

**San José State University
Research Foundation
(A California State University
Auxiliary Organization)**

Financial and Compliance Report
June 30, 2021

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RSM US LLP

Independent Auditor's Report

Board of Directors
San José State University Research Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of the San José State University Research Foundation (the Foundation), an auxiliary organization and component unit of the California State University, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Research Organizations Retiree Medical Trust (the Trust), a fiduciary fund of the Foundation, and include a statement of position and statement of changes in net position as of and for the year ended December 31, 2020, the year-end of the Trust. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Trust, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the financial position of the San José State University Research Foundation as of June 30, 2021, and the respective changes in its financial position and its cash flows for the year then ended and the financial position of the Trust as of December 31, 2020, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the Foundation adopted Governmental Accounting Standards Board Statement 84, *Fiduciary Activities*, as of July 1, 2021. Our opinion was not modified with respect to this matter.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 - 9 and Other Postemployment Benefits schedules on pages 35 - 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the Foundation's basic financial statements. The accompanying supplemental schedules, listed in the table of contents as supplementary information, and 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information referred to above is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2021, on our consideration of the 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Foundation's internal control over financial reporting and compliance.

RSM US LLP

San José, California
October 1, 2021

San José State University Research Foundation

Management's Discussion and Analysis (Unaudited) Year Ended June 30, 2021

This section of the San José State University Research Foundation (the Foundation) annual financial report includes Management's Discussion and Analysis of the financial performance of the Foundation for fiscal year ended June 30, 2021. This discussion should be read in conjunction with the financial statements and notes.

Introduction to San José State University Research Foundation

The Foundation is a Not-for-Profit Public Benefit Corporation founded in 1931 for the purpose of providing support services to the San José State University (SJSU) campus community. These services include:

Sponsored programs: Sponsored programs represent grants and contracts received from outside sources for research, training, and other activities performed by faculty, staff, and students of SJSU and the Foundation. These research and other activities enable the campus community to further study fields of interest with funding from external sources, such as federal, state and local governments, corporations and other organizations.

The Foundation has three major groups of research and training activities; they are located on the SJSU campus, at NASA facilities in Mountain View, and at Moss Landing Marine Laboratories (MLML). The Foundation has additional off-site projects throughout the United States and in some foreign countries.

Campus self-support programs: Campus self-support programs include numerous noncredit programs and activities that are not classified under sponsored programs and which supplement and support the SJSU educational mission. These activities benefit the students, faculty and the surrounding San José community.

Board-designated programs: Board designated programs are Foundation funded programs that are used to supplement and support the SJSU educational mission.

Support activities—management and general: The Foundation management and general activities include the Central Office, which is composed of Sponsored Program Administration, Finance and Accounting, Information Technology, and Human Resources.

Introduction to the Financial Statements

The Foundation financial statements include the following:

Statement of net position: The statement of net position includes all assets and liabilities and deferred outflows and inflows of resources. Assets and liabilities are reported on an accrual basis as of the statement date.

Statement of revenues, expenses and changes in net position: The statement of revenues, expenses and changes in net position presents the revenues earned and expenses incurred during the year on an accrual basis.

Statement of cash flows: The statement of cash flows presents the inflows and outflows of cash and cash equivalents for the year and are summarized by operating, financing and investing activities. These statements are prepared using the direct method of cash flows and, therefore, present gross rather than net amounts for the year's activities.

These statements are supported by notes to the financial statements and Management's Discussion and Analysis. All sections must be considered together to obtain a complete understanding of the financial picture of the Foundation.

San José State University Research Foundation

Management's Discussion and Analysis (Unaudited) Year Ended June 30, 2021

Significant Events - Year Ended June 30, 2021

Change in San José State University management: The Foundation's Executive Director, Rajnesh Prasad, left the organization in May 2020, and was replaced by interim Executive Director Eugene Kunde. Andrew Exner was appointed as Executive Director in November 2020; Eugene Kunde left the Foundation in December 2020.

Impact of COVID-19: The Foundation has responded to and has been impacted by the COVID-19 pandemic in a variety of ways. It has been operating virtually as a result of the shelter-in-place regulations of Santa Clara County since early March 2020. Some staff positions were eliminated and a COVID-19 Recovery Plan was developed to address the virus related issues when it becomes possible for employees to gradually return to work at the Central Office.

Revenues of self-support programs, especially I-House and International Gateways were drastically reduced as a result of international students no longer being able to be on campus. The Timpany Center wellness operation was forced to suspend operations. Other programs such as summer camps and workshops were reduced or canceled.

During the current year, the Foundation received funding from the University to support the Foundation's programs to cover its lost revenues due to COVID-19; the International House received \$1,163,553, and the Timpany Center received \$112,000. This revenue is recorded in Campus self-support programs.

San José State University Research Foundation

Management's Discussion and Analysis (Unaudited) Year Ended June 30, 2021

Financial overview: The following discussion highlights management's understanding on the key financial aspects of the Foundation's financial activities as of and for the year ended June 30, 2021. Included are analysis of current year's activities and balances in the Foundation's net position.

A comparison of fiscal year 2021 to 2020 statements of net position is shown below:

	FY 2021	FY 2020	Increase/ (Decrease)
Assets			
Current assets:			
Cash and cash equivalents	\$ 1,196,780	\$ 1,429,981	\$ (233,201)
Short-term investments	24,107,447	22,866,519	1,240,928
Accounts receivable, net	9,074,496	7,320,820	1,753,676
Prepaid expenses and other assets	238,022	261,136	(23,114)
Total current assets	<u>34,616,745</u>	<u>31,878,456</u>	<u>2,738,289</u>
Noncurrent assets:			
Restricted cash and cash equivalents	43,057	45,953	(2,896)
Other long-term investments	1,380,486	1,271,752	108,734
Capital assets, net	11,656,726	11,301,753	354,973
Other assets	63,570	63,570	-
Total noncurrent assets	<u>13,143,839</u>	<u>12,683,028</u>	<u>460,811</u>
Total assets	<u>\$ 47,760,584</u>	<u>\$ 44,561,484</u>	<u>\$ 3,199,100</u>
Deferred outflows of resources:			
Net OPEB liability	\$ 9,330,864	\$ 10,613,169	\$ (1,282,305)
Total deferred outflows of resources	<u>\$ 9,330,864</u>	<u>\$ 10,613,169</u>	<u>\$ (1,282,305)</u>
Liabilities			
Current liabilities:			
Accounts payable	\$ 2,180,776	\$ 2,459,313	\$ (278,537)
Accrued salaries and benefits payable	2,708,418	1,826,369	882,049
Accrued compensated absences - current portion	1,482,907	1,493,201	(10,294)
Unearned revenue	3,176,485	3,241,468	(64,983)
Other liabilities	13,111	18,180	(5,069)
Total current liabilities	<u>9,561,697</u>	<u>9,038,531</u>	<u>523,166</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	163,461	138,482	24,979
Depository accounts	208,372	260,279	(51,907)
OPEB obligation	14,674,691	22,275,875	(7,601,184)
Other liabilities	175,926	182,436	(6,510)
Total noncurrent liabilities	<u>15,222,450</u>	<u>22,857,072</u>	<u>(7,634,622)</u>
Total liabilities	<u>\$ 24,784,147</u>	<u>\$ 31,895,603</u>	<u>\$ (7,111,456)</u>
Deferred inflows of resources:			
Net OPEB Liability	\$ 13,072,693	\$ 6,484,247	\$ 6,588,446
Total deferred inflows of resources	<u>\$ 13,072,693</u>	<u>\$ 6,484,247</u>	<u>\$ 6,588,446</u>
Net position:			
Net investment in capital assets	\$ 11,656,726	\$ 11,296,084	\$ 360,642
Restricted for:			
Expendable:			
Research	28,307	28,657	(350)
Unrestricted	7,549,575	5,470,062	2,079,513
Total net position	<u>\$ 19,234,608</u>	<u>\$ 16,794,803</u>	<u>\$ 2,439,805</u>

San José State University Research Foundation

**Management's Discussion and Analysis (Unaudited)
Year Ended June 30, 2021**

Assets: Total assets increased \$3,199,100 from June 30, 2020, to June 30, 2021.

Current assets increased \$2,738,289 primarily due to an increase in accounts receivable of \$1,753,676 due to longer processing time for funders to process payments. There was an increase in short-term investments of \$1,240,928, as a result of recovery of investment market value in FY21 from the impact of COVID-19 in prior year.

Noncurrent assets increased \$460,811 primarily due to increase in capital assets of \$354,973 which was a net effect of I-House renovation of \$905,425, other grant assets purchases, offset by depreciation. Other long-term investments had a moderate increase of \$108,734 mainly from the investment market value recovery.

Liabilities: Total liabilities decreased \$7,111,456 from June 30, 2020, to June 30, 2021.

Current liabilities increased \$523,166 primarily due to an increase of \$882,049 in payroll related liabilities. Due to COVID-19, the U.S. government allowed employers to defer payment of employer's share of social security payments accumulated between March 27, 2020 through December 31, 2020. The deferred amount is \$743,492 and is included in accrued salaries and benefits payments. The deferred amounts will be paid in two installments, half by December 31, 2021 and the remainder by December 31, 2022.

Noncurrent liabilities decreased \$7,634,622 primarily due to a decrease in Other Postemployment Benefits (OPEB) liabilities of \$7,601,184. The decrease was a result of improved discount rate used in calculating actuarial value, from 3.25% in FY 2020 to 5.65% in FY2021.

As a result of the actuarial valuation for 2021, the deferred outflows of resources of \$10,613,169 from prior year has decreased to \$9,330,864, and deferred inflows of resources of \$6,484,247 has increased to \$13,072,693.

San José State University Research Foundation

Management's Discussion and Analysis (Unaudited) Year Ended June 30, 2021

Net position: The total net position increased \$2,439,805 to \$19,234,608 as of June 30, 2021. Explanation of revenues, expenses and changes in net position is below.

The Foundation operates its activities in 3 segments: Sponsored programs, campus programs and central operations. In the statement below, revenue and expenses are presented by each segment. The Foundation's central administration operations are supported mainly by indirect cost recovery from sponsored programs, investment incomes, and administrative fees from campus self-support programs.

	FY2021	FY2020	Increase/ (Decrease)
Revenues:			
Sponsored programs	\$ 40,469,024	\$ 42,922,330	\$ (2,453,306)
Campus self-support programs	3,637,815	4,671,479	(1,033,664)
Cost recovery:			
Indirect cost recovery from sponsored programs	8,062,849	8,408,250	(345,401)
Administrative and program fees	269,705	407,981	(138,276)
Investment income	4,130,071	338,170	3,791,901
Contributions from the University	1,075,000	1,000,000	75,000
Other	40,393	312,743	(272,350)
Total revenues	<u>57,684,857</u>	<u>58,060,953</u>	<u>(376,096)</u>
Expenses:			
Sponsored programs	39,632,479	41,751,641	(2,119,162)
Campus self-support programs	3,428,556	5,574,648	(2,146,092)
Board-designated programs	516,540	1,297,857	(781,317)
Management and general	9,167,477	8,596,282	571,195
Contribution to the University	2,500,000	1,000,000	1,500,000
Total expenses	<u>55,245,052</u>	<u>58,220,428</u>	<u>(2,975,376)</u>
Increase (decrease) in net position	<u>2,439,805</u>	<u>(159,475)</u>	<u>2,599,280</u>
Net position:			
Beginning balance	16,794,803	16,954,278	(159,475)
Ending balance	<u>\$ 19,234,608</u>	<u>\$ 16,794,803</u>	<u>\$ 2,439,805</u>

Revenues: Total revenues decreased by \$376,096 from fiscal year 2020 to fiscal year 2021. This was primarily due to a decrease in sponsored programs of \$ 2,453,306. Campus self-support programs revenue decreased by \$1,033,664, despite a one-time revenue of \$1,163,553 passed on to the I-House from SJSU, this revenue was originated from the U.S. government's Higher Education Emergency Relief Fund (HEERF). Lastly, there was an increase in investment income of \$3,791,901 from the recovery of investment market values. For detail of contributions from SJSU, please see Note 5.

Expenses: Total expenses decreased \$2,975,376 from fiscal year 2020 to fiscal year 2021. The change was primarily due to a decrease of \$2,119,162 in grant and contracts expenses, and a decrease of \$2,146,092 in self-support programs expenses, attributed to decreased activities of the International Gateways (IGS) program under SJSU College of Professional and Global Education (CPGE), I-House and the Timpany Center. Contributions to SJSU increased by \$1,500,000 as a result of the Foundation's new contribution of \$2,000,000 in FY21 to ease state budget shortage at SJSU. Please see related Note 5 for more detail.

San José State University Research Foundation

**Management’s Discussion and Analysis (Unaudited)
Year Ended June 30, 2021**

Changes in net position: The result of current year’s revenues and expenses was a surplus of \$2,439,805, compared to prior year’s deficit of \$159,475, a difference of \$2,599,280. There were many events that composed current year surplus. Management has identified three key factors (1) an increase from the favorable outcome of OPEB liabilities of \$1,282,305, (2) an increase in investment income of \$3,791,901, and (3) the aggregated result of sponsored program and campus program operations. There were other factors discussed earlier that impacted current year net surplus.

Condensed statement of fiduciary net position—Research Organizations Retiree Medical Trust: Total net position increased by approximately \$1,133,000 from December 31, 2019 to December 31, 2020, primarily due to net payment of retirees benefits cost, administrative expenses and the receipt of investment earnings. The plan’s impact on net position on the measurement date can be summarized as follows:

	December 31, 2020	December 31, 2019
Assets	\$ 7,392,108	\$ 6,250,505
Liabilities	12,008	3,872
Net position	<u>\$ 7,380,100</u>	<u>\$ 6,246,633</u>

Condensed statement of changes in fiduciary net position—Research Organizations Retiree Medical Trust: Change in the fiduciary net position decreased by approximately \$742,000 from FY2019 to FY2020 primarily due to decrease in contributions and in investment earnings from the trust.

	Year Ended December 31, 2020	Year Ended December 31, 2019
Additions	\$ 2,146,442	\$ 2,744,822
Deductions	1,012,975	869,691
Change in net fiduciary net position	<u>1,133,467</u>	<u>1,875,131</u>
Fiduciary net position - beginning	<u>6,246,633</u>	<u>4,371,502</u>
Fiduciary net position - ending	<u>\$ 7,380,100</u>	<u>\$ 6,246,633</u>

San Jose State University Research Foundation

Statement of Net Position June 30, 2021

Assets	
Current assets:	
Cash and cash equivalents	\$ 1,196,780
Short-term investments	24,107,447
Accounts receivable, net	9,074,496
Prepaid expenses and other assets	238,022
Total current assets	34,616,745
Noncurrent assets:	
Restricted cash and cash equivalents	43,057
Other long-term investments	1,380,486
Capital assets, net	11,656,726
Other assets	63,570
Total noncurrent assets	13,143,839
Total assets	\$ 47,760,584
Deferred outflows of resources:	
Net OPEB liability	\$ 9,330,864
Liabilities	
Current liabilities:	
Accounts payable	\$ 2,180,776
Accrued salaries and benefits payable	2,708,418
Accrued compensated absences - current portion	1,482,907
Unearned revenue	3,176,485
Other liabilities	13,111
Total current liabilities	9,561,697
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	163,461
Payable to external agencies	208,372
Other postemployment benefits obligation	14,674,691
Other liabilities	175,926
Total noncurrent liabilities	15,222,450
Total liabilities	\$ 24,784,147
Deferred inflows of resources:	
Net OPEB liability	\$ 13,072,693
Net position:	
Net investment in capital assets	\$ 11,656,726
Restricted for:	
Expendable:	
Research	28,307
Unrestricted	7,549,575
Total net position	\$ 19,234,608

See notes to financial statements.

San Jose State University Research Foundation

Statement of Revenues, Expenses and Changes in Net Position Year Ended June 30, 2021

Revenues:	
Operating revenues:	
Program fees	\$ 581,029
Grants and contracts:	
Federal	21,757,478
State	8,647,013
Local	1,904,358
Nongovernmental	5,141,582
Indirect cost recovery from sponsored programs	8,062,849
Administrative and program fees	269,704
Other operating revenues	3,735,076
Total operating revenues	50,099,089
Expenses:	
Operating expenses:	
Instruction	6,284,830
Research	33,933,869
Public service	12,998
Academic support	235,276
Student services	272,841
Institutional support	7,742,138
Operation and maintenance of plant	589,094
Student grants and scholarships	2,050,499
Depreciation and amortization	1,532,221
Total operating expenses	52,653,766
Operating loss	(2,554,677)
Nonoperating revenues (expenses):	
Federal financial aid grants	660,408
State financial aid grants	1,280,789
Local financial aid grants	35,815
Nongovernmental and other financial aid grants	145,692
Gifts in-kind	895,889
Contributions to SJSU, non-capital	(2,000,000)
Contributions to SJSU, capital	(500,000)
Investment income, net	4,476,086
Interest expense	(197)
Net nonoperating revenues	4,994,482
Increase in net position	2,439,805
Net position at beginning of year	16,794,803
Net position at end of year	\$ 19,234,608

See notes to financial statements.

San Jose State University Research Foundation

Statement of Cash Flows Year Ended June 30, 2021

Cash flows from operating activities:	
Program fees	\$ 581,029
Federal grants and contracts	21,872,654
State grants and contracts	7,848,090
Local grants and contracts	2,234,262
Nongovernmental grants and contracts	3,918,193
Payments to suppliers	(12,314,741)
Payments to employees	(34,887,264)
Payments to students	(2,050,499)
Indirect cost recovery from sponsored programs	8,062,849
Administrative and program fees	269,704
Other receipts	2,536,075
Net cash used in operating activities	(1,929,648)
Cash flows from noncapital financing activities:	
Federal financial aid grants	660,408
State financial aid grants	1,280,789
Local financial aid grants	35,815
Nongovernmental and other financial aid grants	145,692
Gifts and grants received for other than capital purposes	895,889
Contributions made for other than capital purposes	(2,000,000)
Contributions made for capital purposes	(500,000)
Deferred rent and other liabilities	(6,499)
Other noncapital financing activities	(51,907)
Net cash provided by noncapital financing activities	460,187
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(1,889,607)
Proceeds from disposition of capital assets	2,413
Principal paid on capital lease	(5,669)
Interest paid on capital lease	(197)
Net cash used in capital and related financing activities	(1,893,060)
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	16,639,270
Purchase of investments	(14,860,977)
Investment income	1,348,131
Net cash provided by investing activities	3,126,424
Net decrease in cash and cash equivalents	(236,097)
Cash and cash equivalents - beginning of year	1,475,934
Cash and cash equivalents - end of year	\$ 1,239,837
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 1,196,780
Restricted cash and cash equivalents	43,057
Total cash and cash equivalents at end of year	\$ 1,239,837

(Continued)

San Jose State University Research Foundation

Statement of Cash Flows (Continued) Year Ended June 30, 2021

Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (2,554,677)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	1,532,221
Change in assets and liabilities:	
Accounts receivables	(1,753,676)
Prepaid expenses and other assets	23,114
Deferred outflows of resources	1,282,305
Accounts payable	(278,537)
Accrued salaries and benefits	882,049
Accrued compensated absences	14,685
Deferred revenue	(64,983)
Other postemployment benefits obligation	(7,601,184)
Other liabilities	589
Deferred inflows of resources	6,588,446
Net cash used in operating activities	<u>\$ (1,929,648)</u>
Supplemental disclosure of noncash investing activity:	
Increase in fair value of investments	<u>\$ 3,127,954</u>

See notes to financial statements.

Research Organizations Retiree Medical Trust

**Statement of Net Position
December 31, 2020**

Assets

Cash	\$ 59,808
Investments, at fair value	<u>7,332,300</u>
Total assets	<u>7,392,108</u>

Liabilities

Prepaid premiums	5,824
Accounts payable	<u>6,184</u>
Total liabilities	<u>12,008</u>

**Net position held in trust for other post-retirement
benefits and other purposes**

\$ 7,380,100

See notes to financial statements.

Research Organizations Retiree Medical Trust

Statement of Changes in Net Position Year Ended December 31, 2020

Additions:	
Employer contributions	\$ 1,340,212
Net appreciations of investments	653,311
Interest and dividends	160,103
Investment fees	(7,184)
Total additions	<u>2,146,442</u>
Deductions:	
Benefit payments	927,574
Administrative expenses	85,401
Total deductions	<u>1,012,975</u>
Change in net position	1,133,467
Net position held in trust for other post-retirement benefits and other purposes:	
Beginning of year	<u>6,246,633</u>
End of year	<u>\$ 7,380,100</u>

See notes to financial statements.

**San José State University Research Foundation
(A California State University Auxiliary Organization)**

Notes to Financial Statements

Note 1. Organization

The San José State University Research Foundation (the Foundation), a nonprofit organization incorporated under Internal Revenue Code (the Code) 501(c)(3) in 1931, serves as an auxiliary organization and is a component unit of San José State University (the University) and the California State University System. The Foundation's mission is to advance the welfare of the University and assist in fulfilling its objectives, to supplement programs and activities of the University, and to promote and assist the educational services of the University. The Foundation receives funding from various sources, such as the federal and state government, local government, other corporations, and interest groups.

Note 2. Summary of Significant Accounting Policies

Basis of presentation: The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting standards promulgated by the Governmental Accounting Standards Board (GASB).

The Foundation uses the full accrual basis of accounting where revenues are recognized when earned and expenses are recognized when incurred, regardless of timing of the related cash flows. The Foundation considers assets that can be converted to cash and available for liquidation of current liabilities within 12 months of the statement of net position date to be current assets. However, the Foundation designates a portion of current assets as noncurrent assets for the purpose of fulfilling donor restriction or funds held on behalf of external agencies. Liabilities that can be reasonably expected, in the course of normal operations, to be liquidated within 12 months of the statement of net position are considered current. All other assets and liabilities are considered to be noncurrent.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the allowance for doubtful accounts, and the post-retirement benefit obligation.

Cash and cash equivalents: The Foundation considers all highly liquid debt instruments purchased with an original maturity from the date of purchase of three months or less to be cash equivalents.

Investments: Investments are carried at fair value, as determined by quoted market prices, with realized and unrealized gains and losses included on the statement of revenues, expenses and changes in net position. Dividend and interest income are accrued when earned. The Foundation classifies its investments that are for current operation use as short-term investments. Investment that are designated to support long-term commitments and investments that are not readily available for liquidation are classified as long-term investments.

Accounts receivable: Receivables are stated at net realizable value. The Foundation uses the specific write-off method of accounting for bad debts, which recognizes bad debt expenses at the time the account is deemed worthless by analyzing the collectibility of the receivables. Historically, this method approximates the allowance method. Management has determined that no allowance is necessary at June 30, 2021.

**San José State University Research Foundation
(A California State University Auxiliary Organization)**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Capital assets: Purchased assets are recorded at cost. Assets acquired through grants in which title vests with the Foundation during the grant period are capitalized. Donated assets are recorded at acquisition value at the date of acquisition. The carrying value of all long-lived assets is evaluated periodically to determine if adjustment to the useful life or to the carrying value is warranted. Asset impairment is recorded whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. No asset impairments were recognized during the year ended June 30, 2021.

Revenue recognition and unearned revenue: Revenue is recognized when earned. Unearned revenue represents funding received in advance of work performed or before revenue is earned for sponsored projects, which consists of grants and contracts and fee-based programs.

Revenue from sponsored programs, which is primarily from the U.S. federal government, state governments, local governments, nonprofit organizations and other sponsors, is recognized when work is performed (as expenditures are incurred). Revenue from other operating revenue (campus self-support programs), and program fees are recognized when earned. Investment income, and realized and unrealized gains and losses from investments, are recorded as revenues when earned. Gifts are recorded as revenue when they are verifiable, measurable, and all applicable requirements have been met.

Classification of revenues and expenses: The Foundation considers operating revenues and expenses to be those revenues and expenses that result from exchange transactions or from other activities that are connected directly to the Foundation's primary functions, which are sponsored programs, other operating revenue (campus self-support programs), indirect cost recovery and administrative and program fees associated with each of the programs.

Expenses from Foundation board programs and management and general operation are also included in operating expenses. Certain other transactions are reported as nonoperating revenues and expenses, including financial assistance to students, investment income, changes in the fair value of investments, gifts in-kind, and capital and non-capital contributions made to related entities and transfer of assets.

Indirect cost recovery and administrative fees: The Foundation charges indirect cost recovery (facilities and administrative costs) to recover cost for facilities used and for performing services to projects under its sponsored programs. The rates used to charge projects are approved by the U.S. Department of Health and Human Services, and range from 27.5% to 55.2% for on-campus programs, and 26.0% for off-campus programs. Some programs have special negotiated rates which are below this range.

The Foundation charges an administrative fee of 7% to various colleges and departments within the University on all disbursements out of any expendable funds. The Foundation also charges administrative fees to other organizations for providing services based on their individual agreements ranging from 5% to 10%.

Payable to external agencies: Payable to external agencies represents remaining balance of amounts held by the Foundation on behalf of the state of California, other governmental agencies, and other not-for-profit organizations. Because these activities are custodial in nature and transactions do not represent activities carried out by the Foundation, such transactions have no net effect on the Foundation's activities or net position.

**San José State University Research Foundation
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Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Capital assets and depreciation: The Foundation's policy is to capitalize all asset additions that are greater than \$5,000, including assets acquired through grants when title vests with the Foundation during the grant period. Assets acquired through grants in which title vests with the sponsor are not capitalized. Capital assets are recorded at cost when purchased and when donated, at acquisition value at acquisition date. Real estate costs have been allocated to individual building units based on a specific-identification method. When capital assets are retired or otherwise disposed of, the cost and related accumulated depreciation or amortization are removed from the accounts and the resulting gain or loss is included on the statement of revenues, expenses and changes in net position.

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets which range from three years to 30 years. Amortization of leasehold improvements is computed using the straight-line method over the lesser of the lease term or useful life of the related asset, which ranges from three years to 10 years.

Depreciation and amortization expense was \$1,532,221 for the year ended June 30, 2021, of which \$15,784 was for leasehold improvements.

Accrued vacation: The Foundation accrues vacation benefits for eligible employees at various rates depending on length of service. Employees are paid for unused vacation time but are not paid for unused sick leave at the end of employment. During fiscal year 2021, \$1,164,232 accrued vacation was earned and \$1,149,547 was used. At June 30, 2021, the Foundation had balances of \$1,646,368 in accrued vacation liabilities of which \$1,482,907 was current.

Net other postemployment benefits liability: The Foundation records the net other postemployment benefits (OPEB) liability equal to its total OPEB liability and the Plan Fiduciary net position. The total OPEB liability is an actuarial accrued liability that reflects the present value of future health care benefits earned by employees in prior fiscal years.

Research Organization Retiree Medical Trust: The Foundation provides major medical coverage for eligible retired employees through the Research Organizations Retiree Medical Trust (the Plan). The Plan's year-end is December 31 and the Plan's audited financial statements as of and for the year ended December 31, 2020, may be found on pages 14 and 15 of this report.

Deferred inflows of resources and outflows of resources: Deferred inflows and outflows of resources relate to other post-retirement benefits activity. Deferred inflows of resources are acquisitions of net assets that are applicable to a future reporting period. Deferred outflows of resources are a consumption of net assets applicable to a future reporting period.

**San José State University Research Foundation
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Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Tax-exempt status and income taxes: The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the Code), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Foundation has also been recognized by the California Franchise Tax Board as an organization that is exempt from California franchise and income taxes under Section 23701(d) of the California Revenue and Taxation Code. The Foundation's management has evaluated its tax positions and the certainty as to whether those tax positions will be sustained in the event of an audit by taxing authorities at the federal and state levels. The primary tax positions evaluated are related to the Foundation's continued qualification as a tax-exempt organization and whether there are unrelated business income activities conducted that would be taxable. Management has determined that all income tax positions will more likely than not be sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. The Foundation Forms 990, Return of Organization Exempt from Income Tax, for each of the tax years ended June 30, 2020, 2019 and 2018, are subject to examination by the Internal Revenue Service, generally for three years after they were filed. The Foundation also filed Form 990-T for the year ended June 30, 2020.

Net position: The Foundation's net position is classified into the following categories:

Net investment in capital assets: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

Restricted - expendable: Assets, net of related liabilities, that are subject to externally imposed conditions that can be fulfilled by the actions of the Foundation or by the passage of time.

Unrestricted: All other categories of assets, net of related liabilities. In addition, unrestricted assets may be designated for specific purposes by the Foundation's Board of Directors.

Recent accounting pronouncement issued: The following GASB statement has been issued and has an effective date that may impact future financial presentations:

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*, effective for the Foundation beginning on July 1, 2020. The statement establishes criteria for identifying fiduciary activities of all state and local governments. Governments with activities meeting the criteria should present statement of fiduciary net position and a statement of changes in fiduciary net position. This statement describes four fiduciary funds that should be reported if applicable: (1) pension trust funds, (2) investment trust funds, (3) private purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in trust fund or equivalent arrangement that meets specific criteria. The Foundation adopted this standard effective July 1, 2020, as it determined that assets held for its OPEB plan met the definition of a fiduciary activity. The OPEB plan year-end is December 31, 2020, and is audited by another auditor. As a result of this adoption, there are two new statements being presented as of and for the year ended December 31, 2020, and include the Statement of Fiduciary Net Position - Research Organizations Retiree Medical Trust and Statement of Changes in Fiduciary Net Position - Research Organizations Retiree Medical Trust. The net position of the OPEB plan, upon adoption on July 1, 2020, was \$6,154,596.

**San José State University Research Foundation
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Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Accounting pronouncements in future years: In July 2017, the GASB issued Statement No. 87, *Leases*, effective for the Foundation beginning on July 1, 2021. This statement requires the recognition of certain lease assets and liabilities that previously were classified as operating leases. It establishes a single module for lease accounting based on the foundational principal that leases are financings on the right to use an underlying asset. Under this statement, the lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the Foundation's leasing activities. The Foundation is evaluating the effect of GASB 87 will have on its June 30, 2022, financial statements.

Note 3. Deposits and Investments

Investment policy statement: The Foundation's Investment Policy Statement sets forth objectives for investments, procedures for selecting and monitoring money managers, and specifies control procedures and responsibilities for the board of directors, the finance and investment committee, and Foundation management. The primary function of the investment portfolio is to secure, with appropriate limitations on risk to the principal, protection against inflation and to provide both a dimension of growth of long-term assets and income to fund operations. Each major category of investments may represent a percentage of the portfolio. The current target is a general guideline: 43% fixed income, 40% equities, and 17% alternative investments.

The Foundation has invested in the *State of California Local Agency Investment Fund (LAIF)*, which is a highly liquid investment pool managed by the state of California. The Foundation uses this pool for day-to-day cash needs. The LAIF account is at amortized cost and is not part of the Investment Policy Statement but as the investment is not recorded at fair value, it is not in the table below. The LAIF account totaled \$2,636,537 at June 30, 2021.

The fair market value of investments for the Foundation as of June 30, 2021, are as follows:

<u>Investment Type</u>	<u>Fair Value</u>
Equity investments	\$ 11,262,369
Debt securities - corporate	2,232,089
U.S. Treasury securities	1,544,719
Agency pass-through	30,633
Mutual funds - fixed income	4,837,437
REIT funds and real estate	473,444
Private equity	670,363
Money market funds	1,780,642
Portfolio total	<u>\$ 22,831,696</u>

The Foundation classifies its investments that are for current operation use as short-term investments. Investments that are designated to support long-term commitments and investments that are not readily available for liquidation are classified as long-term investments.

**San José State University Research Foundation
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Notes to Financial Statements

Note 3. Deposits and Investments (Continued)

The fair market value of investments for the Plan as of December 31, 2020, are as follows:

Investment Type	Fair Value
U.S. equity	\$ 2,619,295
Fixed income mutual fund	2,367,773
U.S. equities mutual fund	2,345,232
Total investments	<u>\$ 7,332,300</u>

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of a fixed income investment. In order to reduce interest rate risk exposure, the Foundation's investment policy states that the average duration for the fixed income portion of the portfolio should be less than 10 years.

The following table is related fixed income investments held by the Foundation as of June 30, 2021:

Investment Type	Total Fair Value	Less Than 6 Months	6 Months to Under 1 Year	1-5 Years	More Than 5 Years
U.S. government securities	\$ 30,633	\$ -	\$ -	\$ 477	\$ 30,156
U.S. Treasuries	1,544,719	-	174,973	554,982	814,764
Corporate bonds	2,232,089	33,919	11,279	744,050	1,442,841
Total	<u>\$ 3,807,441</u>	<u>\$ 33,919</u>	<u>\$ 186,252</u>	<u>\$ 1,299,509</u>	<u>\$ 2,287,761</u>

The following table is related fixed income investments held by the Trust as of December 31, 2020:

Investment Type	Total Fair Value	Less Than 3 Years	3 to 7 Years	7 to 10 Years	More Than 10 Years
Fixed Income - Mutual funds	\$ 2,367,773	\$ 485,723	\$ 956,780	\$ 375,489	\$ 549,781

Custodial credit risk: Custodial credit risk is the risk that funds deposited in a financial institution may become unrecoverable due to insolvency of the financial institution or of a counterparty to an investment transaction in a way that the Foundation would not be able to recover its investment. Financial instruments that potentially subject the Foundation to custodial credit risk generally applies only to funds on deposit and direct investments in marketable securities. Custodial credit risk does not apply to indirect investment in securities through the use of mutual funds and government investment pools. The U.S. Treasury issue, Federally Sponsored Enterprise Issues, and corporate bonds are held by Securities Investor Protection Corporation (SIPC) insured brokers and are not registered with the issuer in the Foundation's name. The Foundation's investments have been placed with RBC Wealth Management and UBS Financial Services, both major financial institutions; each holding over \$200 million in SIPC insurance.

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Notes to Financial Statements

Note 3. Deposits and Investments (Continued)

Custodial credit risk for banking deposits is the risk that the Foundation will not be able to recover its deposits in the event of a failure of a depository institution. In the ordinary course of the Foundation's operations, deposit balances in checking accounts can exceed the Federal Deposit Insurance Corporation (FDIC) insured limits. In accordance with the policy, all certificates of deposit are FDIC-insured and limited to \$250,000 at any one institution. As of June 30, 2021, \$785,480 of the Foundation's bank balance of \$1,035,480 was exposed to custodial credit risk as it was uninsured and uncollateralized.

Custodial credit risk for the Plan is that risk that the Plan will not be able to recover the value of its investments that are in the possession of an outside party. The Plan's investment policy does not specifically address custodial credit risk, but all of the Plan's investments are registered or held by the Plan or its agent in the Plan's name. The Plan does not have any bank balances that are not covered by depository insurance.

Credit risk: Credit risk is the risk that an issuer of an investment will not fulfill its obligation to repay the debt security when due. The Foundation's investment policy states limits on the amount of money that can be invested in fixed income investments, in general, and limits the amount that can be invested in the different risk profiles of fixed income securities based on independent ratings. Credit ratings by nationally recognized institutions are used to assess the creditworthiness of specific investments.

Concentration of investment credit risk: Concentration of investment credit risk is the risk of loss attributed to the magnitude of the investment in a single issuer. The Foundation's investment policy contains limitations as to how much can be invested with any one issuer. The Foundation's investment policy permits an unlimited portion of the portfolio to be invested in U.S. Government Treasury bonds and Government National Mortgage Association obligations. The maximum commitment of funds to any other entity is limited to a maximum of 5% of the portfolio for investment grade corporate names and only 2% for noninvestment grade companies.

The table below summarizes the ratings of relevant fixed income investments of the Foundation as of June 30, 2021:

Investment Type	Total	Credit Risk (Moody's/S&P)					Not Investment Grade	Not Rated
		Aaa/AAA	Aa/AA	A/A	Baa/BBB			
Debt securities - corporate	\$ 2,232,089	\$ -	\$ 128,415	\$ 235,500	\$ 607,177	\$ 751,340	\$ 509,657	
U.S. Treasury securities	1,544,719	1,544,719	-	-	-	-	-	
Agency pass-through	30,633	30,633	-	-	-	-	-	
Portfolio total	<u>\$ 3,807,441</u>	<u>\$ 1,575,352</u>	<u>\$ 128,415</u>	<u>\$ 235,500</u>	<u>\$ 607,177</u>	<u>\$ 751,340</u>	<u>\$ 509,657</u>	

Investment-related commitments: The Foundation is obligated under several alternative investment agreements to advance additional funding up to specified levels over a period of several years. The following table represents significant terms of such agreements for all related alternative investments at June 30, 2021:

Assets	Fair Value	Total Commitments	Unfunded Commitments	Remaining Life (Years)	Redemption Terms and Conditions
Rialto Real Estate Fund III					
Debt, LP	\$ 210,591	\$ 250,000	\$ -	0 to 6	Not eligible for redemption
Blackstone Real Estate Income Trust, Inc	473,444	400,000	-	Perpetual Life	Initial 1-year lock-up period expired; can be redeemed monthly
Portfolio Advisor Fund 2017	459,772	635,000	190,349	0 to 13	Not eligible for redemption

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Notes to Financial Statements

Note 3. Deposits and Investments (Continued)

Fair value measurements: GASB Statement No. 72, Fair Value Measurements and Application, sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under GASB 72 are described as follows:

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

Level 2: Inputs to the valuation methodology include:

Quoted prices for similar assets or liabilities in active markets;

Quoted prices for identical or similar assets or liabilities in inactive markets;

Inputs other than quoted prices that are observable for the asset or liability; and

Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the Foundation's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the Foundation's own data.

The asset's level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The determination of what constitutes observable requires judgment by the Foundation's management. Foundation management considers observable data to be that market data which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market.

The categorization of an investment within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to Foundation management's perceived risk of that investment.

The following is a description of the valuation methods and assumptions used by the Foundation to estimate the fair value of its investments. There have been no changes in the methods and assumptions used at June 30, 2021. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Foundation management believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**San José State University Research Foundation
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Notes to Financial Statements

Note 3. Deposits and Investments (Continued)

When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy. The Foundation's Level 1 investments primarily consist of investments in corporate debt securities, exchange traded funds, and mutual funds. When quoted prices in active markets are not available, fair values are based on evaluated prices received from the Foundation's custodian of investments in conjunction with the third-party service provider results delivered to the independent certified public accountant organization providing this report.

For a large portion of the Foundation's portfolio, the Foundation's custodians generally use a multi-dimensional relational model. Inputs to their pricing models are based on observable market inputs in active markets. The inputs to the pricing models are typically benchmark yields, reported trades, broker-dealer quotes, issuer spreads and benchmark securities, among others.

The Foundation's Level 2 investments primarily consist of investments in U.S. government and agency obligations, and corporate debt securities that did not trade on the Foundation's fiscal year-end date. Inputs are prices or yields of similar securities or the same security but as of a date other than June 30, 2021.

The Foundation's Level 3 investments primarily consist of two very illiquid securities. The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy.

Money market mutual funds and private California pooled money market funds (LAIF) investments are of the shortest nature and highest quality of fixed income investments. The underlying assets are tracked by the fund managers and price per share of each fund is listed daily. Shares of the vehicles are redeemable with fund management, not on the open market. Therefore, transactions are not listed.

For alternative investments that are limited partnership investments or investments that do not trade on national security exchanges, the value is primarily based on the net asset value (NAV) of the underlying investments. The NAV is reported by the external investment manager (general partner) in accordance with their policies as described in their respective financial statements and offering memoranda. These investments are generally less liquid than other investments, and the value reported may differ from the values that would have been reported had a ready market for these investments existed.

Alternative investments the Foundation holds are described below:

The commercial real estate financing investment is a limited partnership whose general partner (GP) provides a service of assisting large banks in clearing their portfolios of low- or under-performing commercial property mortgages. The GP values, purchases, and restructures available commercial real estate mortgages. The GP can restructure then sell, restructure and hold, or collateralize and sell the collateralized commercial mortgage-backed securities all while collecting interest payments. Funds are distributed to investors as interest is collected and as underlying holdings are liquidated through loan repayments and sales.

**San José State University Research Foundation
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Notes to Financial Statements

Note 3. Deposits and Investments (Continued)

The private real estate trust is a private equity limited partnership that will continue to invest and own U.S. commercial real estate across property types and geographies. The main investment attraction is rental income with value change factors having low correlation to marketable securities. There is no end date for this fund. The fund will repurchase shares on a monthly basis after a one-year investment period as shares are tendered. This investment is expected to improve cash flow income returns (rental income generally outpaces fixed income interest income) while the underlying assets do not face the same volatility in values as traditional investments.

The multi-strategy private equity fund (PA2017) is a diversified private equity vehicle that allows diversification among many private equity sectors. This is a fund of limited partnership funds. PA2017 brings exposure to the global private equity sectors of buyouts, special situations, venture capital, secondaries, and co-investment. Distributions to investors result from the liquidation of underlying holdings of each fund invested.

	Quoted Prices Level 1	Observable inputs Level 2	Unobservable inputs Level 3	Net Asset Value	Total
Equity investments	\$ 11,262,369	\$ -	\$ -	\$ -	\$ 11,262,369
Debt securities - corporate	2,232,089	-	-	-	2,232,089
U.S. Treasury securities	-	1,544,719	-	-	1,544,719
Agency pass-through	-	30,633	-	-	30,633
Certificates of deposit	-	-	-	-	-
Mutual funds - fixed income	4,837,437	-	-	-	4,837,437
REIT funds and real estate	-	-	-	473,444	473,444
Private equity	-	-	-	670,363	670,363
Money market funds	-	-	-	1,780,642	1,780,642
	<u>\$ 18,331,895</u>	<u>\$ 1,575,352</u>	<u>\$ -</u>	<u>\$ 2,924,449</u>	<u>22,831,696</u>
State of California Local Agency Investment Fund (LAIF)					2,656,237
Total investments					<u>\$ 25,487,933</u>

The Plan's fair value of investments as of December 31, 2020, is as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)		Total
U.S. equities	\$ 2,619,295	\$ 2,619,295	
Fixed income, mutual fund	2,367,773	2,367,773	
U.S. equity, mutual fund	2,345,232	2,345,232	
Total investments	<u>\$ 7,332,300</u>	<u>\$ 7,332,300</u>	

**San José State University Research Foundation
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Notes to Financial Statements

Note 4. Accounts Receivable

The Foundation's accounts receivable are primarily from its sponsored programs. As of June 30, 2021, the Foundation has the following receivables:

Accounts receivable - sponsored programs	\$ 8,403,148
Other receivables	671,348
Total accounts receivable	<u>\$ 9,074,496</u>

Note 5. Related Parties

The Foundation has routine business transactions with the University and other related auxiliary organizations on campus, such as use of meeting rooms and food services.

Amounts receivable and payable to and from the University and related organizations are recorded on the statement of net position as receivables and accounts payable. As of June 30, 2021, receivables due from and payables due to related parties are as follows:

Receivables and Payables	Amount
Receivable from the University	\$ 541,619
Payable to the University	118,981
Payable to Associated Students	62,547

Transactions with the University and related organizations are recorded on the statement of revenues, expenses and changes in net position as institutional support. During the year ended June 30, 2021, amounts paid to the University and related organizations for services were as follows:

Total Paid	Amount
The University	\$ 7,479,673
Associated Students	225,868
Tower Foundation	20,756

In the fall of 2018, the University formally launched its strategic support of research, scholarly and creative activities by SJSU faculty. As a part of that initiative, the University agreed to provide \$1,000,000 in pre-award funding support to the Foundation during the year ended June 30, 2021, which is recorded on the statement of revenues, expenses and changes in net position as other nonoperating revenue. Each year, the University will evaluate its ability to provide additional funding, which could be as much as \$1,000,000 per year.

Additionally, the Foundation has agreed to contribute \$15.0 million toward the new Interdisciplinary Science Building that the University is constructing. These contributions are considered a voluntary nonexchange transaction that is contingent on the University's ability to provide the additional funding as described above. If that funding is not received, the Foundation will not be obligated to execute this contribution. Accumulated contributions made by the Foundation through June 30, 2021 totals \$1,500,000. If the contingency is met each year, the remaining \$13,500,000 is to be paid annually in an amount of \$500,000 over the remaining 27 years, from July 2021 through June 2048.

**San José State University Research Foundation
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Notes to Financial Statements

Note 5. Related Parties (Continued)

During the year ended June 30, 2021, the Foundation's Board of Directors passed Resolution #230 and committed to contribute up to \$2.0 million per fiscal year to the University for 2021, 2022 and 2023 to help ease the University's significant budget deficit as a result of the COVID-19 pandemic and related factors. This commitment is contingent upon the University continues to make its annual pre-award support funding payments to the Foundation and as the financial health of the Foundation permits. These contributions are considered voluntary nonexchange transactions. As of June 30, 2021, \$2.0 million was contributed to the University.

Note 6. Capital Assets

The Foundation's capital assets consist of the following:

	Beginning of Year	Additions	Transfers	Retirements and Other	End of Year
Capital assets not being depreciated:					
Land and land improvements	\$ 5,176,529	\$ -	\$ -	\$ -	\$ 5,176,529
Construction work in progress (CWIP)	130,198	1,235,572	(162,408)	-	1,203,362
Total capital assets not being depreciated	5,306,727	1,235,572	(162,408)	-	6,379,891
Capital assets being depreciated:					
Buildings and building improvements	5,788,905	-	-	-	5,788,905
Leasehold improvements	812,626	-	-	-	812,626
Equipment	7,722,846	654,035	162,408	(6,894)	8,532,395
Total capital assets being depreciated	14,324,377	654,035	162,408	(6,894)	15,133,926
Total capital assets	19,631,104	1,889,607	-	(6,894)	21,513,817
Less accumulated depreciation:					
Buildings and building improvements	(3,246,465)	(208,462)	-	-	(3,454,927)
Leasehold improvements	(729,608)	(15,784)	-	-	(745,392)
Equipment	(4,353,278)	(1,307,975)	-	4,481	(5,656,772)
Total accumulated depreciation	(8,329,351)	(1,532,221)	-	4,481	(9,857,091)
Net capital assets	\$ 11,301,753	\$ 357,386	\$ -	\$ (2,413)	\$ 11,656,726

Note 7. Commitments

Line of credit: In April 2010, the Foundation entered into a \$5,000,000 variable rate line of credit (LOC) with UBS Bank USA, pledging the Foundation's investments held at UBS Financial Services as collateral. The LOC is payable on demand. During the year ended June 30, 2021, no funds were drawn for operational use and there were no amounts outstanding under the LOC as of June 30, 2021. This line of credit currently has no expiration date.

Business credit card program: In November 2014, the Foundation entered into a commercial card consortium program with US Bank. The program has a maximum credit limit of \$750,000. The Foundation pays off the balance each month. The amount outstanding is recorded on the statement of net position within accounts payable as described below:

	Beginning of Year	Increase	Decrease	End of Year
\$	41,595	\$ 459,881	\$ (413,467)	\$ 88,009

**San José State University Research Foundation
(A California State University Auxiliary Organization)**

Notes to Financial Statements

Note 7. Commitments (Continued)

Lease arrangements:

Operating lease obligations: Future minimum lease payments on any noncancelable operating leases are shown in the table below. The future operating lease obligations include an off-campus office building which the Foundation occupies and shares with the University.

The Foundation has a master lease at 210 North Fourth Street, San José, California, for the entire third and fourth floors, originally for 10 years, which expired on February 28, 2013. This lease has been amended six times and is currently extended to expire on December 31, 2024.

The Foundation subleases space to SJSU under a sublease agreement. This sublease has been amended six times and expired at June 30, 2021. A new sub-lease to extend through June 30, 2022, was finalized on August 31, 2021, and is included in the table below.

The total leased space has been reduced to 18,269 square feet and the sublease space is approximately 2,338 square feet, or 12.8% of the total lease space. All common occupancy expenses are charged back to SJSU at the same ratio.

	Operating Leases	Sublease Income from the University	Net Operating Lease Commitment
Years ending June 30:			
2022	\$ 558,340	\$ (71,467)	\$ 486,873
2023	575,245	-	575,245
2024	592,657	-	592,657
2025	300,746	-	300,746
Total future minimum lease payments	<u>\$ 2,026,988</u>	<u>\$ (71,467)</u>	<u>\$ 1,955,521</u>

For the year ended June 30, 2021, the total rent expense on this lease was \$541,927 and the sublease income was \$69,367.

Operating lease revenues: The Foundation owns a dock in Moss Landing, California, and leases half of the dock to a fishery operation. The lease period is from April 1, 2021, to March 31, 2022, for \$8,000 per month. The cost of land and building was \$2,470,945, with a net book value of \$1,951,838 as of June 30, 2021. Depreciation expense for the year ended June 30, 2021, was \$35,596. Future lease revenue is as follows:

Year ending June 30:	
2022	<u>\$ 72,000</u>
	<u>\$ 72,000</u>

The Foundation owns a piece of land adjacent to campus and leased the land to SJSU Associated Students (AS) in November 2013 for the operation of a community garden as part of academic learning and environmental sustainability. The lease requires AS to provide a \$3,000 security deposit to the Foundation, and pay all operating expenses of the property. This lease provided no rental income to the Foundation.

**San José State University Research Foundation
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Notes to Financial Statements

Note 7. Commitments (Continued)

In May 2021, the Foundation and the AS mutually agree to amend this lease to include a monthly property use fee of \$850 beginning on July 1, 2021, and ending on June 30, 2023. Future lease revenue is as follows:

Years ending June 30:

2022	\$	10,200
2023		10,200
	\$	<u>20,400</u>

Note 8. Employee Benefits and Compensation Plans

Defined contribution plan: The Foundation contributes to the SJSU Research Foundation Defined Contribution Plan (the Plan) for its eligible fully benefited employees. The Plan is administered by the board of directors of the Foundation and the Teachers Insurance and Annuity Association - College Retirement Equities Fund serves as custodian and record-keeper of the Plan. The Foundation, in conjunction with legal counsel, has determined that the Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended.

Benefit terms, including contribution requirements, for the Plan are established and may be amended by the board of directors. For each active employee in the Plan, the Foundation contributes 7% of the employee's base pay to the Plan. Regular wages, vacation, holiday and sick leave are generally considered base pay. Employees are allowed to direct their contributions into any of the Plan's investment fund options. The Plan does not allow for employee contributions. Employees are also allowed to make rollover contributions of amounts received from other tax-qualified employer-sponsored retirement plans. Such contributions are deposited in the appropriate investment funds in accordance with the participant's direction and the Plan's provision. Employees are immediately vested in the employer contributions and actual earnings thereon.

For the year ended June 30, 2021, the Foundation recognized contribution expense of \$1,074,583 and recorded a liability of \$70,545 at June 30, 2021.

Post-retirement health care benefits: In addition to providing contributions into the defined contribution pension plan, the Foundation sponsors a single employer-defined benefit post-retirement medical plan, which covers substantially all full-time employees and their qualified dependents. Eligible employees include employees hired before July 1, 2008, who retire at the age of 55 or older, with five years of service, and their dependents. The Foundation adopted a revision to the plan during the year ended June 30, 2009, that employees will receive this benefit if they retire at the age of 60 or older with 10 years of benefited service during the preceding 20 years of employment. This change is effective for employees hired on or after July 1, 2008. The Foundation has chosen to participate in the health benefit program offered by the California Public Employees' Retirement System for both its active and the eligible retired employees.

**San José State University Research Foundation
(A California State University Auxiliary Organization)**

Notes to Financial Statements

Note 8. Employee Benefits and Compensation Plans (Continued)

Plan funding: The Foundation established a Code Section 115 Trust, the Research Organizations Retiree Medical Trust (RORMT or Trust), to accept and hold employer contributions to pay administrative expenses related to post-retirement health benefits and to fund the post-retirement health benefits for current and retired participants. There is an annual independent audit of the financial reports for the RORMT; the report is available from the Foundation's office. At the present time, the Foundation pays approximately 85% to 89% of the retiree's monthly medical insurance premiums; in addition, the Foundation contributes approximately \$450,000 per year to the Trust as an investment towards fully funding the obligation to the employees.

Annual OPEB cost and net OPEB obligation (OPEB Plan): The Foundation's annual OPEB cost (expense) is calculated based on the actuarially determined contribution (ADC) of the employer. The ADC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a given period of time. The Actuarial Report is performed with a measurement date of December 31, 2020 to fulfill GASB Statement No. 74 for the financial report of the RORMT. The values displayed on the next few pages represent values dated December 31, 2020 from that report unless otherwise labeled. As required by GASB Statement No. 75, transactions recorded in the benefit of the OPEB Plan subsequent to the actuarial measurement date are OPEB Plan changes that are reflected in deferred outflows and deferred inflows where the effect to total OPEB liability is deferred to the next reporting period. As of June 30, 2021, transactions recorded in the benefit of the OPEB Plan consist of payments from the Foundation to the RORMT on behalf of retiree medical health insurance coverage that occurred between January 1, 2020 and June 30, 2021. Those employer contribution payments, made subsequent to the measurement date, amounted to \$449,405 and were recorded as deferred outflows on the Foundation's statement of net position.

The components of the net OPEB liability of the Plan as of June 30, 2021, are as follows:

Total OPEB liability	\$ 22,054,791
Plan fiduciary net position	7,380,100
Net OPEB liability	<u>\$ 14,674,691</u>
Deferred outflow of resources	\$ 9,330,864
Deferred inflow of resources	13,072,693
Plan fiduciary net position as a percentage of the total OPEB liability	33.46%

**San José State University Research Foundation
(A California State University Auxiliary Organization)**

Notes to Financial Statements

Note 8. Employee Benefits and Compensation Plans (Continued)

The following is the Foundation's change in total OPEB liability, plan fiduciary net position and the net OPEB liability for the year ended June 30, 2021:

Total OPEB Liability at June 30, 2020	<u>\$ 28,522,508</u>
Service cost	1,748,038
Benefit payments	(920,212)
Interest cost	968,839
Plan experience different than assumed	(1,380,667)
Updated employer contributions percentages	(142,864)
Assumption changes:	
Change discount rate	(9,209,256)
Change in healthcare trend model	2,534,174
Elimination of excise tax liability	(504,241)
Updated salary scale	245,883
Change in mortality improvement scale	192,589
Total OPEB Liability at June 30, 2021	<u><u>\$ 22,054,791</u></u>

The following are the components of OPEB expense (benefit) for the year ended June 30, 2021:

Service cost	\$ 1,748,038
Cost of Plan changes	(142,864)
Interest cost	968,839
Expected earnings on assets	(391,250)
Administrative expenses	85,401
Recognized deferred resource items:	
Assumption changes	512,415
Plan experience	(1,006,366)
Investment experience	(138,474)
OPEB expense	<u><u>\$ 1,635,739</u></u>

**San José State University Research Foundation
(A California State University Auxiliary Organization)**

Notes to Financial Statements

Note 8. Employee Benefits and Compensation Plans (Continued)

The total OPEB liability was determined by an actuarial valuation performed by MacLeod Watts as of December 31, 2020, using the following actuarial assumptions:

	Deferred Outflows	Deferred Inflows
Difference between expect and actual experience in the measurment of total OPEB liab	\$ -	\$ 6,603,443
Change in assumptions	8,881,459	5,945,001
Net difference between projected and actual earnings of OPEB plan investments	-	524,249
Contribution to OPEB plan after measurement date	449,405	-
Total	<u>\$ 9,330,864</u>	<u>\$ 13,072,693</u>

Future amortization of deferred outflows and inflows, net are as follows:

For the Fiscal Years Ending June 30,	Recognized Net Deferred Outflows (Inflows) of Resources
2022	\$ (183,020)
2023	(590,651)
2024	(701,504)
2025	(575,473)
2026	(493,951)
Thereafter	(1,197,230)
Total	<u>\$ (3,741,829)</u>

Assumptions and other inputs used to measure OPEB liability:

Membership as of valuation date:

Active employees	186
Eligible retired employees (with 59 covered dependents)	84
Total	<u>270</u>

**San José State University Research Foundation
(A California State University Auxiliary Organization)**

Notes to Financial Statements

Note 8. Employee Benefits and Compensation Plans (Continued)

Valuation and measurement dates	Actuarial valuation as of December 31, 2020
Actuarial cost method	Entry age normal, level % of pay
Asset valuation method	Market value of asset as of measurement date
Actuarial assumptions:	
Inflation	2.5%
Projected prior year increase	3%
Assumed wage inflation	3.25%
Long-term return on assets	5.84%
Discount rate	5.65%
Administrative expense	\$87,893
Health care cost trend	5.8% and slowly decreasing to 4% by 2076 and thereafter
Mortality	MacLeod Watts Scale2020 applied generationally
Medicare eligibility	Absent contrary data, all individuals are assumed to be eligible for Medicare Parts A and B at age 65
Funding policy	The Foundation has elected to contribute annually to the Trust (a) current cost, (b) annual additional amount determined annually

The discount rate is based on the long-term expected rate of return on assets for benefits covered by plan assets. The long-term expected rate of return on OPEB plan investments is determined using a building-block method in which the expected future real rates of return (net of investment fees and inflation) are developed for each major asset class in accordance with the plan's investment policy.

At December 31, 2020, the long-term expected rates of return for each major investment class in the plan's portfolio are as follows:

Asset Class	Target Allocation	Long-Term Rate of Return
Equity	57%	5.00%
Fixed Income	40%	1.00%
REIT	3%	3.00%

The discount rate used to measure the total OPEB liability is 5.65% as of December 31, 2020. The projection of cash flows used to determine the discount rate is based on the Foundation's funding policy that the Foundation has elected to contribute annually to the Plan (a) current benefit costs for retirees, and (b) an additional dollar amount determined annually. These amounts in the aggregate are intended to be sufficient to fully fund all future benefit payments under the OPEB Plan.

**San José State University Research Foundation
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Notes to Financial Statements

Note 8. Employee Benefits and Compensation Plans (Continued)

The following presents the net OPEB liability, calculated using the discount rate of 5.65%, as well as what the Plan's net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease 4.65%		Current Discount 5.65%		1% Increase 6.65%
\$	17,939,408	\$	14,674,691	\$	12,019,217

With regard to the health care cost trend rate, the net OPEB liability would change if the following trend rates were assumed:

	1% Decrease		Base		1% Increase
\$	11,747,904	\$	14,674,691	\$	18,377,179

Note 9. Contingencies

The Foundation is party to various claims and legal actions in the normal course of business. In the opinion of management, based upon current facts and circumstances, the resolution of these matters is not expected to have a material adverse effect on the financial statements of the Foundation.

The Foundation administers federal government-funded programs which are subject to audit by cognizant governmental agencies. The Foundation's management believes that the outcome of such matters will not have a significant impact on the financial position or results of activities of the Foundation. Thus, no reserve for potential disallowances has been reflected in the financial statements as of June 30, 2021.

The spread of COVID-19, a novel strain of the coronavirus, is altering the behavior of businesses and people in a manner that may adversely impact local, regional, and global economies. Further, financial markets in the United States and globally have recently experienced a significant decline attributed to coronavirus concerns. The extent to which the coronavirus impacts the Foundation's results will depend on future developments, which are highly uncertain and cannot be predicted. The impact is highly dependent on the breadth and duration of the outbreak and could be affected by other factors management is not currently able to predict. Accordingly, management cannot presently estimate the overall operational and financial impact to the Foundation, but such an impact could have a material adverse effect on the financial condition of the Foundation.

Note 10. Subsequent Events

The Foundation has evaluated all events occurring subsequent to the year ended June 30, 2021, through October 1, 2021, the date these financial statements were available to be issued, and nothing has occurred outside the normal course of business operations that would require disclosure in these financial statements.

**San José State University Research Foundation
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Schedule of Changes in the Net OPEB Liability

The schedule of changes in the net OPEB liability as of and for the years ended June 30 is as follows:

	2021	2020	2019	2018
Total OPEB liability:				
Service cost	\$ 1,748,038	\$ 1,123,991	\$ 812,945	\$ 812,945
Cost of plan changes	(142,864)	-	-	-
Interest	968,839	1,097,418	1,499,946	1,393,018
Change of assumptions	(6,740,851)	6,405,304	5,709,233	-
Differences between expected and actual experience	(1,380,667)	(977,897)	(6,819,270)	(14,523)
Benefit payments	(920,212)	(797,221)	(664,106)	(626,864)
Net change in total OPEB liability	(6,467,717)	6,851,595	538,748	1,564,576
Total OPEB liability - beginning	28,522,508	21,670,913	21,132,165	19,567,589
Total OPEB liability - ending (a)	\$ 22,054,791	\$ 28,522,508	\$ 21,670,913	\$ 21,132,165
Plan fiduciary net position:				
Employer contributions	\$ 1,340,212	\$ 1,779,721	\$ 712,123	\$ 1,081,965
Net investment income	798,868	965,101	(234,184)	482,106
Retiree health program premiums	(920,212)	(797,221)	(664,106)	(626,864)
Administrative expenses	(85,401)	(72,470)	(60,625)	(63,674)
Net change in plan net position	1,133,467	1,875,131	(246,792)	873,533
Plan fiduciary net position - beginning	6,246,633	4,371,502	4,618,294	3,744,761
Plan fiduciary net position - ending (b)	7,380,100	6,246,633	4,371,502	4,618,294
Net OPEB liability (a) - (b)	\$ 14,674,691	\$ 22,275,875	\$ 17,299,411	\$ 16,513,871
Plan fiduciary net position as a percentage of total OPEB liability	33.46%	21.90%	20.17%	21.85%
Net OPEB liability as a percentage of covered employee payroll	79.61%	117.71%	93.64%	89.71%
Covered employee payroll	\$ 18,433,843	\$ 18,925,008	\$ 18,474,300	\$ 18,408,773

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Plan will present information for those years with available information.

**San José State University Research Foundation
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Schedule of Employer Contributions

Years Ended June 30,	Actuarial Determined Contributions	Contributions in Relation to Actuarial Determined Contributions	Contributions Deficiency	Covered Payroll	Contribution as a Percentage of Covered Payroll
2021	\$ 1,961,380	\$ 1,366,172	\$ 595,208	\$ 18,433,843	7%
2020	1,949,222	1,382,980	566,242	18,925,008	7%
2019	1,936,755	1,234,023	702,732	18,474,300	7%
2018	1,859,099	1,085,528	773,571	18,408,773	6%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Plan will present information for those years with available information.

**San José State University Research Foundation
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Notes to Required Supplementary Information

The following actuarial methods and assumptions were used to determine the most recent contributions reported in the schedule of contributions:

Valuation and measurement dates	Actuarial valuation as of December 31, 2020
Actuarial cost method	Entry age normal, level % of pay
Asset valuation method	Market value of asset as of measurement date
Actuarial assumptions:	
Inflation	2.5%
Projected prior year increase	3%
Assumed wage inflation	3.25%
Long-term return on assets	5.84%
Discount rate	5.65%
Administrative expense	\$87,893
Health care cost trend	5.8% and slowly decreasing to 4% by 2076 and thereafter
Mortality	MacLeod Watts Scale 2020 applied generationally
Medicare eligibility	Absent contrary data, all individuals are assumed to be eligible for Medicare Parts A and B at age 65
Funding policy	The Foundation has elected to contribute annually to the Trust (a) current cost, (b) annual additional amount determined annually

The total OPEB liability and contributions in relation to actuarially determined contribution take into consideration of the implicit rate subsidy, which is actuarially determined and represents a subsidy toward pre-Medicare retiree medical costs paid via active employee premiums, since the claims from both active and retired employees are combined to calculate a blended premium. The implicit rate subsidy toward the Foundation's eligible retirees was \$179,218 in 2020, which was recognized both as employer contribution and benefit payments in the statement of changes in fiduciary net position for the year ended December 31, 2020.

Employer lump-sum contribution	\$ 420,000
Employer contributions towards blended rate premium	740,994
Implicit rate subsidy	179,218
Total employer contributions	<u>\$ 1,340,212</u>

San José State University Research Foundation

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Grant Identification Number/Pass-Through Entity Identifying Number	Amounts Provided to Subrecipients	Total Federal Expenditures
Research and Development Cluster				
Department of Agriculture:				
Direct				
U.S. Forest Service	Monitoring Plume Structures and Boundary Layer Characteristics during Wildfires in the Western US	10.707	\$ -	\$ 17,241
U.S. Forest Service	Plume Dynamics and Meteorology Support for the Fishlake National Forest FASMEE Campaign	10.707	-	26,802
U.S. Forest Service	Closing Gaps Project: SJSU: Prototype Systems for 3D Modeling of Plumes from Ground Observations	10.707	-	9,955
Total Direct			-	53,998
Pass-through				
Resource Con Dist of Monterey Cnty	Conservation Innovation Grant (USDA) Project	10.912	4,850	42,581
Total Department of Agriculture			4,850	96,579
Department of Commerce:				
Direct				
Department of Commerce	Forecasting the Effects of Ocean Acidification and Hypoxia on Reproduction of West Coast Groundfish	11.427	-	21,767
Department of Commerce	Using Spatial Variation in Demography and Life History to Improve Stock Assessments of West Coast Groundfish	11.427	-	7,911
Department of Commerce	Combining Underwater Video and Hook and Line Surveys of Untrawlable Areas in the Cowcod Conservation Areas to Inform Harvest Opportunities	11.427	-	18,295
Department of Commerce	Creating New Products and Markets - Development of Techniques for the Cultivation of Monkeyface Pricklebacks as a Sustainable Alternative to Unagi	11.427	-	28,873
Department of Commerce	Large Whale Readiness and Response in Central and Northern California	11.439	-	4,729
Department of Commerce	White Abalone Restoration Research and Production	11.454	-	15,967
Department of Commerce	Using Habitat-Specific, Spatial Demographic Information to Improve Stock Assessments of Ground fishes.	11.455	-	4,876
Total Direct			-	102,418
Pass-through				
Monterey Bay Aquarium Res Institute	CeNCOOS: Long-Term Monitoring of Environmental Conditions in Support of Marine Area Management in Central & Northern CA	11.012	1611119	87,376
Univ of Maryland Cntr for Envir Sci	The Alliance for Coastal Technologies (ACT): National-Scale Efforts Toward Verification and Validation of Observing	11.012	SA7525796A	-
UC, San Diego	A Novel Approach to Identify Sources, Transfer and Impact of Domoic Acid in Marine Food Webs	11.417	R/HCE-05A	-
UC, San Diego	Minimizing Disturbance Impacts by California Vessel Mooring Systems on Living Rhodolith Benthos in Catalina MPAs: an Experimental Assessment	11.417	R/HCE-04A	-
UC, San Diego	Characterizing Shallow Groundwater Nutrient Sources in Central Coast Sloughs	11.417	R/RCE-01	-
UC, San Diego	Assessment of Practical Methods for Re-Establishment of Bull Kelp Populations at an Ecologically Relevant Scale	11.417	703950- R/HCEOPC-13	-
UC, San Diego	Development of Techniques for the Cultivation of Monkeyface Pricklebacks as a Sustainable Alternative to Unagi	11.417	102318494 -SEA 6970	-
UC, San Diego	CA Sea Grant Fellowship (Katherine Neylan): Eat Your Greens: Evaluating Microalgae Supplemented Feeds for Sablefish Nutrition and Growth	11.417	102318494- SEA6980	-
UC, San Diego	Evaluating the Contribution of Seaweed Aquaculture to Regional and Global Bromoform Production Rates	11.417	KR 704279	-
University of Miami	Marine Optical Buoy (MOBY) Operations and Technology Refresh	11.432	SPC-000483 / 669160	-
University of Miami	Marine Optical Buoy (MOBY) Operations and Technology Refresh	11.432	OS00000568 _SPC-001	-
UC, Santa Cruz	Enhanced Stranding Response and Training for the Future on the Central California Coast	11.439	A19-0055-S001-P06998	-
Pacific States Marine Fish Comm	Development of Rock Scallop Hatchery for California's Aquaculture Industry	11.472	20-29G	-
Howard University	The NOAA Cooperative Science Center in Atmospheric Sciences and Meteorology	11.481	0008971-1000066103	-
Total Pass-through			87,376	2,919,543
Total Department of Commerce			87,376	3,021,961
Department of Defense:				
Direct				
Office of Naval Research	Heart Rate Logging in Deep Diving Toothed Whales; a New Tool for Assessing Responses to Disturbance	12.300	-	99,078
Office of Naval Research	Coastal Land-Air-Sea Interaction- Thornton Porton	12.300	-	73,017
Office of Naval Research	Long Term Observation of Upper Ocean Fluxes and Pycnocline Diffusivity the Canada Basin	12.300	-	71,467
Naval Postgraduate School	Soundscape Characterization in the National Marine Sanctuaries using Passive Acoustic Monitoring	12.300	-	53,617
Office of Naval Research	Auxiliary General Purpose Oceanographic Research (AGOR) Support Services	12.N00014-	-	171,089
Department of Defense	Acquisition of an Automated Multipurpose Furnace and Reactive Ion Etcher System for Microscale Fabrication Education and Research at SJSU	12.630	-	81,374
Department of Defense	Acquisition of SeaHorse XFe96 Instrumentation for Metabolomics Research Efforts at SJSU	12.630	-	9,373
Department of Defense	Fundamental Surface Science of Nanoscale Diamond and their Interaction with Biological Surfaces	12.630	-	186,129
Department of Defense	Acquisition of an X-ray Diffractometer for Research and Teaching in the Physical Sciences	12.630	-	218,432
Total Direct			-	963,576
Pass-through				
West Chester University	Investigating Sea Lion Locomotion	12.300	17-010	-
University of Notre Dame	Toward Improving Coastal Fog Prediction (C-FOG)	12.300	203349SJSURF	-
CSU, Monterey Bay	Subaward from CSUMB - James Lindholm Contract with Navy	12.300	20191016-5054601A-C-	-
Total Pass-through			-	85,320
Total Department of Defense			-	1,048,896

(Continued)

San José State University Research Foundation

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Grant Identification Number/Pass-Through Entity Identifying Number	Amounts Provided to Subrecipients	Total Federal Expenditures
Department of Interior:				
Direct				
US Fish and Wildlife Service	15.658		\$ -	\$ 607
Department of Interior				
				4,605
Department of Interior	15.807			
Department of Interior	15.808			208,816
Department of Interior	15.810			13,120
Total Department of Interior			-	227,148
Department of Justice:				
Direct				
Department of Justice	16.560		561,690	770,972
Total Department of Justice			561,690	770,972
Department of Transportation:				
Direct				
Department of Transportation	20.701		266,702	768,342
Total Department of Transportation			266,702	768,342
National Aeronautics and Space Administration:				
Direct				
NASA	43.001			64,901
NASA	43.001			267,601
NASA	43.001			69,000
NASA	43.001			64,622
NASA	43.001		124,747	197,657
NASA	43.002		52,240	15,209,415
NASA	43.008		172,690	963,096
NASA	43.009		475	850
NASA	43.009			2,678,541
NASA	43.012			1,122
Total Direct			350,152	19,516,805
Pass-through				
Jet Propulsion Laboratory	43.001	1621078		4,569
Jet Propulsion Laboratory	43.001	1623362		115,158
Metis Flight Research Associates	43.001	MFRA2019-S0326		-
Space Telescope Sci Institute	43.001	HST-GO-14846.001-A		28,496
Space Telescope Sci Institute	43.001	HST-GO-14748.001-A		4,669
University of Miami	43.001	SPC-001521-OS0000014		290,565
Univ Space Research Assoc.	43.001	SOF-07-0112		3,957
Colorado State University	43.001	G-01869-03		37,997
Space Telescope Sci Institute	43.001	HST-GO-15235.002-A		27,339
Space Telescope Sci Institute	43.001	HST-GO-15992.010-A		18,904
UC, San Diego	43.001	2020 CASGC		10,000
University of Maine	43.001	UMS1297		26,740
Total Pass-through				568,394
Total National Aeronautics and Space Administration			350,152	20,085,199
Institute of Museum and Library Services:				
Direct				
Inst of Museum & Library Serv	45.312			49,676
Inst of Museum & Library Serv	45.312			29,350
Total Direct				79,026
Pass-through				
CSU, Sacramento	45.313	533991A		6,769
Total Institute of Museum and Library Services				85,795

(Continued)

San José State University Research Foundation

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Grant Identification Number/Pass-Through Entity Identifying Number	Amounts Provided to Subrecipients	Total Federal Expenditures
National Science Foundation:				
Direct				
National Science Foundation	CAREER: Characterizing Gendered Socialization of Newcomer Engineers to Promote Inclusive Practices and Retention of a Diverse Workforce	47.041	\$ -	\$ 104,946
National Science Foundation	Collaborative Research: Research: Advancing Engineering Education Through Peer Review Analysis	47.041	-	13,674
National Science Foundation	Collaborative Research: Research: Characterizing Engineering Student Mental Wellness and Its Role in Predicting Attrition	47.041	-	83,389
National Science Foundation	Collaborative Research: Intermittency in Multi-Phase Flows in 2D and 3D Porous Media: Coordinated Experiments and Simulations	47.041	-	24,797
National Science Foundation	Modeling, Identification, and Estimation of Distributed Parameter Systems Using Mobile Sensor Networks	47.041	-	33,629
National Science Foundation	Collaborative Research: Improving Design for Additive Manufacturing through Physically Integrated Design Concepts Generated from Computationally Efficient Graph Coloring Techniques	47.041	-	40,477
National Science Foundation	RUJ: Light-Driven Selective Chemoenzymatic C-H Functionalization	47.049	-	54,553
National Science Foundation	RUJ: Switchable Molecules and Materials Through Coordination of Verdazyl Radicals	47.049	-	17,166
National Science Foundation	Undergraduate Research Groups in the CSU Alliance for PUMP: Preparing Undergraduates through Mentoring toward PhDs	47.049	-	126,204
National Science Foundation	Collaborative Research: Dark Matter in Galaxy Halos	47.049	-	23,985
National Science Foundation	RUJ: Exact Dynamical Properties of Strongly Correlated Materials at Finite Temperatures	47.049	-	49,205
National Science Foundation	RUJ: Coherent Spectroscopy of Defects in Solids	47.049	-	46,132
National Science Foundation	CAREER: Re-Evaluating the Evolution of the Southern San Andreas Fault along its Restraining Bend from Holocene to Mid-Quaternary Timescales via ³⁶ Cl/ ¹⁰ Be Burial and Cosmogenic Exposure Dating	47.050	-	37,110
National Science Foundation	Collaborative Research: Investigating the Relationships Between Magmatic 'Flare-Ups', Crustal Rheology, and Arc Collapse	47.050	-	3,060
National Science Foundation	Collaborative Research: Thermodynamic and Dynamic Drivers of the Arctic Sea-Ice Mass Budget at MOSAIC	47.050	-	85,807
National Science Foundation	Collaborative Research: Fingerprinting Source-to-Sink Associations for Deep-Marine Vitriclastic Deposits & Their Associa	47.050	-	42,328
National Science Foundation	Collaborative Research: Mass Extinction Ecological Response and Recovery in the Cretaceous/Paleogene Gulf Coastal Plain	47.050	-	22,977
National Science Foundation	Collaborative Research: Cirrus Cloud Formation and Microphysical Properties from in-situ Observed Characteristics to Global Climate Impacts	47.050	-	66,959
National Science Foundation	RAPID: The Diablo Wind and Extreme Fire Behavior during the 2017 Wine Country Fires	47.050	-	3,721
National Science Foundation	Collaborative Research: Ice Supersaturation over the Southern Ocean and Antarctica, and its Role in Climate	47.050	-	86,402
National Science Foundation	Collaborative Proposal: Sundowner Winds Experiment in Santa Barbara, CA (SWEX)	47.050	-	56,546
National Science Foundation	Collaborative Research: Automated Nutrient and Trace Metal Determinations based on Programmable Flow Injection	47.050	-	126,521
National Science Foundation	NeTS: Small: Collaborative Research: Design and Provisioning for Inter-Datacenter Multigranular Flexible Optical Networks	47.070	-	9,946
National Science Foundation	RUJ: Neurobehavioral Analysis of the Regulation of Courtship Initiation in Drosophila Melanogaster	47.070	-	2,692
National Science Foundation	CAREER: Understanding the Cognitive Processes of Computer Network Defense	47.070	-	84,565
National Science Foundation	Cyber Training: CIU: SJSU Data Science for All Seminar	47.070	-	100,899
National Science Foundation	Coll. Res.: At-Sea Experimental Disturbances to Characterize Physiological Plasticity in Diving Northern Elephant Seals	47.074	-	48,985
National Science Foundation	REU Site: Research by Undergraduate using Molecular Biology Applications (RUMBA)	47.074	-	5,106
National Science Foundation	Collaborative Research: Biomass Burning Smoke as a Driver of Multi-scale Microbial Teleconnections	47.074	-	9,848
National Science Foundation	Documenting Domaaki (dmk), a Severely Endangered Indo-Aryan	47.075	11,695	11,720
National Science Foundation	Career Exploration Lab: 3D Printing and STEM Engagement for High School Students with Visual Impairments and their Educators	47.076	5,643	66,643
National Science Foundation	Researching How You Teach Holistic Modeling (RHYTHM)	47.076	-	46,073
National Science Foundation	Collaborative Research: Changing Homework Achievement with Mechanix Pedagogy (CHAMP)	47.076	-	10,155
National Science Foundation	Collaborative Research: Fostering Engineering Creativity and Communication through Immediate, Personalized Feedback on 2D-Perspective Drawing	47.076	-	15,718
National Science Foundation	SaTC: EDU: Collab: Enhancing Security Education through Transiting Research Integration on Security in Emerging Network	47.076	-	16,218
National Science Foundation	Collaborative Research: Developing a Visualization Framework for Chemical Reactions	47.076	-	19,805
National Science Foundation	Collaborative Research: A Bridge to Physics & Astronomy Doctorates for Students with Financial Need	47.076	-	59,106
National Science Foundation	Transforming Undergraduate Teaching and Learning Through Culturally Sustaining, Active, and Asset-Based Approaches to Introductory Science	47.076	-	44,155
National Science Foundation	Collaborative Research: A Technology Pathway Program in Data Technology and Applications	47.076	4,200	48,890
National Science Foundation	CAREER: Foraging Ecology and Physiology of Emperor Penguins in the Ross Sea	47.078	-	17,008
Total Direct			21,538	1,767,120
Pass-through				
UC, Davis	Planning Grant: Engineering Research Center for Cognitive Neuro-Engineering	47.041	A19-1873-S001	7,193
Colorado School of Mines	QLCI-CG: The Open Quantum Frontier Institute	47.049	401630-5801	14,465
University of Colorado, Boulder	Collaborative Research: Expanding Access: Furthering a Network of Diversity&Focused Programs in the Physical Sciences	47.049	1557971	16,783
Columbia University	Participation of Scientists Based at U.S. Institutions in the IODP on Expedition 385	47.050	44(GG009393)	14,715
University of Maine	Conferences: Training and Retaining Leaders in STEM Geospatial Sciences	47.041	UMS1227	7,665
CSU, Sacramento	CSU SJSU LSAMP Program 2018-2021	47.079	533012	20,000
UC, Berkeley	Transforming College Teaching: Statewide Implementation of the Faculty Learning Program to Improve STEM Undergraduate	47.041	00009399	11,978
Total Pass-through			-	92,799
Total National Science Foundation			21,538	1,859,919

(Continued)

San José State University Research Foundation

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Grant Identification Number/Pass-Through Entity Identifying Number	Amounts Provided to Subrecipients	Total Federal Expenditures
Environmental Protection Agency:				
Direct				
Environmental Protection Agency	Evaluating Agricultural Management Practices Benefiting the Monterey Bay: Reducing Nutrient Loads and Harmful Algal Bloom (HAB) Events	66.509	\$ 14,369	\$ 171,212
Environmental Protection Agency	Evaluating Agricultural Management Practices Benefiting the Monterey Bay: Reducing Nutrient Loads and Harmful Algal Bloom (HAB) Events	66.509	-	30,834
Total Direct			14,369	202,046
Pass-through				
Washington Dept of Fish & Wildlife	Assessing Pacific Sand Lance Subtidal Habitats and Biomass in Regards to Salmon Foraging in the San Juan Archipelago	66.123	20-15401	24,098
CA St. Water Resrces Cntrl Bd	SWRCB Agreement Number: 17-023-270	66.419	17-023-270	106
CA St. Water Resrces Cntrl Bd	SWRCB Agreement Number: 17-045-270	66.419	17-045-270	(19)
San Jose State University	Developing Riparian Management Goals through Validation of Assessment Tools	66.461	CD-99T92901-0	126,401
Great Lakes Environmental Center	National Coastal Condition Assessment (NCCA) 2020	66.461	PO 16256	142,302
San Francisco Estuary Institute	SFEI/ASC PURCHASE ORDER NO. 2072	66.461	PO NO. 2072	450
Total Pass-through			62,879	293,338
Total Environmental Protection Agency			77,248	495,384
Department of Energy:				
Direct				
Department of Energy	Advancing the Understanding of Cloud Microphysical Processes and Aerosol Indirect Effects in High-Latitude Mixed-Phase Clouds	81.049	9,502	68,095
Pass-through				
Michigan State University	Electronic Transport in High Energy-Density Matter	81.049	RC109063 - SJSU	4,085
N Carolina State University	Development of Low-Cost Graduate Course with Virtual Fab and Hands-on Circuit Lab Experience	81.086	2014-0654-78	6,221
University of Tennessee	A Holistic Artificial Intelligence Tool to Mitigate Human Factor Uncertainty in Operation and Maintenance	81.121	A21-0451-S001	18,210
Lawrence Livermore Natl Lab	Understanding Urban and Wildland Fire Dynamics	81.123	B646704	10,470
Lawrence Livermore Natl Lab	Understanding Urban and Wildland Fire Dynamics	81.123	B642807	43,242
Lawrence Livermore Natl Lab	Continuum Modeling of Cellular Membranes and Oncogenic Proteins	81.123	B641109	81,374
Lawrence Berkeley Natl Laboratories	Hybrid Models and Algorithms	81.DE-AC02-05 CH11231	7485533	140,140
UC, Berkeley	Efficient Recovery of Rare Earth using Methylobacterium Extortquens	81.135	00010579	54,287
Total Pass-through			-	358,029
Total Department of Energy			9,502	426,124
Department of Education:				
Direct				
Department of Education	Promoting Active Learning Strategies Through the Flipped Class Model in STEM Courses at SJSU, CSULA and Cal Poly Pomona		-	59,039
Pass-through				
Regents of The Univ of California	Santa Clara Valley Mathematics Project 19-20 (ESSA federal funds)	84.367A	CN190137	-
Regents of The Univ of California	SCVMP-COMP-ESSA20 (Fed funds)	84.367A	ESSA19-CMP-SAN JOSE	24,222
Regents of The Univ of California	San Jose Area Writing Project 2019-2020 - CSMP/ESSA Federal Funds	84.367A	ESSA19-CMP-SAN JOSE	13,341
Total Pass-through			-	37,563
Total Department of Education			-	96,602
Department of Health and Human Services:				
Direct				
Dept of Health & Human Services	The Role of Insulin Signaling in Developmental Ethanol Toxicity	93.273	-	32,295
Dept of Health & Human Services	Development of a Low-Cost Therapy for Biological Toxins for Rural India	93.286	-	37,068
National Institutes of Health	A Comprehensive Testing Platform for Mechanical Heart Valves to Propel Innovation towards Anticoagulant-Independence	93.837	-	38,631
Dept of Health & Human Services	Molecular Mechanisms that Regulate Neural Circuit Formation	93.853	-	108,210
Dept of Health & Human Services	Novel Antiviral Peptides from Functional Metagenomics using Nano-Culture Microarrays	93.855	18,256	81,279
Dept of Health & Human Services	Control of Muscle Proprioceptor Sensitivity	93.859	-	126,257
Dept of Health & Human Services	MARC U*STAR at San Jose State University	93.859	-	4,588
Dept of Health & Human Services	Roles for Intracellular pH Dynamics in Cancer Cell Behaviors	93.859	-	95,978
Dept of Health & Human Services	MARC U*STAR at San Jose State University 2020-2021	93.859	-	199,103
Dept of Health & Human Services	Identification of Novel Safe Harbors to be Used in a Gene Editing Strategy for the Treatment of Hemophilia A	93.859	-	31,471
Dept of Health & Human Services	Chiroptical Induced CPL-Based Tool as a Probe of Biological Substrates	93.859	-	4,624
Dept of Health & Human Services	RU(II) Dimine Labeled P450 Mutants for Selective Hydroxylation of Substrate C-H Bond Using Innovative Photo-Oxidative	93.859	-	-
Dept of Health & Human Services	San Jose State University Rise Program	93.859	-	294,819
Dept of Health & Human Services	Intramolecular Allosteric Regulation of SIRT1 Deacetylase Activity by the N6terminal Domain	93.859	-	89,819
National Institutes of Health	Metallopolymers as Functional Metalloprotein Mimics with Secondary Coordination Sphere Interactions	93.859	-	68,343
National Institutes of Health	Microbial and Host Factors that Promote Epithelial Disruption and S. pneumoniae Transit out of the Lung	93.859	-	11,637
National Institutes of Health	Regulation of Mammary Gland Development by Sirtuin 4	93.859	-	43,533
Dept of Health & Human Services	Vector Control Strategy Through Inhibition of Aedes aegypti Midgut Proteases	93.859	-	128,758
National Institutes of Health	Blocking Cationic Antimicrobial Peptide-Resistance in Pseudomonas Aeruginosa	93.859	-	94,458
National Institutes of Health	Fluorescent Enhancement of the Nitrogen Vacancy Center in Nanoscale	93.859	-	105,868
Total Direct			18,256	1,596,536
Pass-through				
Ohio State University	Enhancing Permanency in Children and Families (EPIC) Program	93.087	60079187	20,858
UserWise	UserWise Training Decay Grant	93.103	1530355	16
Ohio State University	Empowering Communities to Reduce Fatal Opioid Overdoses in Rural Ohio	93.137	60079017	20,858
UC, San Francisco	Olfactory Memory Acquisition Consolidation and Recall	93.173	10803SC	104,479
Public Health Institute	Sexual Orientation Differences: Prevalence & Correlates of Substance Use & Abuse	93.279	1020446	15,337
Public Health Institute	Effects of Marriage Recognition on Substance Abuse and Health for Women	93.307	00735	-
University of Chicago	Community Network Driven COVID-19 Testing among Most Vulnerable Populations in the Central United States	93.310	AWD101615 (SUB000003)	20,405
UC, San Francisco	The Effect of Sleep on Neural Circuit Connections	93.853	11578SC	179,598
Total Pass-through			-	361,551
Total Department of Health and Human Services			18,256	1,958,089
Total Research and Development Cluster			1,397,314	30,941,010

(Continued)

San José State University Research Foundation

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Grant Identification Number/Pass-Through Entity Identifying Number	Amounts Provided to Subrecipients	Total Federal Expenditures
Other programs				
Department of Defense:				
Pass-through The National Academy of Sciences	USC-SJSU ICCAE Consortium's National Security Scholars Research Program	12.598	PO# 10926375	\$ - \$ 24,618
Total Department of Agriculture				<u>24,618</u>
Department of Housing & Urban Development				
Pass-through City of San Jose	CommUniverCity: Community Leadership Program FY2020-21	14.251	CPS-16-014D	- 84,335
Total Department of Housing & Urban Development				<u>84,335</u>
National Aeronautics and Space Administration:				
Pass-through KBR Wyle Services, LLC	Intelligent Systems Research and Development Support-3 (ISRDS-3)	43.001	SMS0001602	- 77,769
ASRC Federal	Test Subject Recruitment Office 46" Task 1	43.80ARC020D0006	AS20-01509 TASK ORDE	- 122,141
ASRC Federal	Test Subject Recruitment Office Task 7	43.NNA13AB88C	ART860 TASK ORDER 7	- 58,670
Total National Aeronautics and Space Administration				<u>258,580</u>
Institute of Museum and Library Services:				
Direct NIJ Endowmnt for the Humnities	Arguing the Humanities: A Course for STEM Students	45.162		- 22,208
NIJ Endowmnt for the Humnities	The Immigrant Experience in California through Literature and History	45.163		- 4,520
Total Direct				<u>26,728</u>
Pass-through Cal Humanities	Deep Humanities & Arts for Socially Responsible Technology	45.129	HFAP19-58	- 8,545
Total Institute of Museum and Library Services				<u>35,273</u>
Department of Energy:				
Pass-through City University of New York	American Chemical Society Summer School in Nuclear and Radiochemistry	81.049	CM00004803-01	- 104,650
University of Missouri	Undergraduate Summer School in Nuclear and Radiochemistry	81.049	C00035549-1	- (35,483)
Total Pass-through				<u>69,167</u>
Total Department of Energy				<u>69,167</u>
Department of Education:				
Direct Department of Education	Project Succeed: 2013 Title III Strengthening Institutions Program	84.031A		- 24,460
Department of Education	ASPIRE (Student Support Services) - San Jose State University	84.042A		- 102,332
Department of Education	ASPIRE (Student Support Services) - San Jose State University - FY 2020-2025	84.042A		- 364,810
Department of Education	The Ronald E. McNair Postbaccalaureate Achievement Program	84.217A		- 343,595
Department of Education	Project AACES (AAC in Educational Settings) - Preparing Speech-Language Pathologists in AAC Service Delivery	84.325K		- 2,740
Department of Education	Project Tapestry: Preparing Culturally Competent Speech-Language Pathologists to Deliver High Quality Services to Child	84.325K		- 106,481
Department of Education	Project EPICS - Educating Pacific Island Clinicians in Speech	84.325K	12,730	113,103
Department of Education	CCAMPIS - Child Care Access Means Parents in School	84.335A		- 250,129
Total Direct				<u>1,307,650</u>
Pass-through Regents of The Univ of California	Bay Area California Arts Project (BayCAP) 2019 2020 46" CSMPIESSA Federal Funds	84.367A	ESSA19-TCAP-SAN JOSE	- 3,618
Regents of The Univ of California	Bay Area California Arts Project (BayCAP) 2020-2021 ESSA Federal Fund	84.367A	ESSA20-TCAP-SAN JOSE	- 14,701
UC, Santa Barbara	San Jose Area Writing Project 2020-2021- CSMPIESSA Federal Funds	84.367A	ESSA20-CWP-SAN JOSE	- 40,032
National Writing Project	San Jose Area Writing Project NWP 2019-2020 C3WP Grant	84.367D	92-CA12-SEED2019-C3W	- 668
Total Pass-through				<u>59,019</u>
Total Department of Education				<u>12,730 1,366,669</u>
Department of Health and Human Services:				
Direct Dept of Health & Human Services	Outcome Study of the Garrett Lee Smith (GLS) Campus Suicide Prevention Grant.	93.243		- 89,036
Dept of Health & Human Services	Inquiry-Based Human Microbiome for Undergraduates in Distance Learning	93.859		- 68,078
Total Direct				<u>157,114</u>
Pass-through UC, Berkeley	Title IV-E Child Welfare Training 2019-2020	93.658	00009899-01	- (241)
UC, Berkeley	Title IV-E Child Welfare Training 2020-2022	93.658	00010509	- 1,079,553
UC, Berkeley	BHWIET Integrated Behavioral Health MSW Stipend Program	93.732	00009669	- 99,296
UC, Berkeley	Adult Protective Services (APS) Stipend Program	93.747	00010223	- 104,333
Total Pass-through				<u>1,282,941</u>
Total Department of Health and Human Services				<u>1,440,055</u>
Corporation for National and Community Service				
Pass-through CaliforniaVolunteers	AmeriCorps Civic Engagement (ACE) Fellows at San Jose State University	94.006	6173	- 70,683
CaliforniaVolunteers	AmeriCorps Civic Engagement (ACE) Fellows at San Jose State University	94.006	17AFHY26-F200	- 125,364
Total Corporation for National and Community Service				<u>196,047</u>
Department of Homeland Security:				
Direct U.S. Dept of Homeland Security	MTI Database on Terrorist and Serious Criminal Attacks against Public Surface Transportation	97. HSTS02-17-C-OIA173		- 119,221
Total Department of Homeland Security				<u>119,221</u>
Total expenditures of federal awards			<u>\$ 1,410,044</u>	<u>\$ 34,534,975</u>

**San José State University Research Foundation
(A California State University Auxiliary Organization)**

Notes to Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies for Expenditures of Federal Awards

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

Note 3. Indirect Cost Rate

The Foundation did not elect to use the 10% de minimis cost as covered in 200.414 indirect cost rate allowed under the Uniform Guidance.

**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**

Independent Auditor's Report

Board of Directors
San José State University 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 San José State University Research Foundation (the Foundation) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Foundation's basic financial statements, and have issued our report thereon dated October 1, 2021.

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. 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*.

Purpose of this Report

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

RSM US LLP

San José, California
October 1, 2021

**Report on Compliance for Each Major Federal
Program and Report on Internal Control Over Compliance
Required by the Uniform Guidance**

Independent Auditor's Report

Board of Directors
San José State University Research Foundation

Report on Compliance for Each Major Federal Program

We have audited the San José State University Research Foundation (the Foundation) 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 Foundation's major federal programs for the year ended June 30, 2021. The Foundation's major federal program is identified in the Summary of Auditor's Results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the 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 could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the institute'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 Foundation's compliance.

Opinion on Each Major Federal Program

In our opinion, San José State University 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 its major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the 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 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 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.

RSM US LLP

San José, California
October 1, 2021

**San José State University Research Foundation
(A California State University Auxiliary Organization)**

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

I. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No
Significant deficiency(ies) identified? _____ Yes X None Reported
Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? _____ Yes X No
Significant deficiency(ies) identified? _____ Yes X None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? _____ Yes X No

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
Various 84.217A	Research and Development Cluster The Ronald E. McNair Postbaccalaureate Achievement Program

Dollar threshold used to distinguish between type A and type B programs: \$1,036,049

Auditee qualified as low-risk auditee? X Yes _____ No

II. Financial Statement Findings

No matters were reported

III. Findings and Questioned Costs for Federal Awards

No matters were reported

**San José State University Research Foundation
(A California State University Auxiliary Organization)**

**Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2021**

II. Financial Statement Findings

No matters were reported

III. Findings and Questioned Costs for Federal Awards

No matters were reported

Schedule of Net Position
June 30, 2021
(for inclusion in the California State University)

Assets:	
Current assets:	
Cash and cash equivalents	1,196,780
Short-term investments	24,107,447
Accounts receivable, net	9,074,496
Capital lease receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	238,022
Total current assets	34,616,745
Noncurrent assets:	
Restricted cash and cash equivalents	43,057
Accounts receivable, net	-
Capital lease receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	1,380,486
Capital assets, net	11,656,726
Other assets	63,570
Total noncurrent assets	13,143,839
Total assets	47,760,584
Deferred outflows of resources:	
Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	9,330,864
Others	-
Total deferred outflows of resources	9,330,864
Liabilities:	
Current liabilities:	
Accounts payable	2,180,776
Accrued salaries and benefits	2,708,418
Accrued compensated absences, current portion	1,482,907
Unearned revenues	3,176,485
Capital lease obligations, current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	13,111
Total current liabilities	9,561,697
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	163,461
Unearned revenues	-
Grants refundable	-
Capital lease obligations, net of current portion	-
Long-term debt obligations, net of current portion	-
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	208,372
Net other postemployment benefits liability	14,674,691
Net pension liability	-
Other liabilities	175,926
Total noncurrent liabilities	15,222,450
Total liabilities	24,784,147
Deferred inflows of resources:	
Service concession arrangements	-
Net pension liability	-
Net OPEB liability	13,072,693
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Others	-
Total deferred inflows of resources	13,072,693
Net position:	
Net investment in capital assets	11,656,726
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	28,307
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	7,549,575
Total net position	19,234,608

Schedule of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2021
(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	27,079,212
State	9,869,336
Local	2,279,672
Nongovernmental	6,285,060
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	-
Scholarship allowances (enter as negative)	-
Other operating revenues	4,585,809
Total operating revenues	50,099,089
Expenses:	
Operating expenses:	
Instruction	6,284,830
Research	33,933,869
Public service	12,998
Academic support	235,276
Student services	272,841
Institutional support	7,742,138
Operation and maintenance of plant	589,094
Student grants and scholarships	2,050,499
Auxiliary enterprise expenses	-
Depreciation and amortization	1,532,221
Total operating expenses	52,653,766
Operating income (loss)	(2,554,677)
Nonoperating revenues (expenses):	
State appropriations, noncapital	-
Federal financial aid grants, noncapital	660,408
State financial aid grants, noncapital	1,280,789
Local financial aid grants, noncapital	35,815
Nongovernmental and other financial aid grants, noncapital	145,692
Other federal nonoperating grants, noncapital	-
Gifts, noncapital	(1,104,111)
Investment income (loss), net	4,476,086
Endowment income (loss), net	-
Interest expense	(197)
Other nonoperating revenues (expenses) - excl. interagency transfers	-
Net nonoperating revenues (expenses)	5,494,482
Income (loss) before other revenues (expenses)	2,939,805
State appropriations, capital	-
Grants and gifts, capital	(500,000)
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	2,439,805
Net position:	
Net position at beginning of year, as previously reported	16,794,803
Restatements	-
Net position at beginning of year, as restated	16,794,803
Net position at end of year	19,234,608

**San José State University Research Foundation
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Other Information

2.2 Fair value hierarchy in investments:

Investment Type	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	\$ 1,780,642	-	-	-	1,780,642
Repurchase agreements	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
U.S. agency securities	30,633	-	30,633	-	-
U.S. treasury securities	1,544,719	-	1,544,719	-	-
Municipal bonds	-	-	-	-	-
Corporate bonds	2,232,089	2,232,089	-	-	-
Asset backed securities	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-
Commercial paper	-	-	-	-	-
Mutual funds	4,837,437	4,837,437	-	-	-
Exchange traded funds	-	-	-	-	-
Equity securities	11,262,369	11,262,369	-	-	-
Alternative investments:					
Private equity (including limited partnerships)	670,363	-	-	-	670,363
Hedge funds	-	-	-	-	-
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	473,444	-	-	-	473,444
Commodities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other alternative investment	-	-	-	-	-
Other external investment pools	-	-	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	2,656,237	-	-	-	2,656,237
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments:					
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Total Other investments	\$ -	-	-	-	-
Total investments	25,487,933	18,331,895	1,575,352	-	5,580,686

2.3 Investments held by the University under contractual agreements:

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

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

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Other Information

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense related to capital assets	\$	1,532,221
Amortization expense related to other assets		
Total depreciation and amortization	\$	1,532,221

4 Long-term liabilities:

	Balance June 30, 2020	Prior Period Adjustments/Reclassifications	Balance June 30, 2020 (Restated)	Additions	Reductions	Balance June 30, 2021	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 1,631,683		1,631,683	1,164,232	(1,149,547)	\$ 1,646,368	\$ 1,482,907	\$ 163,461
2. Claims liability for losses and loss adjustment expenses	-		-			-		-
3. Capital lease obligations:								
Gross balance	5,669		5,669		(5,669)	-	-	-
Unamortized net premium/(discount)	-		-			-	-	-
Total capital lease obligations	\$ 5,669	-	5,669	-	(5,669)	-	-	-
4. Long-term debt obligations:								
4.1 Auxiliary revenue bonds (non-SRB related)	\$ -		-			\$ -	-	-
4.2 Commercial paper	-		-			-	-	-
4.3 Notes payable (SRB related)	-		-			-	-	-
4.4 Others:								
	-		-			-	-	-
	-		-			-	-	-
	-		-			-	-	-
	-		-			-	-	-
Total others	-		-			-	-	-
Sub-total long-term debt	\$ -	-	-	-	-	\$ -	-	-
4.5 Unamortized net bond premium/(discount)	-		-			-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-
Total long-term liabilities	\$ 1,637,352	-	1,637,352	1,164,232	(1,155,216)	\$ 1,646,368	1,482,907	\$ 163,461

5 Capital lease obligations schedule:

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

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6 Long-term debt obligations schedule:

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

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Other Information

7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	1,300,804
Payments to University for other than salaries of University personnel	1,538,208
Payments received from University for services, space, and programs	2,303,500
Gifts-in-kind to the University from discretely presented component units	-
Gifts (cash or assets) to the University from discretely presented component units	4,640,661
Accounts (payable to) University (enter as negative number)	(118,981)
Other amounts (payable to) University (enter as negative number)	
Accounts receivable from University (enter as positive number)	541,619
Other amounts receivable from University (enter as positive number)	

8 Restatements

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

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

**San José State University Research Foundation
(A California State University Auxiliary Organization)**

Other Information

9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	3,801,285	705,441	115,047	124,057		1,539,000		6,284,830
Research	19,657,775	4,225,327	689,089	743,054		8,618,624		33,933,869
Public service	10,918	627	-	-		1,453		12,998
Academic support	160,541	29,689	4,842	5,221		34,983		235,276
Student services	121,140	31,610	5,155	5,559		109,377		272,841
Institutional support	4,073,097	628,610	260,450	655,031		2,124,950		7,742,138
Operation and maintenance of plant	-	-	-	-		589,094		589,094
Student grants and scholarships					2,050,499			2,050,499
Auxiliary enterprise expenses	-	-	-	-		-		-
Depreciation and amortization							1,532,221	1,532,221
Total operating expenses	\$ 27,824,756	5,621,304	1,074,583	1,532,922	2,050,499	13,017,481	1,532,221	52,653,766

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Other Information

10 Deferred outflows/inflows of resources:

1. Deferred Outflows of Resources

Deferred outflows - unamortized loss on refunding(s)	
Deferred outflows - net pension liability	
Deferred outflows - net OPEB liability	9,330,864
Deferred outflows - others:	
Sales/intra-entity transfers of future revenues	
Gain/loss on sale leaseback	
Loan origination fees and costs	
Change in fair value of hedging derivative instrument	
Irrevocable split-interest agreements	

Total deferred outflows - others	-
Total deferred outflows of resources	\$ 9,330,864

2. Deferred Inflows of Resources

Deferred inflows - service concession arrangements	
Deferred inflows - net pension liability	
Deferred inflows - net OPEB liability	13,072,693
Deferred inflows - unamortized gain on debt refunding(s)	
Deferred inflows - nonexchange transactions	
Deferred inflows - others:	
Sales/intra-entity transfers of future revenues	
Gain/loss on sale leaseback	
Loan origination fees and costs	
Change in fair value of hedging derivative instrument	
Irrevocable split-interest agreements	

Total deferred inflows - others	-
Total deferred inflows of resources	\$ 13,072,693

11 Other nonoperating revenues (expenses)

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