,191
Total net position	<u>\$ 28,239,708</u>



## THE CSU, CHICO RESEARCH FOUNDATION

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

Year Ended June 30, 2018

(for inclusion in the California State University)

Revenues:	
Operating revenues:	
Student tuition and fees, gross	\$ -
Scholarship allowances (enter as negative)	-
Grants and contracts, noncapital:	
Federal	20,566,979
State	7,137,040
Local	1,338,685
Nongovernmental	2,501,097
Sales and services of educational activities	4,029,832
Sales and services of auxiliary enterprises, gross	3,147,756
Scholarship allowances (enter as negative)	-
Other operating revenues	1,707,522
Total operating revenues	<u>40,428,911</u>
Expenses:	
Operating expenses:	
Instruction	4,339,955
Research	2,293,448
Public service	21,263,438
Academic support	2,540,174
Student services	2,074,486
Institutional support	3,578,803
Operation and maintenance of plant	244,892
Student grants and scholarships	110,795
Auxiliary enterprise expenses	2,666,421
Depreciation and amortization	874,070
Total operating expenses	<u>39,986,482</u>
Operating income (loss)	<u>442,429</u>
Nonoperating revenues (expenses):	
State appropriations, noncapital	-
Federal financial aid grants, noncapital	-
State financial aid grants, noncapital	-
Local financial aid grants, noncapital	-
Nongovernmental and other financial aid grants, noncapital	-
Other federal nonoperating grants, noncapital	-
Gifts, noncapital	-
Investment income (loss), net	422,181
Endowment income (loss), net	-
Interest expense	(86,274)
Other nonoperating revenues (expenses) - excl. interagency transfers	425,469
Other nonoperating revenues (expenses) - interagency transfers	-
Net nonoperating revenues (expenses)	<u>761,376</u>
Income (loss) before other revenues (expenses)	1,203,805
State appropriations, capital	-
Grants and gifts, capital	839,790
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	2,043,595
Net position:	
Net position at beginning of year, as previously reported	26,196,113
Restatements	-
Net position at beginning of year, as restated	<u>26,196,113</u>
Net position at end of year	<u>\$ 28,239,708</u>

See independent auditors' report.

**THE CSU, CHICO RESEARCH FOUNDATION**

**Other Information**

June 30, 2018

(for inclusion in the California State University)

<b>1</b>	<b>Restricted cash and cash equivalents at June 30, 2018:</b>								
	Portion of restricted cash and cash equivalents related to endowments	\$	-						
	All other restricted cash and cash equivalents	\$	-						
	Total restricted cash and cash equivalents	\$	-						
<b>2.1</b>	<b>Composition of investments at June 30, 2018:</b>								
	State of California Surplus Money Investment Fund (SMIF)	\$	-						
	State of California Local Agency Investment Fund (LAIF)		5,244,891						
	Corporate bonds		-						
	Certificates of deposit		-						
	Mutual funds		-						
	Money Market funds		-						
	Repurchase agreements		906,621						
	Commercial paper		-						
	Asset backed securities		-						
	Mortgage backed securities		-						
	Municipal bonds		-						
	U.S. agency securities		-						
	U.S. treasury securities		-						
	Equity securities		-						
	Exchange traded funds (ETFs)		-						
	Alternative investments:		-						
	Private equity (including limited partnerships)		-						
	Hedge funds		18,532						
	Managed futures		-						
	Real estate investments (including REITs)		-						
	Commodities		-						
	Derivatives		-						
	Other alternative investment types		-						
	Other external investment pools (excluding SWIFT)		-						
	None		-						
	Other major investments:		-						
	None		-						
	Total investments		6,151,512						
	Less endowment investments (enter as negative number)		-						
	Total investments		6,151,512						
<b>2.2</b>	<b>Investments held by the University under contractual agreements at June 30, 2018:</b>								
	Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2018:		-						

Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2018:

See independent auditors' report.

**THE CSU, CHICO RESEARCH FOUNDATION**

**Other Information**

June 30, 2018

(for inclusion in the California State University)

**2.3 Restricted current investments at June 30, 2018 related to:**

	Amount
None	-
<b>Total restricted current investments at June 30, 2018</b>	<b>-</b>

**2.4 Restricted noncurrent investments at June 30, 2018 related to:**

	Amount
Endowment investment	-
Scholarships	-
Inflation reserves	-
University projects	-
None	-
<b>Total restricted noncurrent investments at June 30, 2018</b>	<b>-</b>

**2.5 Fair value hierarchy in investments at June 30, 2018:**

	Total	Fair Value Measurements Using			Net Asset Value (NAV)
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	5,244,891	-	-	-	5,244,891
Corporate bonds	6,515,907	-	6,515,907	-	-
Certificates of deposit	-	-	-	-	-
Mutual funds	906,621	906,621	-	-	-
Money Market funds	-	-	-	-	-
Repurchase agreements	-	-	-	-	-
Commercial paper	-	-	-	-	-
Asset backed securities	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-
Municipal bonds	-	-	-	-	-
U.S. agency securities	-	-	-	-	-
U.S. treasury securities	-	-	-	-	-
Equity securities	-	-	-	-	-
Exchange traded funds (ETFs)	-	-	-	-	-
Alternative investments:	18,532	-	-	18,532	-
Private equity (including limited partnerships)	-	-	-	-	-
Hedge funds	-	-	-	-	-
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	-	-	-	-	-
Commodities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other alternative investment types	-	-	-	-	-
Other external investment pools (excluding SWIFT)	-	-	-	-	-
None	-	-	-	-	-
Other major investments:	-	-	-	-	-
None	-	-	-	-	-
Total investments	12,685,951	906,621	6,515,907	18,532	5,244,891

See independent auditors' report.

# THE CSU, CHICO RESEARCH FOUNDATION

## Other Information

June 30, 2018

(for inclusion in the California State University)

### 3.1 Composition of capital assets at June 30, 2018:

	Balance June 30, 2017	Prior period Adjustments	Reclassifications	Balance June 30, 2017 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2018
Nondepreciable/nonamortizable capital assets:								
Land and land improvements	\$ 5,056,163	-	-	5,056,163	251,553	(1,229,670)	-	4,078,046
Works of art and historical treasures	93,360	-	-	93,360	-	(4,060)	-	89,300
Construction work in progress (CWIP)	116,944	-	-	116,944	436,525	-	-	553,469
Intangible assets:								
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-
Internally generated intangible assets in progress	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-
None	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total nondepreciable/nonamortizable capital assets	\$ 5,266,467	-	-	5,266,467	688,078	(1,233,730)	-	4,720,815
Depreciable/amortizable capital assets:								
Buildings and building improvements	9,275,986	-	-	9,275,986	13,523	(765,853)	-	8,523,656
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Personal property:								
Equipment	11,489,048	-	-	11,489,048	909,608	(187,661)	-	12,210,995
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-
None	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	\$ 20,765,034	-	-	20,765,034	923,131	(953,514)	-	20,734,651
Total capital assets	\$ 26,031,501	-	-	26,031,501	1,611,209	(2,187,244)	-	25,455,466
Less accumulated depreciation/amortization:								
Buildings and building improvements	(5,335,939)	-	-	(5,335,939)	(300,921)	362,188	-	(5,274,672)
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Personal property:								
Equipment	(9,592,565)	-	-	(9,592,565)	(573,149)	163,475	-	(10,002,239)
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-
None	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	\$ (14,928,504)	-	-	(14,928,504)	(874,070)	525,663	-	(15,276,911)
Total capital assets, net	\$ 11,102,997	-	-	11,102,997	737,139	(1,661,581)	-	10,178,555

### 3.2 Detail of depreciation and amortization expense for the year ended June 30, 2018:

Depreciation and amortization expense related to capital assets	\$ 874,070
Amortization expense related to other assets	-
Total depreciation and amortization	\$ 874,070

See independent auditors' report.

**THE CSU, CHICO RESEARCH FOUNDATION**  
**Other Information**

June 30, 2018  
(for inclusion in the California State University)

4 Long-term liabilities activity schedule:

	Balance June 30, 2017	Prior period adjustments	Reclassifications	Balance June 30, 2017 (restated)	Additions	Reductions	Balance June 30, 2018	Current portion	Long-term portion
\$	400,093	-	-	400,093	565,862	(529,112)	436,843	358,211	78,632
Accrued compensated absences	-	-	-	-	-	-	-	-	-
Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-	-
Capital lease obligations:	-	-	-	-	-	-	-	-	-
Gross balance	-	-	-	-	-	-	-	-	-
Unamortized premium / (discount) on capital lease obligations	-	-	-	-	-	-	-	-	-
Total capitalized lease obligations	-	-	-	-	-	-	-	-	-
Long-term debt obligations:	-	-	-	-	-	-	-	-	-
Auxiliary revenue bonds	-	-	-	-	-	-	-	-	-
Commercial paper	-	-	-	-	-	-	-	-	-
Notes payable related to SRB	2,290,000	-	-	2,290,000	-	(95,000)	2,195,000	100,000	2,095,000
Others: (list by type)	73,971	-	-	73,971	-	(73,971)	-	-	-
Other notes payable	-	-	-	-	-	-	-	-	-
None	-	-	-	-	-	-	-	-	-
Total long-term debt obligations	2,363,971	-	-	2,363,971	-	(168,971)	2,195,000	100,000	2,095,000
Unamortized bond premium / (discount)	365,535	-	-	365,535	-	(25,482)	340,053	-	340,053
Total long-term debt obligations, net	2,729,506	-	-	2,729,506	-	(194,453)	2,535,053	100,000	2,435,053
Total long-term liabilities	3,129,599	-	-	3,129,599	565,862	(723,565)	2,971,896	458,211	2,513,685

5 Future minimum lease payments - Capital lease obligations:

Year ending June 30:	Capital lease obligations related to SRB		All other capital lease obligations		Total capital lease obligations	
	Principal Only	Interest Only	Principal Only	Interest Only	Principal Only	Interest Only
2019	-	-	-	-	-	-
2020	-	-	-	-	-	-
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-
2023	-	-	-	-	-	-
2024 - 2028	-	-	-	-	-	-
2029 - 2033	-	-	-	-	-	-
2034 - 2038	-	-	-	-	-	-
2039 - 2043	-	-	-	-	-	-
2044 - 2048	-	-	-	-	-	-
2049 - 2053	-	-	-	-	-	-
2054 - 2058	-	-	-	-	-	-
2059 - 2063	-	-	-	-	-	-
2064 - 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.

**THE CSU, CHICO RESEARCH FOUNDATION**

**Other Information**

June 30, 2018

(for inclusion in the California State University)

6 Long-term debt obligations schedule:

Year ending June 30:	Auxiliary revenue bonds		All other long-term debt obligations		Total long-term debt obligations	
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
\$	-	-	-	107,250	107,250	207,250
2019	-	-	-	102,125	102,125	207,125
2020	-	-	-	96,750	96,750	206,750
2021	-	-	-	91,125	91,125	206,125
2022	-	-	-	85,125	85,125	210,125
2023	-	-	-	323,750	323,750	1,043,750
2024 - 2028	-	-	-	119,500	119,500	1,039,500
2029 - 2033	-	-	-	-	-	-
2034 - 2038	-	-	-	-	-	-
2039 - 2043	-	-	-	-	-	-
2044 - 2048	-	-	-	-	-	-
2049 - 2053	-	-	-	-	-	-
2054 - 2058	-	-	-	-	-	-
2059 - 2063	-	-	-	-	-	-
2064 - thereafter	-	-	-	-	-	-
Total minimum payments	-	-	-	2,195,000	2,195,000	3,120,625
Less amounts representing interest	-	-	-	-	-	(925,625)
Present value of future minimum payments	-	-	-	-	-	2,195,000
Unamortized net premium (discount)	-	-	-	-	-	340,053
Total long-term debt obligations	-	-	-	-	-	2,535,053
Less: current portion	-	-	-	-	-	(100,000)
<b>Long-term debt obligations, net of current portion</b>	-	-	-	-	-	<u>\$ 2,435,053</u>

See independent auditors' report.

**THE CSU, CHICO RESEARCH FOUNDATION**

**Other Information**

June 30, 2018

(for inclusion in the California State University)

**7 Calculation of net position:**

**7.1 Calculation of net position - Net investment in capital assets**

Capital assets, net of accumulated depreciation	\$	10,178,555
Capital lease obligations, current portion		-
Capital lease obligations, net of current portion		-
Long-term debt obligations, current portion		(100,000)
Long-term debt obligations, net of current portion		(2,435,053)
Portion of outstanding debt that is unspent at year-end (enter as positive number)		-
Other adjustments: (please list)		-
None		-
<b>Net position - Net investment in capital assets</b>	<b>\$</b>	<b><u><u>7,643,502</u></u></b>

**7.2 Calculation of net position - Restricted for nonexpendable - endowments**

Portion of restricted cash and cash equivalents related to endowments	\$	-
Endowment investments		-
Other adjustments: (please list)		-
Restricted expendable endowments		-
None		-
<b>Net position - Restricted for nonexpendable - endowments</b>	<b>\$</b>	<b><u><u>-</u></u></b>

**8 Transactions with related entities:**

	<u>Amount</u>
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 2,317,272
Payments to University for other than salaries of University personnel	1,889,528
Payments received from University for services, space, and programs	1,468,749
Gifts-in-kind to the University from discretely presented component units	-
Gifts (cash or assets) to the University from discretely presented component units	337,749
Accounts (payable to) University (enter as negative number)	(225,749)
Other amounts (payable to) University (enter as negative number)	-
Accounts receivable from University (enter as positive number)	810
Other amounts receivable from University	-

**9 Other postemployment benefits (OPEB) liability**

Intentionally left blank - not required/applicable eff FY17/18

**10 Pollution remediation liabilities under GASB Statement No. 49:**

<u>Description</u>	<u>Amount</u>
None	\$ -
Total pollution remediation liabilities	\$ -
Less: current portion	-
Pollution remediation liabilities, net of current portion	<u><u>-</u></u>

# THE CSU, CHICO RESEARCH FOUNDATION

## Other Information

June 30, 2018

(for inclusion in the California State University)

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

	Net Position Class	Amount Dr. (Cr.)
Net position as of June 30, 2017, as previously reported	\$	26,196,113
Prior period adjustments:		
1 (list description of each adjustment)		-
2 (list description of each adjustment)		-
3 (list description of each adjustment)		-
4 (list description of each adjustment)		-
5 (list description of each adjustment)		-
6 (list description of each adjustment)		-
7 (list description of each adjustment)		-
8 (list description of each adjustment)		-
9 (list description of each adjustment)		-
10 (list description of each adjustment)		-
Net position as of June 30, 2018, as restated	\$	<u>26,196,113</u>

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

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

**12 Natural Classifications of Operating Expenses:**

	Salaries	Benefits	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	1,619,121	235,592	-	2,485,242	-	4,339,955
Research	868,289	112,118	-	1,313,041	-	2,293,448
Public service	8,342,089	3,215,850	-	9,705,499	-	21,263,438
Academic support	977,032	240,089	-	1,323,053	-	2,540,174
Student services	972,024	372,627	-	729,835	-	2,074,486
Institutional support	1,676,521	1,082,204	-	820,078	-	3,578,803
Operation and maintenance of plant	-	6,097	-	238,795	-	244,892
Student grants and scholarships	-	-	110,795	-	-	110,795
Auxiliary enterprise expenses	487,058	231,651	-	1,947,712	-	2,666,421
Depreciation and amortization	-	-	-	-	874,070	874,070
Total	<u>14,942,134</u>	<u>5,496,228</u>	<u>110,795</u>	<u>18,563,255</u>	<u>874,070</u>	<u>39,986,482</u>



**THE CSU, CHICO RESEARCH FOUNDATION**

**Schedules of Net Position by Fund**

June 30, 2018 and 2017

	RF General Fund	Plant and Bond Fund	Board Designated Fund	Auxiliary Activities Fund	Sponsored Programs Fund	Campus Program Funds	2018	2017
<b>ASSETS</b>								
Cash and cash equivalents	\$ 521,059	\$ 6,699	\$ 1,368,584	\$ 79,683	\$ 418,280	\$ 1,674,716	\$ 4,069,021	\$ 2,083,394
Short-term investments	681,739	10,327	2,109,900	122,845	644,848	2,581,853	6,151,512	4,115,643
Accounts receivable, net	196,733	850	306	181,065	4,335,234	735,413	5,449,601	5,455,490
Unbilled revenue	-	-	-	-	3,437,372	-	3,437,372	3,265,992
Inventories	-	-	-	170,402	-	-	170,402	179,546
Prepaid expenses and other assets	805,763	45,941	14,033	45,687	83,309	10,911	1,005,644	311,206
Other long-term investments	769,002	10,885	2,223,949	129,485	679,705	2,721,413	6,534,439	8,250,469
Notes receivable, net of current portion	-	-	-	-	-	36,339	36,339	22,095
Capital assets, net	432,580	7,577,566	-	1,905,122	-	263,287	10,178,555	11,102,997
Total Assets	3,406,876	7,652,268	5,716,772	2,634,289	9,598,748	8,023,932	37,032,885	34,786,832
<b>LIABILITIES</b>								
Accounts payable	233,182	-	44,696	150,529	832,121	97,910	1,358,438	1,474,570
Accrued expenses and other liabilities	2,296,529	19,850	-	3,534	-	12,978	2,332,891	1,511,931
Unearned revenue	-	-	-	-	1,742,833	57,667	1,800,500	2,037,093
Interfund (receivables) payables	(4,057,743)	-	-	214,056	3,843,687	-	-	-
Long-term debt obligations	-	2,535,053	-	-	-	-	2,535,053	2,731,940
Other postemployment benefits obligation	529,756	-	-	-	-	-	529,756	598,646
Reserve for grant cost disallowance	236,539	-	-	-	-	-	236,539	236,539
Total Liabilities	(761,737)	2,554,903	44,696	368,119	6,418,641	168,555	8,793,177	8,590,719
<b>NET POSITION</b>	<b>\$ 4,168,613</b>	<b>\$ 5,097,365</b>	<b>\$ 5,672,076</b>	<b>\$ 2,266,170</b>	<b>\$ 3,180,107</b>	<b>\$ 7,855,377</b>	<b>\$ 28,239,708</b>	<b>\$ 26,196,113</b>

See independent auditors' report and notes to supplemental information.

**THE CSU, CHICO RESEARCH FOUNDATION**  
**Schedules of Revenue, Expenses, and Changes in Net Position by Fund**  
**Years Ended June 30, 2018 and 2017**

	RF General Fund	Plant and Bond Fund	Board Designated Fund	Auxiliary Activities Fund	Sponsored Programs Fund	Campus Program Funds	2018	2017
<b>Revenues and Other Support:</b>								
Agriculture and enterprise sales	\$ -	\$ -	\$ -	2,438,949	\$ -	\$ -	2,438,949	2,058,481
Sponsored program receipts	-	-	(7,183)	-	31,489,118	-	31,481,935	27,490,858
Agriculture research initiative	-	-	-	-	768,745	-	768,745	483,625
University program receipts	-	-	-	-	3,304	3,707,470	3,710,774	3,953,575
Interest and investment income	339,386	-	-	2,022	4,665	76,108	422,181	313,461
Other income	685,356	1,202,638	14,141	63,281	-	74,664	2,040,080	894,022
Total Revenues and Other Support	1,024,742	1,202,638	6,958	2,504,252	32,265,832	3,858,242	40,862,664	35,194,022
<b>Expenses:</b>								
Auxiliary activities' cost of sales	-	-	-	401,072	-	-	401,072	357,191
Auxiliary activities' expense	-	-	-	2,569,430	-	-	2,569,430	2,504,056
Sponsored programs' disbursements	-	-	-	-	27,225,047	-	27,225,047	25,046,683
University programs' expenses	-	-	-	-	-	3,480,069	3,480,069	3,906,442
Foundation administration	4,191,706	-	-	-	-	-	4,191,706	3,966,821
Faculty and grant development	-	-	732,487	-	-	-	732,487	490,901
Interest expense	-	86,168	-	106	-	-	86,274	94,009
Other expense	-	553,797	-	-	-	-	553,797	717,722
Total Expenses	4,191,706	639,965	732,487	2,970,608	27,225,047	3,480,069	39,239,882	37,083,825
Change in Operations Before Transfer	(3,166,964)	562,673	(725,529)	(466,356)	5,040,785	378,173	1,622,782	(1,889,803)
<b>Transfers:</b>								
Transfers with CSU, Chico	-	-	(149,067)	170,949	(711)	(17,860)	3,311	(195,280)
Transfers with other auxiliaries	3,302	-	141,347	507,177	5,186	(239,510)	417,502	471,950
Indirect cost recovery transfers	3,455,189	-	(32,172)	-	(3,423,017)	-	-	-
Administrative fee transfers	491,744	-	-	(150,157)	(85,800)	(255,787)	-	-
Interfund transfers	(359,900)	(1,735,940)	3,681,097	(42,123)	(1,656,742)	113,608	-	-
Net Transfers	3,590,335	(1,735,940)	3,641,205	485,846	(5,161,084)	(399,549)	420,813	276,670
Change in Net Position	423,371	(1,173,267)	2,915,676	19,490	(120,299)	(21,376)	2,043,595	(1,613,133)
Net Position, beginning	3,745,242	6,270,632	2,756,400	2,246,690	3,300,406	7,876,753	26,196,113	27,809,246
Net Position, ending	\$ 4,168,613	\$ 5,097,365	\$ 5,672,076	\$ 2,266,170	\$ 3,180,107	\$ 7,855,377	\$ 28,239,708	\$ 26,196,113

See independent auditors' report and notes to supplemental information.

**THE CSU, CHICO RESEARCH FOUNDATION**  
**Schedules of Activity of the Auxiliary Activities Fund**  
Years Ended June 30, 2018 and 2017

	University Farm	Other Enterprise	2018	2017
<b>Sales:</b>				
Livestock and dairy	\$ 577,421	\$ -	\$ 577,421	\$ 575,213
Crop and orchard	1,058,126	-	1,058,126	709,008
Enterprise receipts	516,401	287,001	803,402	763,396
<b>Total Sales</b>	<b>2,151,948</b>	<b>287,001</b>	<b>2,438,949</b>	<b>2,047,617</b>
<b>Cost of Sales:</b>				
Livestock and dairy	401,072	-	401,072	357,191
<b>Gross Profit</b>	<b>1,750,876</b>	<b>287,001</b>	<b>2,037,877</b>	<b>1,690,426</b>
<b>Operating Expenses:</b>				
Salaries and employee benefits	26,059	692,651	718,710	926,744
Operating supplies	460,101	9,243	469,344	419,235
Accounting and professional costs	301,029	154,271	455,300	328,609
Depreciation	319,711	15,085	334,796	343,452
Other operating expenses	136,737	46,294	183,031	146,168
Repair and maintenance	149,954	14,637	164,591	204,921
Rent and leasing	130,508	5,005	135,513	4,838
Utilities and telephone	21,143	10,501	31,644	29,603
Travel and meetings	12,133	5,342	17,475	12,968
Registration fees	8,411	2,984	11,395	8,759
Postage and printing	5,200	1,311	6,511	13,437
Insurance	3,750	2,369	6,119	7,616
Veterinary costs	-	-	-	50,731
Machine hire	-	-	-	6,731
<b>Total Operating Expenses</b>	<b>1,574,736</b>	<b>959,693</b>	<b>2,534,429</b>	<b>2,503,812</b>
<b>Income (Loss) from Operations</b>	<b>176,140</b>	<b>(672,692)</b>	<b>(496,552)</b>	<b>(813,386)</b>
<b>Other Income (Expense):</b>				
Other income	63,281	-	63,281	772
Interest income	2,022	-	2,022	2,187
Interest expense	(106)	-	(106)	(1,870)
<b>Total Other Income</b>	<b>65,197</b>	<b>-</b>	<b>65,197</b>	<b>1,089</b>
<b>Transfers:</b>				
In	94,112	250,991	345,103	1,288,158
Out	(196,163)	(170,272)	(366,435)	(1,154,024)
From other auxiliaries	36,900	435,277	472,177	449,469
<b>Net Transfers</b>	<b>(65,151)</b>	<b>515,996</b>	<b>450,845</b>	<b>583,603</b>
<b>Net Income (Loss), Including Administration</b>				
Fees Paid to the General Fund	\$ 176,186	\$ (156,696)	\$ 19,490	\$ (228,694)

## THE CSU, CHICO RESEARCH FOUNDATION

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

Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Source of Direct Funding:		
Federal government	\$ 18,005,015	\$ 17,409,264
State of California	6,124,668	3,465,155
Local governments	1,069,258	765,271
Nongovernmental funds	1,909,720	2,606,338
Agricultural research initiative	768,745	483,625
Noncash contributions	86,385	154,152
Total Direct Sources and Transfers	<u>27,963,791</u>	<u>24,883,805</u>
Source of Indirect Cost Reimbursements		
Federal government	1,959,142	1,875,384
State of California	832,402	582,084
Local governments	243,998	289,516
Nongovernmental funds	387,474	376,670
Total Indirect Cost Reimbursements	<u>3,423,016</u>	<u>3,123,654</u>
Total Funding	<u>\$ 31,386,807</u>	<u>\$ 28,007,459</u>
Direct Expenditures:		
Salaries and wages	\$ 8,777,931	\$ 10,000,686
Fringe benefits	3,645,354	2,930,049
Operating expenses	13,182,675	10,577,971
Equipment	1,047,181	459,013
Student support	1,430,949	1,230,232
Total Direct Expenditures	<u>28,084,090</u>	<u>25,197,951</u>
Indirect Expenditures:		
Salaries, wages, and fringe benefits	868,305	940,808
Administrative expenses	738,434	1,738,742
Development	153,286	76,737
Program allocation	1,614,243	350,000
Other	48,748	17,367
Total Indirect Expenditures	<u>3,423,016</u>	<u>3,123,654</u>
Total Expenditures	<u>\$ 31,507,106</u>	<u>\$ 28,321,605</u>

See independent auditors' report and notes to supplemental information.

**THE CSU, CHICO RESEARCH FOUNDATION**  
**Schedule of Expenditures of Federal Awards**  
Year Ended June 30, 2018

Catalog Number	Project	Project Description	Firm Code	Contract Number	Program or Award Amounts	FY17-18 Federal Expenditures
<b>Department of Agriculture</b>						
<b>Direct Awards</b>						
10.310	60660	FOODIE U	3	2015-69001-23238	\$ 149,890.00	\$ (909.98)
10.326	60664	AG RESILIENCE/UNCERTAIN WATER	3	2015-70001-23459	150,000.00	97,755.55
10.326	60740	INTEGRATING AG ED & OUTREACH	3	2017-70001-25981	150,000.00	32,306.50
10.351	60715	ALTURAS BROADBAND CDBG	3	PO135007	40,000.00	37,647.39
10.351	60727	COTTAGE FOOD TECHNICAL ASSIST	3	2016 RBDG AGMT 07/19/2016	40,000.00	18,334.04
10.351	60728	USDA AGPLUS	3	2016 RBDG AGMT DATED 07/19/16 AM 1	45,000.00	36,677.44
10.351	60766	RBDG TARGETED MARKET RESEARCH	3	2016 RBDG AGMT DATED 07/19/16 AM 2	60,000.00	9,805.32
10.545	60685	EBT IN FARMERS MARKETS	3	SNAP-FSUSP-15-CA-03	250,000.00	96,626.70
10.6XX	60599	PLUMAS NAT'L FOREST DATA PROCS	3	13-CS-11051100-009	63,000.00	5,327.37
10.CNT	60641	NURTURING THE PROMISE	3	14-CS-11052009-027 Mod 9	1,217,081.00	231,026.71
10.CNT	60642	FUEL & FIRE DB ANALYSIS	3	14-CR-11221637-125, Mod 1	22,474.30	8,234.16
10.CNT	60645	CAR-LESS PHZ 1 TIER 3 IMPLMNT	3	14-CS-11052009-061, Modification 2	230,881.00	6,859.38
10.XXX	60670	COLLAB FOREST SVC STUDY	3	15-CS-11052006-070	64,607.00	0.01
10.XXX	60736	ADDT'L LASSEN/MENDO COMMUNITIE	3	15-CS-11052006-070 Am1	30,000.00	20,635.32
10.XXX	60754	COLLABORATIVE FOREST COMMUNITIE	3	15-CS-11052006-070	91,200.00	34,726.37
<b>Sub-Total Direct Awards</b>					<b>2,604,133.30</b>	<b>635,052.28</b>
<b>Direct Awards - Research and Development</b>						
10.326	60665	SUSTAINABLE RANGELAND MGMT	2	2015-70001-23458	293,645.00	135,176.42
10.903	60769	REGIONAL SOIL HEALTH ASSMNT	2	68-3a75-18-012	199,506.00	40,612.74
10.CNT	60716	WALNUT TWIG BEETLE STUDY	2	16-JV-11272139-086	15,409.00	4,139.02
10.XXX	60767	FOREST DISTRBNC ON ROOT PROLIF	2	17-JV-11272139-040	7,970.00	1,698.77
<b>Sub-Total Research and Development Direct Awards</b>					<b>516,530.00</b>	<b>181,626.95</b>
<b>Pass Through Awards</b>						
<b>CA Dept of Food &amp; Agriculture</b>						
10.170	64475	FARM TO SENIORS Y1 14/15	3	SCB14024	77,586.00	5,281.57
10.170	64477	CULTIV COMMUNITY NV Y1	3	SCB14025	618,384.00	485.71
<b>Sub-Total Pass Through Awards, CA Dept of Food &amp; Agriculture</b>					<b>695,970.00</b>	<b>5,767.28</b>
<b>UC Davis</b>						
10.170	64629	NEW GENERATION VEG PRODUCERS	2	201601840-02	24,000.00	1,354.46
<b>Sub-Total Pass Through Awards, UC Davis</b>					<b>24,000.00</b>	<b>1,354.46</b>
<b>Univ of Vermont Extension</b>						
10.303	64369	GOCROP 2012/2016	3	27250SUB51410 Am 2	111,131.00	19,474.48
<b>Sub-Total Pass Through Awards, Univ of Vermont Extension</b>					<b>111,131.00</b>	<b>19,474.48</b>
<b>Ecology Center</b>						
10.331	64678	ECOLOGY CENTER MARKET MATCH	3	AGMT 17-0212-001-SF	49,972.62	43,288.81
<b>Sub-Total Pass Through Awards, Ecology Center</b>					<b>49,972.62</b>	<b>43,288.81</b>
<b>CA Dept of Public Health</b>						
10.557	64698	WIC VIDEO PRODUCTION SERVICES	3	1710428	62,254.00	28,596.98
<b>Sub-Total Pass Through Awards, CA Dept of Public Health</b>					<b>62,254.00</b>	<b>28,596.98</b>
<b>CA Department of Education</b>						
10.559	64674	SUMMER FOODS PROGRAM 2017	5	SP-17-309	44,716.04	44,716.04
<b>Sub-Total, Child Nutrition Cluster, Pass Through Awards, CA Dept of Education</b>					<b>44,716.04</b>	<b>44,716.04</b>
<b>BUTTE CO DEPT OF PUBLIC HEALTH</b>						
10.561	64392	BUTTE CO DPH SNAP-ED Y1 13/14	3	X199997	318,790.29	0.04
10.561	64613	BUTTE LHD 1617	3	X22359	351,807.73	131,695.45
10.561	64684	BUTTE LHD 1718	3	X22804	139,082.00	100,202.35
<b>Sub-Total, SNAP Cluster, Pass Through Awards, Butte Co Dept of Public Health</b>					<b>809,680.02</b>	<b>231,897.84</b>
<b>CA Dept of Aging</b>						
10.561	64618	CDA SNAP-ED PSA3 16/17	3	SP-1617-03	33,535.00	8,650.64
10.561	64619	CDA SNAP-ED PSA2 16/17	3	SP-1617-02	37,689.00	7,102.98
10.561	64695	SNAP-ED PSA3 17/18	3	SP-1718-03 AM1	30,069.00	21,665.55
10.561	64696	SNAP-ED PSA2 17/18	3	SP-1718-03 AM1	33,055.00	26,220.16
<b>Sub-Total, SNAP Cluster, Pass Through Awards, CA Dept of Aging</b>					<b>134,348.00</b>	<b>63,639.33</b>
<b>CA Dept of Public Health</b>						
10.561	64415	NEOP TRC YR 1	3	13-20939	825,000.00	-
10.561	64529	CDPH SNAPED COLUSA/GLENN FY156	3	13-20107 Am 1	457,084.00	(0.02)
10.561	64604	CDPH COLUSA/GLENN LHD 16/17	3	16-10129	484,804.00	174,055.54
10.561	64689	CDPH COLUSA/GLENN LHD 17/18	3	16-10129	355,635.00	281,309.45
<b>Sub-Total, SNAP Cluster, Pass Through Awards, CA Dept of Public Health</b>					<b>2,122,523.00</b>	<b>455,364.97</b>
<b>CalFresh Outreach Unit</b>						
10.561	64464	BUTTE CO SNAP-ED 14/15	3	X21405 Am 1	371,304.57	314.64
<b>Sub-Total, SNAP Cluster, Pass Through Awards, CalFresh Outreach Unit</b>					<b>371,304.57</b>	<b>314.64</b>

**THE CSU, CHICO RESEARCH FOUNDATION**  
**Schedule of Expenditures of Federal Awards**  
Year Ended June 30, 2018

Catalog Number	Project	Project Description	Firm Code	Contract Number	Program or Award Amounts	FY17-18 Federal Expenditures
<b>California Department of Social Services</b>						
10.561	64382	CALFRESH OUTREACH Y2 13/14	3	12-3054	\$ 836,288.00	\$ (375.68)
10.561	64625	CALFRESH OUTREACH FY2017-2018	3	16-SUB-00890	820,703.00	445,696.99
10.561	64688	CALFRESH OUTREACH FY17-18 Y2	3	16-SUB-00890	820,263.00	545,650.73
<b>Sub-Total, SNAP Cluster, Pass Through Awards, CA Dept of Public Health</b>					<u>2,477,254.00</u>	<u>990,972.04</u>
<b>Siskiyou County Health &amp; Human Services Agency, Public Health Division</b>						
10.561	64612	SISKIYOU LHD 1617	3	E1700445	57,329.00	19,648.31
10.561	64685	SISKIYOU LHD 1718	3	dtd 1/2/2018	58,639.00	42,086.45
<b>Sub-Total, SNAP Cluster, Pass Through Awards, Siskiyou County Health &amp; Human Srv Agency, Public Health Div</b>					<u>115,968.00</u>	<u>61,734.76</u>
<b>Tehama County</b>						
10.561	64617	TEHAMA LHD SUB-K 17-19	3	2016-1296 Am 1	129,208.00	67,969.12
10.561	64686	TEHAMA LHD SUB-K FFY 17-19	3	2018-3	96,926.00	76,290.20
<b>Sub-Total, SNAP Cluster, Pass Through Awards, Tehama County</b>					<u>226,134.00</u>	<u>144,259.32</u>
<b>Yuba County</b>						
10.561	64614	YUBA LHD 1617	3	269-0616 Am 1st	356,363.00	121,183.63
10.561	64687	YUBA LDH SUB-K FFY 17-19	3	269-0616	215,564.00	161,281.37
<b>Sub-Total, SNAP Cluster, Pass Through Awards, Yuba County</b>					<u>571,927.00</u>	<u>282,465.00</u>
<b>Total Direct Awards</b>					<u>2,604,133.30</u>	<u>635,052.28</u>
<b>Total Research and Development Direct Awards</b>					<u>516,530.00</u>	<u>181,626.95</u>
<b>Total Pass Through Awards</b>					<u>943,327.62</u>	<u>98,482.01</u>
<b>Total Child Nutrition Cluster Pass Through Awards</b>					<u>44,716.04</u>	<u>44,716.04</u>
<b>Total SNAP Cluster Pass Through Awards</b>					<u>6,829,138.59</u>	<u>2,230,647.90</u>
<b>Total Department of Agriculture</b>					<u>10,937,845.55</u>	<u>3,190,525.18</u>
<b>Department of Commerce</b>						
<b>Direct Awards</b>						
11.303	60683	EDA UNIV CNTR Y4 15/16	3	07-66-06881-03	110,000.00	(4,153.98)
11.303	60712	EDA UNIVERSITY CENTER 16/17	3	07-66-06881-04	110,000.00	1,491.74
11.303	60729	FRESNO EDA UNIV CNTR 16/17	3	07-66-06881-04	110,000.00	5,874.67
11.303	60763	EDA UNIVERSITY CENTER 17/18	3	ED17SEA3030036	79,485.50	76,720.56
11.303	60764	FRESNO EDA UNIV CNTR Y1 17/18	3	ED17SEA3030036	79,485.50	79,378.47
<b>Sub-Total Direct Awards</b>					<u>488,971.00</u>	<u>159,311.46</u>
11.307	60770	N.CA BROADBAND PLAN EDA Y1 18	3	07-79-07431	207,234.00	4,833.25
11.307	60734	IMCP CNTRL VLY AGPLUS 16/18	3	07-79-07295	30,000.00	7,933.35
<b>Sub-Total, Economic Development Cluster, Direct Awards</b>					<u>237,234.00</u>	<u>12,766.60</u>
<b>Direct Awards - Research and Development</b>						
11.620	60775	SURF GAITHERSBURG SMMR FLLWSHP	2	70NANB18H124	9,119.00	8,619.00
<b>Sub-Total Research and Development Direct Awards</b>					<u>9,119.00</u>	<u>8,619.00</u>
<b>Pass Through Awards</b>						
<b>CA Public Utilities Comm</b>						
11.558	64110	BROADBAND MAP/OUTREACH CPUC	3	09IA5851	1,032,240.00	16,060.66
<b>Sub-Total Pass Through Awards, Ca Public Utilities Comm</b>					<u>1,032,240.00</u>	<u>16,060.66</u>
<b>California Manufacturing Technology Consulting</b>						
11.611	64636	CMTC MFTG TECH CONSULTING	3	70 NANB16H208	60,000.00	27,577.87
11.611	64694	CMTC MEP MFTG & FOOD SAFETY	3	70NANB16H208	80,000.00	28,083.07
<b>Sub-Total Pass Through Awards, Ca Manufacturing Tech Consulting</b>					<u>140,000.00</u>	<u>55,660.94</u>
<b>Total Direct Awards</b>					<u>488,971.00</u>	<u>159,311.46</u>
<b>Total Economic Development Cluster Other Direct Awards</b>					<u>237,234.00</u>	<u>12,766.60</u>
<b>Total Research and Development Direct Awards</b>					<u>9,119.00</u>	<u>8,619.00</u>
<b>Total Pass Through Awards</b>					<u>1,172,240.00</u>	<u>71,721.60</u>
<b>Total Department of Commerce</b>					<u>1,907,564.00</u>	<u>252,418.66</u>
<b>Department of Defense</b>						
<b>Direct Awards</b>						
12.300	60721	POWER SYS DYNAMICS & CONTROL	3	N00014-16-1-3171, Modification P00004	212,301.00	100,673.58
<b>Sub-Total Direct Awards</b>					<u>212,301.00</u>	<u>100,673.58</u>
<b>Total Direct Awards</b>					<u>212,301.00</u>	<u>100,673.58</u>
<b>Total Department of Defense</b>					<u>212,301.00</u>	<u>100,673.58</u>

**THE CSU, CHICO RESEARCH FOUNDATION**  
**Schedule of Expenditures of Federal Awards**  
Year Ended June 30, 2018

Catalog Number	Project	Project Description	Firm Code	Contract Number	Program or Award Amounts	FY17-18 Federal Expenditures
<b>Department of Interior</b>						
<b>Direct Awards</b>						
15.224	60674	DATA SHARE/ARCH RESRCH-NEIC	3	L15AC00181	\$ 20,000.00	\$ 11,164.58
15.224	60675	DATA SHARE/ARCH RESERCH-ARP	3	L15AC00181	99,982.12	5,214.31
15.238	60636	BLM CESU LOYALTON ROCKSHELTER	3	L14AC00080, AM 1	8,000.00	248.21
15.243	60686	BLM CESU YOUTH SUMMITS	3	L15AC00231 Supplement 3	154,616.61	23,345.64
15.512	60696	USBR SIDE CHNNLS RESTOR-SRCAF	3	R16AC00099 Mod 1	466,992.00	123,717.51
15.512	60722	USBR SIDE CHNNLS RESTOR-GIC	3	R16AC00099	254,481.00	28,951.26
15.512	60723	USBR SIDE CHNNLS RESTOR-BANET	3	R16AC00099	269,783.00	92,731.00
15.512	60724	USBR SIDE CHNNLS RESTOR-ARP	3	R16AC00099	10,077.00	1,122.80
15.512	60726	USBR SIDE CHNNLS RESTOR-SUBKS	3	R16AC00099	991,285.00	586,936.68
15.945	60653	NPS CESU MEDN I&M PHASE 1	3	P14AC01614 Mod 2	72,682.46	43,400.53
<b>Sub-Total Direct Awards</b>					<b>2,347,899.19</b>	<b>916,832.52</b>
<b>Direct Awards - Research and Development</b>						
15.533	60768	MERCURY TRANS/TANSPORT WILDFIR	2	R18AC00005	10,000.00	1,146.19
15.810	60745	EDMAP: ANTELOPE VALLEY, SIERRA	2	G17AC00158	16,308.00	7,772.61
15.810	60746	EDMAP: TUSCAN FORM RICHARDSON	2	G17AC00156	18,187.00	8,514.63
<b>Sub-Total Research and Development Direct Awards</b>					<b>44,495.00</b>	<b>17,433.43</b>
<b>Pass Through Awards</b>						
<b>Humboldt State Univeristy Sponsored Programs Foundation</b>						
15.236	64670	OREGON IDE DROUGHT & SAGEBRUSH	2	0007101855	22,750.00	5,076.50
<b>Sub-Total Pass Through Awards, Humboldt State University Sponsored Programs Foundation</b>					<b>22,750.00</b>	<b>5,076.50</b>
<b>UC Division of Agriculture and Natural Resource</b>						
15.805	64635	SALMONID STUDY Y2	2	amd1 SA15-2997-CA365B	12,499.00	8,196.08
<b>Sub-Total Research and Development Pass Through Awards, UC Division of Ag and Natural Resource</b>					<b>12,499.00</b>	<b>8,196.08</b>
<b>CA Dept of Parks &amp; Recreation</b>						
15.904	64620	OHP RECORD SEARCHES 16/17	3	C8960505	7,500.00	6,551.27
<b>Sub-Total Pass Through Awards, Ca Dept of Parks &amp; Recreation</b>					<b>7,500.00</b>	<b>6,551.27</b>
<b>National Writing Project - National Park Service</b>						
15.954	64714	N.CA WRITING PJCT/N'TL PRK SRV	3	92-CA04-NPS2018	3,500.00	3,479.85
<b>Sub-Total Pass Through Awards, National Writing Project - National Park Service</b>					<b>3,500.00</b>	<b>3,479.85</b>
<b>CAL POLY CORPORATION</b>						
N/A	64608	SAC VALLEY-DTA 16/17 Y2 T1	3	2015-11-48729	112,493.00	52,774.09
N/A	64609	TECH AST PROG TRNG 16/17 Y2 T3	3	2015-11-48729	89,713.00	9,704.73
N/A	64680	H2O CONS TECH ASST 1718 Y3T1	3	2015-11-48729	64,100.00	41,428.29
N/A	64681	H2O CONS TECH ASST 1718 Y3T3	3	2015-11-48729	185,900.00	83,670.40
<b>Sub-Total Pass Through Awards, Cal Poly Corporation</b>					<b>452,206.00</b>	<b>187,577.51</b>
<b>Total Direct Awards</b>					<b>2,347,899.19</b>	<b>916,832.52</b>
<b>Total Research and Development Direct Awards</b>					<b>44,495.00</b>	<b>17,433.43</b>
<b>Total Pass Through Awards</b>					<b>485,956.00</b>	<b>202,685.13</b>
<b>Total Research and Development Pass Through Awards</b>					<b>12,499.00</b>	<b>8,196.08</b>
<b>Total Department of Interior</b>					<b>2,890,849.19</b>	<b>1,145,147.16</b>
<b>Department of Justice Bureau of Justice Assistance</b>						
<b>Direct Awards - Research and Development</b>						
16.560	60735	HUMAN REMAINS SEARCH PARAMETER	2	2016-DN-BX-0159	435,971.00	51,619.99
16.560	60741	HUMAN REMAINS SEARCH - FACULTY	2	2016-DN-BX-0159	430,925.00	124,657.96
N/A	60742	NRCS RECORDS SEARCHES 17/18	2	AG-4D90-P-17-0070	15,000.00	(211.24)
<b>Sub-Total Research and Development Direct Awards</b>					<b>881,896.00</b>	<b>176,066.71</b>
<b>Pass Through Awards</b>						
<b>Mariposa County</b>						
16.738	64626	LEP PHASE 2 MARIPOSA COUNTY	3	SP 16-180 AM 1	33,320.00	5,656.46
<b>Sub-Total Pass Through Awards, Mariposa County</b>					<b>33,320.00</b>	<b>5,656.46</b>
<b>Total Research and Development Direct Awards</b>					<b>881,896.00</b>	<b>176,066.71</b>
<b>Total Pass Through Awards</b>					<b>33,320.00</b>	<b>5,656.46</b>
<b>Total Department of Justice Bureau of Justice Assistance</b>					<b>915,216.00</b>	<b>181,723.17</b>
<b>U.S. Department of Labor</b>						
<b>Pass Through Awards</b>						
<b>CSU, Fresno Foundation</b>						
17.258	64533	FRESNO WATER - 45% ADULT	3	SC350387-15-02	3,988.00	-
<b>Sub-Total, WIOA Cluster, Pass Through Awards, CSU Fresno Foundation</b>					<b>3,988.00</b>	<b>-</b>
<b>North Central Counties Consortium</b>						
17.259	64705	SUMMER WORK EXPERIENCE 17/18	3	17-23	6,266.00	5,399.13
<b>Sub-Total, WIOA Cluster, Pass Through Awards, North Central Counties Consortium</b>					<b>6,266.00</b>	<b>5,399.13</b>

**THE CSU, CHICO RESEARCH FOUNDATION**  
**Schedule of Expenditures of Federal Awards**  
Year Ended June 30, 2018

Catalog Number	Project	Project Description	Firm Code	Contract Number	Program or Award Amounts	FY17-18 Federal Expenditures
<b>CSU, Fresno Foundation</b>						
17.278	64534	FRESNO WATER - 55% DISLOCATED	3	SC350387-15-02	\$ 4,876.00	\$ -
<b>Sub-Total, WIOA Cluster, Pass Through Awards, CSU Fresno Foundation</b>					4,876.00	-
<b>Total WIOA Cluster Pass Through Awards</b>					15,130.00	5,399.13
<b>Total U.S. Department of Labor</b>					15,130.00	5,399.13
<b>Department of State Bureau of Educational and Cultural Affairs</b>						
<b>Direct Awards</b>						
19.009	60695	SUSI SL 2016	3	S-ECAGD-16-CA-1078	237,195.00	443.68
19.009	60743	SUSI SL 2017	3	S-ECAGD-16-CA-1078 Am 1	239,958.00	146,381.41
19.009	60772	SUSI SL 2018 - GOING LEAN	3	S-ECAGD-16-CA-1078 Am 2	236,235.00	158,061.42
19.401	60629	US INST 2NDRY EDUC 2014/DOS	3	S-ECAGD-14-CA-1066	239,183.00	(828.70)
19.401	60661	US INST 2NDRY EDUC 2015/DOS	3	S-ECAGD-14-CA-1066	244,981.00	5,332.19
19.401	60693	SUSI SUMMER 2016	3	S-ECAGD-14-CA-1066 Am 2	239,973.00	718.89
<b>Sub-Total Direct Awards</b>					1,437,525.00	310,108.89
<b>Pass Through Awards</b>						
<b>University of Montana</b>						
19.401	64711	SUSI STDY OF US SECNDRY EDCTRS	3	PG18-26913-01	243,952.00	161,269.38
<b>Sub-Total Pass Through Awards, University of Montana</b>					243,952.00	161,269.38
<b>Int'l Research &amp; Exchanges Brd</b>						
19.408	64690	TEA SPRING 2018	3	FY18-TEA-Chico-01	189,957.00	189,331.61
<b>Sub-Total Pass Through Awards, Int'l Research &amp; Exchanges Brd</b>					189,957.00	189,331.61
<b>Georgetown University</b>						
19.600	64640	MENA STUDENT LEADERS 2017	3	CSUCHICO-GR205337	233,325.00	126,914.57
<b>Sub-Total Pass Through Awards, Georgetown University</b>					233,325.00	126,914.57
<b>Total Direct Awards</b>					1,437,525.00	310,108.89
<b>Total Pass Through Awards</b>					667,234.00	477,515.56
<b>Total Department of State Bureau of Educational and Cultural Affairs</b>					2,104,759.00	787,624.45
<b>Department of Transportation</b>						
<b>Pass Through Awards</b>						
<b>Caltrans</b>						
20.205	64548	LINEAR REFERENCING SYST UPDATE	3	65A0585	6,160.00	-
20.205	64549	LRS UPDATE UNCALBRD PROCESING	3	65A0585	42,340.00	406.46
20.205	64550	LRS UPDATE 2014 IMAGERY UPDATE	3	65A0585	84,340.00	980.88
20.205	64551	LRS TECHNICAL ASSISTANCE	3	65A0585	6,160.00	-
20.205	64552	LRS UPDATE PROJECT DELIVERY	3	65A0585	3,080.00	-
<b>Sub Total, Highway Planning and Construction Cluster, Pass Through Awards, Caltrans</b>					142,080.00	1,387.34
<b>Total Highway Planning and Construction Cluster Pass Through Awards</b>					142,080.00	1,387.34
<b>Total Department of Transportation</b>					142,080.00	1,387.34
<b>National Endowment for the Arts</b>						
<b>Direct Awards</b>						
45.024	60694	WEEGEE: TWO TRUTHS AND A LIE	3	16-4100-7078	15,000.00	13,362.60
<b>Sub-Total Direct Awards</b>					15,000.00	13,362.60
<b>Total Direct Awards</b>					15,000.00	13,362.60
<b>Total National Endowment for the Arts</b>					15,000.00	13,362.60
<b>National Science Foundation</b>						
<b>Direct Awards - Research and Development</b>						
47.049	60697	NSF REU MATHEMATICAL MODELING	2	1559788	265,000.00	106,778.36
47.049	60733	NSF NUMBER THEORY CONFERENCES	2	1646760	42,700.00	11,577.00
47.050	60637	CASCADES ARC	2	EAR-1348065 Am 1	180,611.00	16,987.13
47.070	60752	NSF CYBERLEARNING	2	1735740	50,000.00	3,902.40
47.074	60713	NSF MRI - FACS ACQUISITION	2	1626406	544,303.00	531,563.79
47.075	60609	NSF DEMOGR STUDY CENTRAL CA	2	BCS-1318543	149,102.00	56,766.30
47.076	60540	NSF TEMS II PROGRAM 11/16	2	DUE-1163431	749,600.00	21,568.13
47.076	60751	NSF LEARNING PHYSICS	2	1726249	597,781.00	59,787.26
<b>Sub-Total Research and Development Direct Awards</b>					2,579,097.00	808,930.37
<b>Pass Through Awards</b>						
<b>University of Wyoming</b>						
47.050	64554	DUKHA ETHNOARCHAEL NSF/UWY	2	1002775-CSUCHICO	72,148.00	41,769.79
<b>Sub-Total Research and Development Pass Through Awards, University of Wyoming</b>					72,148.00	41,769.79



**THE CSU, CHICO RESEARCH FOUNDATION**  
**Schedule of Expenditures of Federal Awards**  
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Catalog Number	Project	Project Description	Firm Code	Contract Number	Program or Award Amounts	FY17-18 Federal Expenditures
<b>UC. Davis</b>						
47.075	64387	MAYA HIEROGLYPHIC DATABASE NSF	3	201301594-01	\$ 289,173.00	\$ (0.01)
	<b>Sub-Total Pass Through Awards, UC Davis</b>				289,173.00	(0.01)
<b>Carleton College</b>						
47.076	64547	INTEGRATE SUSTAINABILITY NSF	1	28-1976-CSU	53,999.00	404.42
	<b>Sub-Total Pass Through Awards, Carleton College</b>				53,999.00	404.42
<b>Univ of Colorado</b>						
47.076	64566	SUSTAINED 2016 - BOULDER Y1	1	1525338	407,690.00	151,387.79
	<b>Sub-Total Pass Through Awards, University of Colorado</b>				407,690.00	151,387.79
<b>University Enterprises, Inc., CSU Sacramento</b>						
47.076	64605	LSAMP NSF FUNDS 16/17	1	523761 AM 523764	15,000.00	13,956.50
	<b>Sub-Total Pass Through Awards, University Enterprises, Inc., CSU Sacramento</b>				15,000.00	13,956.50
<b>UC Berkeley</b>						
47.076	64627	FLP FOR STEM FAC DEV 1718 Y2	4	00009394	118,127.00	68,350.20
	<b>Sub-Total Pass Through Awards, UC Berkeley</b>				118,127.00	68,350.20
	<b>Total Research and Development Direct Awards</b>				2,579,097.00	808,930.37
	<b>Total Research and Development Pass Through Awards</b>				72,148.00	41,769.79
	<b>Total Pass Through Awards</b>				883,989.00	234,098.90
<b>Total National Science Foundation</b>					3,535,234.00	1,084,799.06
<b>U.S. Small Business Administration</b>						
<b>Direct Awards</b>						
59.037	60737	SBA 2017	3	SBAHQ-17-B-0055	1,556,150.00	1,043,166.78
59.037	60738	SHASTA SBA 2017	3	SBAHQ-17-B-0055	-	(42,024.92)
	<b>Sub-Total Direct Awards</b>				1,556,150.00	1,001,141.86
	<b>Total Direct Awards</b>				1,556,150.00	1,001,141.86
<b>Total U.S. Small Business Administration</b>					1,556,150.00	1,001,141.86
<b>Environmental Protection Agency Office of Research and Development</b>						
<b>Direct Awards - Research and Development</b>						
66.516	60704	EPA P3	2	83676101	14,999.00	4,487.76
66.516	60739	BIOFILTRATION/SMALL URBAN AREA	2	SV-83693001-0	74,971.00	42,391.32
66.516	60771	RESBL BIODGRDBL SLVNTS BIODSL	2	SV-83935101-0	73,338.00	16,099.00
	<b>Sub-Total Research and Development Direct Awards</b>				163,308.00	62,978.08
	<b>Total Research and Development Direct Awards</b>				163,308.00	62,978.08
<b>Total Environmental Protection Agency Office of Research and Development</b>					163,308.00	62,978.08
<b>Department of Energy</b>						
<b>Direct Awards</b>						
81.000	60730	OPTICALLY BASED SENSOR SYSTEM	3	7316126	98,009.00	3,993.58
	<b>Sub-Total Direct Awards Other</b>				98,009.00	3,993.58
<b>Pass Through Awards</b>						
<b>Lawrence Livermore Nat'l Security, LLC</b>						
81.XXX	64602	LLNL FINAL DEPLOYABLE SYSTEM	3	B619293	135,730.00	38,963.07
	<b>Sub-Total Pass Through Awards, Lawrence Livermore Nat'l Security, LLC</b>				135,730.00	38,963.07
	<b>Total Direct Awards</b>				98,009.00	3,993.58
	<b>Total Pass Through Awards</b>				135,730.00	38,963.07
<b>Total Department of Energy</b>					233,739.00	42,956.65
<b>U.S. Department of Education</b>						
<b>Direct Awards</b>						
84.031C	60719	CHICO STEM CONN Y1 16/17	5	P031C160125	770,809.00	219,849.15
84.031C	60761	CHICO STEM CONN Y2 17/18	5	P031C160125-17 act 2	1,014,119.55	582,945.23
	<b>Sub-Total Direct Awards</b>				1,784,928.55	802,794.38

**THE CSU, CHICO RESEARCH FOUNDATION**  
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Year Ended June 30, 2018

Catalog Number	Project	Project Description	Firm Code	Contract Number	Program or Award Amounts	FY17-18 Federal Expenditures
<b>U.S. Department of Education</b>						
84.042A	60714	SSSP Y2 2016/17	5	P042A150256-16	\$ 255,010.00	\$ 50,396.67
84.042A	60755	SSSP Y3 2017/18	5	P042150256-16A	280,108.68	208,270.58
84.044A	60643	ED TALENT SEARCH I Y4 14/15	5	P044A110388-14	379,555.84	(1,934.26)
84.044A	60708	ED TALENT SEARCH II Y1 16/17	5	P044A160601	241,440.00	27,331.14
84.044A	60709	ED TALENT SEARCH I-Y1-16/17	5	P044A160598	396,000.00	47,938.89
84.044A	60756	ETS I Y2 17/18	5	P044A160598	424,293.54	331,136.13
84.044A	60758	ED TALENT SEARCH II Y2 17/18	5	P044A160601-17	266,210.38	205,425.44
84.047A	60699	UPWARD BOUND Y4 16/17	3	P047A130074-16	576,800.00	2,950.15
84.047A	60710	UPWARD BOUND II Y4 16/17	3	P047A130073	349,561.00	117,828.13
84.047A	60744	UPWARD BOUND Y5 17/18	3	P047A130074-17 & 17A	612,211.72	562,721.46
84.047A	60753	UPWARD BOUND II Y5 17/18	3	P047A130073 & 17A	362,120.06	274,419.20
84.047A	60776	UPWARD BOUND I Y1 18/19	3	P047A180184	591,220.00	128,906.51
84.047M	60677	UB STEM Y4 15/16	3	P047M120260-15	537,157.00	(22.95)
84.047M	60707	UB MATH/SCIENCE Y5 16/17	3	P047M120263	257,500.00	76,576.72
84.047M	60717	UPWARD BOUND STEM Y5 16/17	3	P047M120260-16	257,500.00	103,119.60
84.047M	60759	UB MATH/SCIENCE Y1 17/18	3	P047M170193	263,938.00	201,421.43
84.047M	60760	UB STEM Y1 17/18	3	P047M170194	263,938.00	177,106.13
<b>Sub-Total, TRIO Cluster, Direct Awards</b>					<b>6,314,564.22</b>	<b>2,513,590.97</b>
84.299B	60668	NORCAL PRIE: Y4 15/16	1	S299B120038-15	56,855.00	218.47
84.299B	60731	NORCAL PRIE II Y1 16/17	1	S299B160013	335,247.00	72,386.81
84.299B	60762	NORCAL PRIE II 17/18Y2	1	S299B160013	349,975.90	144,943.29
84.325K	60618	N.CA CLIPP Y1 13/14	1	h325K140219-15	1,249,996.00	234,398.70
84.325K	60690	T.R.A.C.K. Y5 2016-18	1	4325K11032275	407,884.00	104,975.79
84.336S	60553	CO-STAR5 Y5 13/14	1	U336S090119	1,848,278.14	(0.02)
84.336S	60656	PRISMSY1 14/15	1	U336S140023	5,079,717.00	1,475,437.06
84.336S	60688	TQP COSTARS EVALUATION Y1 15/16	1	U336S090119-13B	275,821.00	74,626.71
84.365Z	60679	CPD Y4 2015/2016	3	T365Z120186-15	531,467.32	(18.80)
84.365Z	60711	CPD Y5 2016/2017	3	T365Z120186	512,583.00	235,859.47
84.365Z	60757	CIELO EXPAND ENG LNR ED Y1	3	T365Z170163	437,251.00	292,045.61
<b>Sub-Total Direct Awards</b>					<b>11,085,075.36</b>	<b>2,634,873.09</b>
<b>Pass Through Awards</b>						
<b>CA Dept of Education</b>						
84.048A	64553	CHICO AG FIELD OFFICE 2016 Y1	3	CN150284	7,214.00	
84.048A	64599	CHICO AG FIELD OFFICE Y2 16/17	3	CN150284	14,225.00	102.10
84.048A	64666	CHICO AG FIELD OFFICE 17/18	3	CN150284	6,561.00	1,437.75
84.048A	64709	AG FIELD OFFICE JAN-JUN 2018	3	CN170307	8,878.00	2,123.33
<b>Sub-Total Pass Through Awards, Ca Dept of Education</b>					<b>36,878.00</b>	<b>3,663.18</b>
<b>Chico Unified School District</b>						
84.215F	64675	CUSD PEP SUB-K - EVALUATION	2	SP-18-038	10,000.00	7,987.10
<b>Sub-Total Pass Through Awards, Chico Unified School District</b>					<b>10,000.00</b>	<b>7,987.10</b>
<b>Butte County Office of Education</b>						
84.366B	64524	BCOE ISTEM K-6 YR 2 15/16	3	SP-14-088-Y2	372,405.00	(1,178.54)
84.366B	64611	BCOE ISTEM K-6 YR 3 16/17	3	SP-14-088-Y3 Am 1	288,614.00	100,126.87
<b>Sub-Total Pass Through Awards, Butte County Office of Education</b>					<b>661,019.00</b>	<b>98,948.33</b>
<b>Chico Unified School District</b>						
84.366B	64616	CAMSP - COHORT 12 16/17 Y2	3	PO# P17-01098	582,081.00	20,087.07
<b>Sub-Total Pass Through Awards, Chico Unified School District</b>					<b>582,081.00</b>	<b>20,087.07</b>
<b>Tehama County Department of Education (TCDE)</b>						
84.366B	64482	TCDE CAMSP SEES 15/16 Y1	3	SP-15-092 Am 1	168,000.00	0.03
84.366B	64607	TCDE CAMSP SEES 16/17 Y2	3	SP-15-092y2	125,000.00	27,128.62
<b>Sub-Total Pass Through Awards, Tehama County Department of Education</b>					<b>293,000.00</b>	<b>27,128.65</b>
<b>UC Regents/Office of the President</b>						
84.367	64610	SCIENCE TEACHERS LEARNING COMM	3	S367B160005	267,039.65	135,511.79
84.367	64691	NCLB CA READING/LIT 17/18	3	NCLB14-CRLP-CHICO	39,141.00	38,881.26
<b>Sub-Total Pass Through Awards, UC Regents/Office of the Pres</b>					<b>306,180.65</b>	<b>174,393.05</b>
<b>UC Regents/Office of the President</b>						
84.367A	64631	NCLB N. CA ARTS PJCT 16/17	3	NCLB13-TCAP-CHICO	25,000.00	(1.36)
84.367A	64633	NCLB 13 CMP 2016/2017	3	NCLB13-CMP-CHICO	29,000.00	419.03
84.367A	64634	INLAND NORTHERN SP-NCLB 16/17	3	NCLB13-CSP-CHICO	41,000.00	2,510.18
84.367A	64702	NCLB N. CA WRITING PRJCT 17/18	3	NCLB14-CWP-CHICO	32,557.00	30,712.28
84.367A	64703	NCLB CA MATH PRJCT 17/18	3	NCLB14-CMP-CHICO	26,018.00	26,028.73
84.367A	64704	NCLB N.CA ARTS PJCT 17/18	3	NCLB14-TCAP-CHICO	35,887.00	35,887.00
84.367A	64706	NCLB INLAND N. SCI PJCT 17/18	3	NCLB14-CSP-CHICO	34,989.00	35,830.60
<b>Sub-Total Pass Through Awards, UC Regents/Office of the Pres</b>					<b>224,451.00</b>	<b>131,386.46</b>

**THE CSU, CHICO RESEARCH FOUNDATION**  
**Schedule of Expenditures of Federal Awards**  
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Catalog Number	Project	Project Description	Firm Code	Contract Number	Program or Award Amounts	FY17-18 Federal Expenditures
<b>National Writing Project</b>						
84.367D	64559	NWP COLLEGE READY WRITERS	3	92-CA04-SEED2016	\$ 20,000.00	\$ (0.01)
84.367D	64630	NWP CRWP-SEED HIGH NEED SCHOOL	3	92-CA04-SEED2017-CRWPPD	20,000.00	7,126.42
84.367D	64679	NWP SEED LEADERSHIP INST 17/18	1	92-CA04-SEED2017-ILI	15,000.00	486.87
<b>Sub-Total Pass Through Awards, National Writing Project</b>					55,000.00	7,613.28
<b>National Writing Project</b>						
84.411A	64637	CRWP I3 SCALE UP 17/18	3	92-CA04-2017I3AI	20,000.00	11,254.68
84.411A	64712	NWP I3 PROFESSIONAL DEVELOPMEN	3	92-CA04-2018I3C3WP	80,000.00	7,427.78
<b>Sub-Total Pass Through Awards, National Writing Project</b>					100,000.00	18,682.46
<b>Total Direct Awards</b>					12,870,003.91	3,437,667.47
<b>Total TRIO Cluster Direct Awards</b>					6,314,564.22	2,513,590.97
<b>Total Pass Through Awards</b>					2,268,609.65	489,889.58
<b>Total U.S. Department of Education</b>					21,453,177.78	6,441,148.02
<b>Department of Health and Human Services</b>						
<b>Direct Awards</b>						
93.243	60705	MSW WORKFORCE TRAIN Y3 16/17	1	5 G02HP27931-03-00	142,824.00	21,441.95
<b>Sub-Total Direct Awards</b>					142,824.00	21,441.95
93.847	60718	NIH - MICRO RNA-375 AND CREM	2	2R15DK088281-02A1	353,750.00	90,713.32
93.847	60750	NIH STEMCELL GENERATION RSRCH	2	1r15dk114732-01	414,540.00	60,593.35
93.855	60681	NIH H5N1 FLU IMPACT STUDY	2	1R15AI111307-01A1	334,656.00	82,673.60
<b>Sub-Total Research and Development Direct Awards</b>					1,102,946.00	233,980.27
<b>Pass Through Awards</b>						
<b>CA Dept of Aging</b>						
93.041	64329	ELDER ABUSE 13/14 Q1	3	A3-1314-03	1,431.00	527.78
93.041	64355	AAA AP ELDER AB 13/14 Q2-4	3	A9-1314-03	4,897.00	0.18
93.041	64430	AAA ELDER ABUSE 14/15	3	AP-1415-03	6,491.00	(408.63)
93.041	64574	AAA VII ELDER ABUSE 16/17	3	AP-1617-03	6,493.00	2.03
93.041	64648	ELDER ABUSE 7A 1718	3	AP-1718-03	6,612.00	5,142.03
<b>Sub-Total Federal \$ Pass Through Awards, Ca Dept of Aging</b>					25,924.00	5,263.39
<b>CA Dept of Aging</b>						
93.042	64649	OMBUDSMAN 3B & 7A 1718	3	AP-1718-03	31,739.00	31,739.00
93.042	64649	OMBUDSMAN 3B & 7A 1718	3	AP-1718-03	26,535.00	27,298.89
93.042	64250	3B OMBUDSMAN 3B/7A 12/13	3	AP-1213-03	56,800.00	1,828.77
STATE	64251	OMBUDSMAN INITIATIVE 12/13	3	AP-1213-03	42,375.00	(1,828.28)
93.042	64330	3B OMBUDSMAN 3B/7A 13/14 Q1	3	A3-1314-03	14,613.00	(671.41)
STATE	64331	OMBUDSMAN INITIATIVE 13/14	3	A3-1314-03	10,578.00	(119.16)
93.042	64431	AAA OMBUDSMAN 14/15	3	AP-1415-03	57,866.00	(118.34)
93.042	64575	AAA OMBUDSMAN 3B/7A 16/17	3	AP-1617-03	60,381.00	(318.99)
STATE	64576	AAA OMBUDSMAN INIT 16/17	3	AP-1617-03	74,527.00	318.61
STATE	64650	OMB STATE FUNDS 17/18	3	AP-1718-03	73,910.00	36,437.38
<b>Sub-Total Federal \$ Pass Through Awards, Ca Dept of Aging</b>					247,934.00	59,757.92
<b>Sub-Total State \$ Pass Through Awards, Ca Dept of Aging</b>					201,390.00	34,808.55
<b>CA Dept of Aging</b>						
93.043	64257	DISEASE PREVENTION 12/13	3	AP-1213-03	19,323.00	0.43
93.043	64337	DISEASE PREVENTION 13/14 Q1	3	A3-1314-03	6,526.00	(6,524.21)
93.043	64363	AAA AP DIS PREV 13/14 Q2-4	3	A9-1314-03	14,780.00	(0.37)
93.043	64439	AAA 3D DISEASE PREVENT 14/15	3	AP-1415-03	20,746.00	0.16
93.043	64583	AAA DISEASE PREVENTION 16/17	3	AP-1617-03	27,071.00	(497.35)
93.043	64621	PSA 2 IIID HEALTH PROMO 16/17	3	6002-1617-A11	10,478.00	617.58
93.043	64657	3D DISEASE PREVENTION 17/18	3	AP-1718-03	26,907.00	9,913.65
93.043	64669	PSA 2 FCSP 1718	3	6001-1718-A12	123,405.00	119,891.25
93.043	64682	PSA2 3D HEALTH PROMO 17/18	3	6002-1718-A12 Amendment 1	11,520.00	10,342.10
<b>Sub-Total Federal \$ Pass Through Awards, Ca Dept of Aging</b>					260,756.00	133,743.24
<b>CA Dept of Aging</b>						
93.044	64339	PASSAGES EXECUTIVE DIR 13/14 Q1	3	A3-1314-03	-	0.02
93.044	64351	AAA AP ADMIN 13/14 Q2-4	3	A9-1314-03	120,280.00	2,058.16
93.044	64352	AAA AP INFO/ASST 13/14 Q2-4	3	A9-1314-03	214,816.00	(9,885.46)
93.044	64356	AAA AP OMB 3B/7A 13/14 Q2-4	3	A9-1314-03	42,277.00	244.65
93.044	64365	AAA AP EXEC DIR 13/14 Q2-4	3	A9-1314-03	-	(1,905.70)
93.044	64426	AAA ADMIN-OAA-CDA 14/15	3	AP-1415-03	164,390.00	9,876.47
93.044	64427	AAA INFO ASST 14/15	3	A9-1314-03	278,136.00	4.68
93.044	64429	AAA IIIB EMERGENCY AID 14/15	3	A9-1314-03	500.00	527.79
93.044	64441	PASSAGES EXEC DIRECTOR 14/15	3	AP-1415-03	-	(6.00)
93.044	64494	AAA ADMIN OAA-CDA 15/16	3	AP-1516-03	164,037.00	68.69
93.044	64509	PASSAGES EXEC DIRECTOR 15/16	3	AP-1516-03	-	(308.21)
93.044	64570	ADMIN-OAA/CDA 16-17	3	AP-1617-03	168,889.00	2,338.10

**THE CSU, CHICO RESEARCH FOUNDATION**  
**Schedule of Expenditures of Federal Awards**  
Year Ended June 30, 2018

Catalog Number	Project	Project Description	Firm Code	Contract Number	Program or Award Amounts	FY17-18 Federal Expenditures
<b>CA Dept of Aging</b>						
93.044	64571	AAA INFO & ASST 16/17	3	A9-1314-03	\$ 272,480.00	\$ 10,184.15
93.044	64572	IIIB HOMEMAKER/PRSNL CARE 1617	3	A9-1314-03	58,077.00	1,331.28
93.044	64578	AAA 3B SUBK 16/17	3	A9-1314-03	172,402.00	7,183.00
93.045	64579	AAA 3C1 CONG SUBK 16/17	3	AP-1617-03	250,673.00	43,687.46
93.045	64580	AAA 3C2 HD SUBK 16/17	3	AP-1617-03	324,342.00	37,255.21
93.045	64585	PASSAGES EXEC DIR 16/17	3	AP-1617-03	-	4,168.88
93.045	64586	3C1 & DIRECT NSIP 16/17	3	AP-1617-03	122,106.00	873.83
93.045	64587	3C2 DIRECT SERVICES 16/17	3	AP-1617-03	504,407.00	560.09
93.044	64644	ADMIN-OAA/CDA 17/18 - IIIB	3	AP-1718-03	49,890.00	49,300.23
STATE	64644	ADMIN-OAA/CDA 17/18 - IIIC1	3	AP-1718-03	297.00	297.00
STATE	64644	ADMIN-OAA/CDA 17/18 - IIIC2	3	AP-1718-03	79.00	79.00
93.045	64644	ADMIN-OAA/CDA 17/18 - IIIC1	3	AP-1718-03	62,473.00	61,733.38
93.045	64644	ADMIN-OAA/CDA 17/18 - IIIC2	3	AP-1718-03	31,441.00	31,068.58
93.044	64645	3B INFO & ASST CDA 17/18	3	AP-1718-03	272,680.00	211,582.50
93.044	64646	3B HOME MAKER 17/18	3	AP-1718-03	55,077.00	31,358.93
93.044	64651	3B SENIOR COMP 17/18	3	AP-1718-03	16,794.00	16,478.25
93.044	64652	3B SUBK CDA 17/18	3	AP-1718-03	167,669.00	159,870.61
93.045	64653	3C1 SUBK CONG 1718	3	AP-1718-03	207,641.00	219,250.08
93.045	64654	3C2 SUBK HD 1718	3	AP-1718-03	276,389.00	289,741.00
93.044	64656	3B CARE MANAGEMENT 17/18	3	AP-1718-03	15,100.00	10,805.61
93.044	64659	PASSAGES EXEC DIRECTOR 17/18	3	AP-1718-03	-	10,149.48
93.045	64660	3C1 DIRECT CONG SRV 1718	3	AP-1718-03	152,889.00	141,336.28
93.045	64661	3C2 DIRECT SERVICES/NSIP CDA	3	AP-1718-03	164,928.00	121,463.72
<b>Sub-Total Federal \$ Aging Cluster Pass Through Awards, Ca Dept of Aging</b>					4,330,783.00	1,462,395.74
<b>Sub-Total State \$ Aging Cluster Pass Through Awards, Ca Dept of Aging</b>					376.00	376.00
<b>California Health Advocates</b>						
93.048	64558	SENIOR MEDICAR PATROL PGM 1516	3	SMP 15/16	4,000.00	3.09
93.048	64701	CHA SMP 17/18	3	SMP Volunteer Liaison Agreement 2017/2018	3,000.00	2,934.87
<b>Sub-Total Pass Through Awards, Ca Health Advocates</b>					7,000.00	2,937.96
<b>CA Dept of Aging</b>						
93.052	64440	AAA 3E FCSP 14/15	3	N/A	177,642.00	(0.19)
93.052	64447	PSA2 3E FCSP 14/15 Q1	3	6001-1415-A3	26,678.00	0.97
93.052	64584	AAA 3E FCSP 16/17	3	AP-1617-03	200,284.00	483.24
93.052	64597	PSA 2 FCSP 7/1/16-7/31/16	3	6001-1617-A1 & -A11	115,876.00	258.50
93.052	64644	ADMIN-OAA/CDA 17/18 - IIIE	3	AP-1718-03	20,886.00	20,638.49
93.052	64658	PSA3 3E FCSP 17/18	3	AP-1718-03	160,467.00	175,197.32
<b>Sub-Total Federal \$ Pass Through Awards, Ca Dept of Aging</b>					701,833.00	196,578.33
<b>CA Dept of Aging</b>						
93.071	64561	NCOA NSBEC - CHC	3	NCOA PO #731	112,160.00	34,268.33
93.071	64562	NCOA NSBEC - PASSAGES	3	NCOA PO #731	17,840.00	3,562.30
93.071	64563	MIPPA FFY16	3	MI-1517-03	41,022.00	2,305.81
93.071	64710	MIPPA FY 17/18	3	MI-1718-03	44,921.00	7,461.65
<b>Sub-Total Federal \$ Pass Through Awards, Ca Dept of Aging</b>					215,943.00	47,598.09
<b>National Council on Aging</b>						
93.071	64700	NOR STATE BENE ENRLMT CNTR '18	3	1189	70,000.00	32,961.59
<b>Sub-Total Federal \$ Pass Through Awards, National Council on Aging</b>					70,000.00	32,961.59
<b>CA Dept of Aging</b>						
93.778	64419	MSSP ADMIN SUPPORT SRVCS 14/15	3	MS-1415-10	221,670.00	3.54
93.778	64591	MSSP ADMIN 16/17	3	MS-1617-10	303,486.00	33,423.50
93.778	64593	MSSP WAIVED SERV 16/17	3	MS-1617-10	142,193.00	895.58
93.778	64662	ADMIN/SUPP SERV CDA	3	MS-1718-10	261,980.00	187,856.11
93.778	64663	CARE MGMT CDA	3	MS-1718-10	281,427.00	251,605.57
93.778	64664	WAIVED SERV CDA 17/18	3	MS-1718-10	142,193.00	108,334.87
<b>Sub-Total Medicaid Cluster Pass Through Awards, Ca Dept of Social Services</b>					1,352,949.00	582,119.17
<b>CA Dept of Aging</b>						
93.779	64424	AAA HICAP PROGRAM 14/15	3	HI-1415-03	281,437.00	2.38
93.779	64596	HICAP PROGRAM 16/17	3	HI-1617-03	308,525.00	10,089.03
93.779	64667	HICAP ADMIN 17/18	3	HI-1718-03	29,909.00	23,861.46
93.779	64668	HICAP PROGRAM 17/18	3	HI-1718-03	269,388.00	245,510.56
<b>Sub-Total Federal \$ Pass Through Awards, Ca Dept of Aging</b>					889,259.00	279,463.43
<b>University of Iowa</b>						
93.307	64699	NIH HEALTH CNTRS CARE DUAL EIG	2	W001022324	31,262.00	10,212.70
<b>Sub-Total Pass Through Awards, University of Iowa</b>					31,262.00	10,212.70
<b>CA Dept of Social Services</b>						
93.558	64606	CALWORKS Y1 16/17	3	16-STD-00830	500,000.00	95,736.00
93.558	64641	CALWORKS 17/18 Y2	3	16-STD-00830	600,000.00	301,891.28
<b>Sub-Total, TANF Cluster, Pass Through Awards, Ca Dept of Social Services</b>					1,100,000.00	397,627.28

**THE CSU, CHICO RESEARCH FOUNDATION**  
**Schedule of Expenditures of Federal Awards**  
Year Ended June 30, 2018

Number	Project	Project Description	Code	Contract Number	Award Amounts	Expenditures
<b>UC Berkeley</b>						
93.658	64518	BSW TITLE IV-E 15/16	1	8868	\$ 263,119.00	\$ 1,250.48
93.658	64519	MSW TITLE IV-E 15/16	1	8868	1,119,032.00	2,472.30
93.658	64520	PATHWAY TITLE IV-E 15/16	1	8868	433,829.00	1,236.22
93.658	64589	MSW-TITLE IV-E 16/17	1	00009244	1,259,080.00	(0.02)
93.658	64590	PATHWAYS TITLE IV-E 16/17	1	00009244	510,365.00	5,091.72
93.658	64671	BSW TITLE IV-E 17/18	1	00009244 Am 1	334,915.00	170,208.54
93.658	64672	MSW-TITLE IV-E 17/18	1	00009244 Am 1	1,246,072.00	704,964.43
93.658	64673	PATHWAYS TITLE IV-E 17/18	1	00009244 Am 1	510,365.00	264,202.48
<b>Sub-Total Pass Through Awards, UC Berkeley</b>					<b>5,676,777.00</b>	<b>1,149,426.15</b>
<b>CA Dept of Social Services</b>						
93.667	64600	ECE TRAINING 16/17	3	a5-STD-01198	18,496.00	144.46
<b>Sub-Total Pass Through Awards, Ca Dept of Social Services</b>					<b>18,496.00</b>	<b>144.46</b>
<b>Total Direct Awards</b>					<b>142,824.00</b>	<b>21,441.95</b>
<b>Total Research and Development Direct Awards</b>					<b>1,102,946.00</b>	<b>233,980.27</b>
<b>Total Federal \$ Pass Through Awards, Ca Dept of Aging</b>					<b>2,411,649.00</b>	<b>755,365.99</b>
<b>Total State \$ Pass Through Awards, Ca Dept of Aging</b>					<b>201,390.00</b>	<b>34,808.55</b>
<b>Total Federal \$ Aging Cluster Pass Through Awards, Ca Dept of Aging</b>					<b>4,330,783.00</b>	<b>1,462,395.74</b>
<b>Total State \$ Aging Cluster Pass Through Awards, Ca Dept of Aging</b>					<b>376.00</b>	<b>376.00</b>
<b>Total TANF Cluster Pass Through Awards, Ca Dept of Social Services</b>					<b>1,100,000.00</b>	<b>397,627.28</b>
<b>Total Pass Through Awards</b>					<b>5,733,535.00</b>	<b>1,162,721.27</b>
<b>Total Medicaid Cluster Pass Through Awards, Ca Dept of Social Services</b>					<b>1,352,949.00</b>	<b>582,119.17</b>
<b>Total Department of Health and Human Services</b>					<b>16,376,452.00</b>	<b>4,650,836.22</b>
<b>Corporation for National and Community Services</b>						
<b>Direct Awards</b>						
94.011	60701	FOSTER GRANDPARENT PROGRAM	3	14SFPCA005 Am 3	293,671.00	1,118.10
94.016	60700	SENIOR COMPANION 16/17	3	14SCPCA005 Am 5	75,875.00	969.29
94.016	60748	FOSTER GRANDPARENT 17/18	3	17SFPCA005	293,671.00	267,606.59
94.016	60749	SENIOR COMPANION 17/18	3	17SCPCA002	75,875.00	75,875.07
<b>Sub-Total, Foster Grandparent/Senior Companion Cluster, Direct Awards</b>					<b>739,092.00</b>	<b>345,569.05</b>
<b>Total Foster Grandparent/Senior Companion Cluster Direct Awards</b>					<b>739,092.00</b>	<b>345,569.05</b>
<b>Total Corporation for National and Community Services</b>					<b>739,092.00</b>	<b>345,569.05</b>
<b>Total Direct Awards</b>					<b>21,772,816.40</b>	<b>6,599,586.19</b>
<b>Total Research and Development Direct Awards</b>					<b>5,297,391.00</b>	<b>1,489,634.81</b>
<b>Total Pass Through Awards</b>					<b>12,323,941.27</b>	<b>2,781,733.58</b>
<b>Total Child Nutrition Cluster Pass Through Awards</b>					<b>44,716.04</b>	<b>44,716.04</b>
<b>Total SNAP Cluster Pass Through Awards</b>					<b>6,829,138.59</b>	<b>2,230,647.90</b>
<b>Total Economic Development Cluster Other Direct Awards</b>					<b>237,234.00</b>	<b>12,766.60</b>
<b>Total WIOA Cluster Pass Through Awards</b>					<b>15,130.00</b>	<b>5,399.13</b>
<b>Total Highway Planning and Construction Cluster Pass Through Awards</b>					<b>142,080.00</b>	<b>1,387.34</b>
<b>Total Research and Development Pass Through Awards</b>					<b>84,647.00</b>	<b>49,965.87</b>
<b>Total TRIO Cluster Direct Awards</b>					<b>6,314,564.22</b>	<b>2,513,590.97</b>
<b>Total Federal \$ Pass Through Awards, Ca Dept of Aging</b>					<b>2,411,649.00</b>	<b>755,365.99</b>
<b>Total State \$ Pass Through Awards, Ca Dept of Aging</b>					<b>201,390.00</b>	<b>34,808.55</b>
<b>Total Federal \$ Aging Cluster Pass Through Awards, Ca Dept of Aging</b>					<b>4,330,783.00</b>	<b>1,462,395.74</b>
<b>Total State \$ Aging Cluster Pass Through Awards, Ca Dept of Aging</b>					<b>376.00</b>	<b>376.00</b>
<b>Total TANF Cluster Pass Through Awards, Ca Dept of Social Services</b>					<b>1,100,000.00</b>	<b>397,627.28</b>
<b>Total Medicaid Cluster Pass Through Awards, Ca Dept of Social Services</b>					<b>1,352,949.00</b>	<b>582,119.17</b>
<b>Total Foster Grandparent/Senior Companion Cluster Direct Awards</b>					<b>739,092.00</b>	<b>345,569.05</b>
<b>Total Federal and Federal Pass Through Awards</b>					<b>62,996,131.52</b>	<b>19,272,505.66</b>
<b>Total State and Other Awards Through Ca Dept of Aging</b>					<b>201,766.00</b>	<b>35,184.55</b>
<b>Grand Total Federal, Federal Pass Through and CDA Other Awards</b>					<b>\$ 63,197,897.52</b>	<b>\$ 19,307,690.21</b>

**THE CSU, CHICO RESEARCH FOUNDATION**  
**Schedule of Expenditures of Federal Awards**  
Year Ended June 30, 2018

The following schedule represents the subtotals for each CFDA number listed in the schedule of expenditures of federal awards:

Catalog Number	Program or Award Amounts	FY17-18 Federal Expenditures
10.17	\$ 719,970.00	\$ 7,121.74
10.303	111,131.00	19,474.48
10.31	149,890.00	(909.98)
10.326	593,645.00	265,238.47
10.331	49,972.62	43,288.81
10.351	185,000.00	102,464.19
10.545	250,000.00	96,626.70
10.557	62,254.00	28,596.98
10.559	44,716.04	44,716.04
10.561	6,829,138.59	2,230,647.90
10.6XX	63,000.00	5,327.37
10.903	199,506.00	40,612.74
10.CNT	1,485,845.30	250,259.27
10.XXX	193,777.00	57,060.47
11.303	488,971.00	159,311.46
11.307	237,234.00	12,766.60
11.558	1,032,240.00	16,060.66
11.611	140,000.00	55,660.94
11.62	9,119.00	8,619.00
12.3	212,301.00	100,673.58
15.224	119,982.12	16,378.89
15.236	22,750.00	5,076.50
15.238	8,000.00	248.21
15.243	154,616.61	23,345.64
15.512	1,992,618.00	833,459.25
15.533	10,000.00	1,146.19
15.805	12,499.00	8,196.08
15.81	34,495.00	16,287.24
15.904	7,500.00	6,551.27
15.945	72,682.46	43,400.53
15.954	3,500.00	3,479.85
16.56	866,896.00	176,277.95
16.738	33,320.00	5,656.46
17.258	3,988.00	-
17.259	6,266.00	5,399.13
17.278	4,876.00	-
19.009	713,388.00	304,886.51
19.401	968,089.00	166,491.76
19.408	189,957.00	189,331.61
19.6	233,325.00	126,914.57
20.205	142,080.00	1,387.34
45.024	15,000.00	13,362.60
47.049	307,700.00	118,355.36
47.05	252,759.00	58,756.92
47.07	50,000.00	3,902.40

**THE CSU, CHICO RESEARCH FOUNDATION**  
**Schedule of Expenditures of Federal Awards**  
Year Ended June 30, 2018

Catalog Number	Program or Award Amounts	FY17-18 Federal Expenditures
47.074	\$ 544,303.00	\$ 531,563.79
47.075	438,275.00	56,766.29
47.076	1,942,197.00	315,454.30
59.037	1,556,150.00	1,001,141.86
66.516	163,308.00	62,978.08
81.XXX	135,730.00	38,963.07
81	98,009.00	3,993.58
84.031C	1,784,928.55	802,794.38
84.042A	535,118.68	258,667.25
84.044A	1,707,499.76	609,897.34
84.047A	2,491,912.78	1,086,825.45
84.047M	1,580,033.00	558,200.93
84.048A	36,878.00	3,663.18
84.215F	10,000.00	7,987.10
84.299B	742,077.90	217,548.57
84.367	306,180.65	174,393.05
84.325K	1,657,880.00	339,374.49
84.336S	7,203,816.14	1,550,063.75
84.365Z	1,481,301.32	527,886.28
84.366B	1,536,100.00	146,164.05
84.367A	224,451.00	131,386.46
84.367D	55,000.00	7,613.28
84.411A	100,000.00	18,682.46
93.041	25,924.00	5,263.39
93.042	247,934.00	59,757.92
93.043	260,756.00	133,743.24
93.044	2,233,494.00	511,257.23
93.045	2,097,289.00	951,138.51
93.048	7,000.00	2,937.96
93.052	701,833.00	196,578.33
93.071	285,943.00	80,559.68
93.243	142,824.00	21,441.95
93.307	31,262.00	10,212.70
93.558	1,100,000.00	397,627.28
93.658	5,676,777.00	1,149,426.15
93.667	18,496.00	144.46
93.778	1,352,949.00	582,119.17
93.779	889,259.00	279,463.43
93.847	768,290.00	151,306.67
93.855	334,656.00	82,673.60
94.011	293,671.00	1,118.10
94.016	445,421.00	344,450.95
N/A	467,206.00	187,366.27
STATE	201,766.00	35,184.55
<b>Total Federal and Federal Pass Through Awards</b>	62,996,131.52	19,272,505.66
<b>Total State and Other Awards Through Ca Dept of Aging</b>	201,766.00	35,184.55
<b>Grand Total Federal, Federal Pass Through and CDA Other Awards</b>	\$ <u>63,197,897.52</u>	\$ <u>19,307,690.21</u>

## THE CSU, CHICO RESEARCH FOUNDATION

### Notes to the Supplemental Information

Years Ended June 30, 2018 and 2017

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#### Note 1 – Fund Accounting

The accounts of the Foundation 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 Foundation-affiliated programs. These funds are carried as unrestricted net position. The Foundation receives an administrative fee equal to 8% of Campus Program Fund expenditures.

#### Note 2 – Reclassification of Prior Year Presentation

Certain prior year amounts have been reclassified for consistency with current year presentation. These reclassifications had no effect on the reported results of operations.

#### Note 3 – Schedule of Expenditures of Federal Awards

The accompanying schedule of expenditures of federal awards includes the federal grant activity of The CSU, Chico Research Foundation and is presented on the accrual basis of accounting. 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).



## OTHER REPORTS



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

**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  
The CSU, Chico Research Foundation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The CSU, Chico Research Foundation (the Foundation), which comprise the statements of net position as of June 30, 2018 and 2017, 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, and have issued our report thereon dated September 19, 2018.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies 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 the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**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**

***The Foundation's Response to Findings***

The Foundation's response to the findings identified in our audit is described in the accompanying schedule of findings, response, and questioned costs. The Foundation's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

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

*Aldrich CPAs + Advisors LLP*

San Diego, California  
September 19, 2018



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  
The CSU, Chico Research Foundation

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

We have audited The CSU, Chico Research Foundation's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of The CSU, Chico Research Foundation's major federal programs for the year ended June 30, 2018. The CSU, Chico Research Foundation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of The CSU, Chico Research Foundation's compliance.

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

In our opinion, The CSU, Chico Research Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

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

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

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

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

*Aldrich CPAs + Advisors LLP*

San Diego, California  
September 19, 2018

## FINDINGS AND QUESTIONED COSTS

**THE CSU, CHICO RESEARCH FOUNDATION**  
**Schedule of Findings, Responses, and Questioned Costs**  
 June 30, 2018

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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 identified
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 identified
Material weakness(es) identified?	No

Type of auditors' report issued on compliance for major programs	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, 2.CFR.200.516(a)?	No
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Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
15.512	Central Valley Project Improvement Act, Title XXXIV
19.009	Academic Exchange Programs – Undergraduate Programs
19.408	Academic Exchange Programs - Teachers
84.031	Higher Education Institutional Aid
84.336	Teacher Quality Partnership Grants
R&D Cluster:	
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants
47.074	Biological Sciences
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
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Auditee qualified as a low-risk auditee under the Uniform Grant Guidance, 2.CFR.200.520?	Yes
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**THE CSU, CHICO RESEARCH FOUNDATION**  
**Schedule of Findings, Responses, and Questioned Costs**  
June 30, 2018

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**Section II – Financial Statement Findings**

None reported.

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

None reported.



**THE CSU, CHICO RESEARCH FOUNDATION**  
**Schedule of Findings, Responses, and Questioned Costs**  
June 30, 2018

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**Section IV – Schedule of Prior Year Findings**

**Finding 2017-001 Accounts Payable and Related Expenses**

1. *Condition:* During our audit, we identified invoices for services incurred during the year ended June 30, 2017, that were paid subsequent to year end, and were not included in the accounts payable balance at June 30, 2017. All of the identified expenses were related to projects covered by the schedule of federal expenditures and their exclusion understates the schedule. We recommend the Foundation review its process for paying invoices to ensure accuracy of all check request forms and modify the process as appropriate to strengthen safeguards.
2. *Status:* There were no similar findings noted for the year ended June 30, 2018. The Foundation has implemented controls to ensure proper reporting.