AUDIT COMMITTEE
Wednesday, September 13, 2023
3:00-4:30 p.m.

Join Zoom Meeting
https://cpp.zoom.us/j/87435742368?from=addon
Meeting ID: 874 3574 2368

AGENDA

Committee Chair: Dr. David Speak

Members: John McGuthry, Lowell Overton, Stephanie Pastor, Oliver Santos, Ruby Suchecki, Joice Xiong

Staff: Claudia Burciaga-Ramos, Jared Ceja, Lisa Coats, Ernest Diaz, Joanne Mathew (Committee Liaison)

Guests: Jackie Richman – CohnReznick

I. ACKNOWLEDGEMENT OF MEMBERS OF THE PUBLIC Who may or may not be commenting on a specific item or making a general comment.

II. CONSENSUS ACTION ITEMS

*Items in this section are considered to be routine and acted on by the committee in one motion. Each item of the Consent agenda approved by the committee shall be deemed to have been considered in full and adopted as recommended. Any committee member may request that a consent item be removed from the consent agenda to be considered as a separate action item. If no additional information is requested, the approval vote will be taken without discussion. An "**A**" distinguishes items requiring approval.*

			Page
1.	Approval of Audit Committee Minutes – February 17, 2023 ACTION: Approval	Dr. David Speak, Chair	2 - 3

III. INTRODUCTIONS

2.	Introduction of Committee Members	Dr. David Speak, Chair	

IV. ACTION ITEMS

3.	Draft 22/23 External Child Care Center Audit ACTION: Approval	Joanne Mathew Jackie Richman, *CohnReznick LLP*	3 - 49
4.	2022-2023 Financial & Single Audit Reports ACTION: Approval	Joanne Mathew Jackie Richman, *CohnReznick LLP*	50 - 139

V. GENERAL UPDATES

5.	CEO's Report	Jared Ceja	140 - 141

VI. INFORMATION & DISCUSSION ITEMS

6.	IT Security Audit Reports	Jared Ceja	142
7.	Tentative Committee Meeting Schedule	Jared Ceja	143

VII. OPEN FORUM

VIII. ADJOURMENT Dr. David Speak

CAL POLY POMONA FOUNDATION, INC.
Audit Committee Meeting Minutes
Friday, February 17, 2023 at 1:00 p.m.

Present: Dr. David Speak, Daniel Foncello, April Jimenez, John McGuthry, Stephanie Pastor, Ruby Suchecki and Joice Xiong

Absent: n/a

Staff: Claudia Burciaga-Ramos, Valerie Castro, Jared Ceja, and Joanne Mathew

CALL TO ORDER
Dr. David Speak called the meeting to order at 1:01 p.m.

CONSENT ACTION ITEMS
*Items in this section are considered to be routine and acted on by the committee in one motion. Each item of the Consent agenda approved by the committee shall be deemed to have been considered in full and adopted as recommended. Any committee member may request that a consent item be removed from the consent agenda to be considered as a separate action item. If no additional information is requested, the approval vote will be taken without discussion. An "**A**" distinguishes items requiring approval.*

1. Approval of September 14, 2022 and September 23, 2022 Minutes
A motion was made to approve the minutes as corrected for both days; no opposition, the minutes were approved.

GENERAL UPDATES

2. CEO's Report
Jared Ceja introduced Valerie Castro as the new Executive Assistant and Board Liaison; Valerie comes with years of experience having worked at City of Eastvale, City of Riverside and a long tenure at Mercury Insurance. Valerie mentioned she is looking forward to working and getting to know everyone. Jared discussed the Dining Market Assessment/RFP Update, and noted that providers visited the campus as part of the RFP and met with stakeholders, they discussed the unique benefits the college has to offer with regards to the talent from our Collins College. The RFP process has been placed on pause and we will be discussing that decision with the working group. Jared stated that Dr. Coley wants to broaden and reevaluate the vision of what we can do with our services by leveraging our skillset for the greatest impact. We will be doing some key market analysis and meeting with executives from different providers in late spring/early fall 2023, with a planned re-startup of the RFP process in late 2023.
Jared mentioned the concept takeover at CenterPointe by Panda Express, and the response was positive with 1200 meals served for lunch and dinner. We expect to do additional takeovers in the future to add more variety to the dining experience and to reengage retail with residential and create excitement.

Jared reviewed the estimated timeline for the audit noting the preliminary work begins with the financial and single audits in mid-April 2023, this timeline is consistent with previous audit timelines, we will do bookstore inventory at the end of June 2023 and follow the schedule developed in discussion with CohnReznick. Once finalized, the Audit Committee will meet in September 2023 to discuss the draft with the auditors. Full approval goes to the Board in late September 2023.

ACTION ITEMS

3. None

INFORMATION & DISCUSSION ITEMS

4. Audit Committee Charter
Jared Ceja gave a brief summary of the Charter; Section A of the Charter is taken from our bylaws; the Audit Committee's composition should include 5 members, committee meetings take place at least once a year, but they can meet as frequently as needed. The Audit Committee is responsible for the retention and termination of independent auditors.

Joice Xiong asked for clarification on what is meant by "approve the performance of non-audit services by auditing firms". Jared provided the example of our auditors completing our 990. Dr. David Speak said that as a student of public administration, he is sensitive to the roles of board and board members relative to staff. Jared reminded members that nothing precludes an auditor from contacting committee members or the Audit Chair directly nor committee members from contacting the auditor directly as needed. Ruby Suchecki stated that it is customary practice in a traditional (for-profit) setting for an audit firm to meet with an audit chair and engage with them directly. Dr. Speak said he is grateful to Ruby for her professional background and her presence as a member of the audit committee.

5. Update on Responses to Facilities Audit
Joanne Mathew provided an update on the facilities audit: Joanne stated the audit was more compliance related and was, completed by the chancellor's office. Joanne discussed recommendation numbers 8 and 9 as being the only recommendations specific to the Foundation. Joanne said the audit covered the university, Foundation, UHS, and ASI. The report was received in late September 2022, and by November 30, 2022 both recommendations were implemented. Jared reminded the group that the audit focused on each section of the university's ecosystem and all areas had work order findings.

6. CSU Auxiliary Compliance Audit Update
Jared discussed the Enterprises' Draft Auxiliary Compliance Audit Results and explained that the results were preliminary and are meant to provide context. He explained that the audit is operationally focused and is not like the Single or Financial Audits. Jared recognized Joice Xiong as being intimately involved with the process. We had 3 minor findings in this audit and Jared shared his excitement over the low number and thanked those who participated in the process. Dr. Speak commented that we are moving into a culture of documenting and implementing procedures, and that is a good thing. Jared stated that we can expect this audit to occur every three to four years depending on our risk assessment. Ruby Suchecki commented, "great job everyone and congrats". Dr. David Speak agreed by stating "Yes indeed. We have great staff, we are well served here".

7. Consultant Assessment – AREAS & Point Blank
Joanne introduced the Consultant Assessment and explained it was part of our preparation for the full CSU audit. It began in July 2022 and ran through September 2022. Joanne stated that the focus of the review was on policies, procedures, segregation of duties, internal controls, recordkeeping, etc. The consultants looked into all the workings of the foundation, along with interviews with management staff, specific procedures, cash handling and deposit processes. Joanne explained that under the Observations as stated in the report, we reviewed all of our procedures from the website and redid them in a standardized format. Joanne stated there is more we will continue to do on an ongoing basis.

ADJOURNMENT
The meeting was adjourned 2:34 pm.

Respectfully submitted,

____

Dr. David Speak, Chair
Audit Committee

Memorandum

Date: September 13, 2023

To: Audit Committee
Cal Poly Pomona Foundation, Inc.

From: Joanne Mathew, CFO
Jackie Richman, CohnReznick

Attached: Draft Financial Statements with
Supplementary Information

Subject: **2022-2023 EXTERNAL CHILD CARE CENTER AUDIT**

CohnReznick has completed the audit of the State Preschool Program grants from the California Department of Education for the fiscal year ended June 30, 2023.

Cal Poly Pomona Foundation received an unmodified opinion on the report.

Jackie Richman, Director, at CohnReznick will present the reports as detailed along with their required disclosures and independent auditor's report to the committee for review.

PROPOSED ACTION:
Management recommends that the Audit Committee accept CohnReznick LLP's State Preschool Program Audit Report for the fiscal year ended June 30, 2023 and requests the above report be presented to the Board at its next regularly scheduled meeting.

BE IT RESOLVED that the Audit Committee accepts CohnReznick LLP's State Preschool Program Audit Report and forwards the Report to the Board of Directors for review and approval at its next regularly scheduled meeting.

Passed and adopted this 13th day of September 2023.

By: ____
David Speak, Chair
Audit Committee

Cal Poly Pomona Foundation, Inc.
State Preschool, General Child Care
and Prekindergarten Programs

Financial Statements
(With Supplementary Information)
and Independent Auditor's Reports

June 30, 2023

Cal Poly Pomona Foundation, Inc.
State Preschool, General Child Care
and Prekindergarten Programs

Index

Cal Poly Pomona Foundation, Inc.
State Preschool, General Child Care
and Prekindergarten Programs

General Information

Full Official Name of the Agency:
Cal Poly Pomona Foundation, Inc.

Project Numbers:
State Preschool (CSPP-2158)
General Child Care & Development (CCTR-2075)
Prekindergarten and Family Literacy Support (CPKS-2024)

Type of Agency:
Nonprofit, State of California foundation, tax-exempt organization

Address of Agency Headquarters:
3801 W. Temple Avenue, Building 116
Pomona, California 91768

Name and Address of Grants and Contracts Manager:
Lilia Maciel
3801 W. Temple Avenue, Building 55
Pomona, California 91768

Name of Preschool Director:
Celeste Salinas

Telephone Number:
Foundation Office (909) 869-4204
State Preschool Office (909) 869-2284

Period Covered by Audit:
July 1, 2022 to June 30, 2023

Number of Days of Agency Operation - On-Site:
234 days CSPP-2158
234 days CCTR-2075

Scheduled Hours of Operation Each Day - On-Site:
Monday through Friday
7:00 a.m. – 6:00 p.m.

Independent Auditor's Report

The Board of Directors
Cal Poly Pomona Foundation, Inc.
(A California State University Auxiliary Organization)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Cal Poly Pomona Foundation, Inc. (the "Foundation") State Preschool, General Child Care and Prekindergarten Programs (the "Child Care Programs"), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation's Child Care Programs as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's Child Care Programs' ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Summarized Comparative Information

We have previously audited the Foundation's Child Care Programs' 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 20, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedules and the accompanying schedule of expenditures of federal and state awards as required by the California Department of Education are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS and the California Department of Education Audit Guide issued by the California Department of Education. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated {DATE} on our consideration of the Foundation's Child Care Programs' 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 Child Care Programs' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's Child Care Programs' internal control over financial reporting and compliance.

Los Angeles, California
{DATE}

Cal Poly Pomona Foundation, Inc.
State Preschool, General Child Care
and Prekindergarten Programs

Statement of Financial Position
June 30, 2023
With Summarized Totals at June 30, 2022

Assets

	2023	2022
Current assets		
Claims on cash	$ 117,392	$ -
Grants and contracts receivable	22,182	160,350
Due from affiliate	15,842	70,556
Total current assets	155,416	230,906
Reserves	13,404	14,768
Total	$ 168,820	$ 245,674

Liabilities and Net Assets

	2023	2022
Current liabilities		
Claims on cash	$ -	$ 31,756
Accounts payable	66,066	182,235
Accrued expenses	8,333	13,000
Grants and contracts payable	81,017	3,915
Reserves	13,404	14,768
Total current liabilities	168,820	245,674
Commitments and contingencies		
Net assets		
Without donor restrictions	-	-
Total	$ 168,820	$ 245,674

See Notes to Financial Statements.

Cal Poly Pomona Foundation, Inc.
State Preschool, General Child Care
and Prekindergarten Programs

Statement of Activities
Year Ended June 30, 2023
With Summarized Totals for the Year Ended June 30, 2022

	2023	2022
Operating revenues		
State apportionments	$ 645,893	$ 486,582
Federal awards	237,248	78,028
Federal food program	41,496	9,478
Parent fees - non certified	16,308	6,336
Contribution from ASI	14,433	66,580
Interest income	2,569	809
Total operating revenue	957,947	647,813
Operating expenses		
Program services - child care services	858,300	563,836
Support services - administrative	99,647	83,977
Total operating expenses	957,947	647,813
Change in net assets	-	-
Net assets, beginning	-	-
Net assets, end	$ -	$ -

See Notes to Financial Statements.

Cal Poly Pomona Foundation, Inc.
State Preschool, General Child Care
and Prekindergarten Programs

Statement of Functional Expenses
Year Ended June 30, 2023
With Summarized Totals for the Year Ended June 30, 2022

	2023			
	Program services	Support services	Total	2022
Salaries	$ 583,487	$ -	$ 583,487	$ 389,490
Payroll taxes and benefits	191,023	-	191,023	138,932
Audit	-	16,334	16,334	26,000
Dues and memberships	611	-	611	90
Equipment	6,348	-	6,348	9,875
Instructional materials	23,383	-	23,383	11,530
Food supplies	50,739	-	50,739	12,995
Indirect costs	-	83,313	83,313	57,977
Other	2,709	-	2,709	924
Total operating expenses	$ 858,300	$ 99,647	$ 957,947	$ 647,813

See Notes to Financial Statements.

Cal Poly Pomona Foundation, Inc.
State Preschool, General Child Care
and Prekindergarten Programs

Statement of Cash Flows
Year Ended June 30, 2023
With Summarized Totals for the Year Ended June 30, 2022

	2023	2022
Cash flows from operating activities		
Change in net assets	$ -	$ -
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Changes in operating assets and liabilities		
Grants and contracts receivable	138,168	(136,218)
Due from affiliate	54,714	23,228
Accounts payable	(147,925)	(164,725)
Accrued expenses	(4,667)	(3,000)
Grants and contracts payable	77,102	(39,999)
CDE reserves	(1,364)	223
Net cash provided by (used in) operating activities	116,028	(320,491)
Net increase (decrease) in cash and cash equivalents	116,028	(320,491)
Cash and cash equivalents, beginning	14,768	335,259
Cash and cash equivalents, end	$ 130,796	$ 14,768
Cash and cash equivalents consist of the following		
Claims on cash	$ 117,392	$ -
CDE reserves	13,404	14,768
	$ 130,796	$ 14,768

See Notes to Financial Statements.

Note 1 - Business activity and summary of significant accounting policies

Business activity

The State Preschool, General Child Care and Prekindergarten Programs (the "Child Care Programs"), component units of Cal Poly Pomona Foundation, Inc. (the "Foundation"), are funded by the California Department of Education ("CDE"). The purpose of the Child Care Programs is to provide day care and child development services.

Basis of accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP") and the accounting disclosures prescribed in the *California Department of Education Audit Guide* issued by the California Department of Education.

Financial statement presentation

The Foundation's Child Care Programs are required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restriction, which are described as follows:

- *Net assets without donor restrictions* – Net assets for use in general operations and not subject to donor (or certain grantor) restrictions. Net assets may be designated for specific purposes by action of the Board.

- *Net assets with donor restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time, purpose or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. At June 30, 2023, the Child Care Programs had no net assets with donor restrictions.

Cash and cash equivalents

The Child Care Programs are affiliated and integrated with the Foundation, who performs a number of fiscal services on behalf of the Child Care Programs, including the management of cash. Therefore, the cash and cash equivalents are displayed as claims on cash in the accompanying statement of financial position.

Grants and contracts receivable

Grants and contracts receivable generally consist of amounts due from federal and state granting agencies. The Child Care Programs consider all accounts receivable to be fully collectible and, as such, an allowance for doubtful accounts is not considered necessary.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives. Repairs and maintenance are charged to expense as incurred. It is the Foundation's policy to capitalize property and equipment with a cost of $5,000 or greater.

Property and equipment acquired by the Foundation's Child Care Programs are considered owned by the Foundation. However, government funding sources maintain an equitable interest in the property and equipment purchased with grant monies as well as the right to determine the use of any proceeds from the sale of the assets.

Revenue recognition

State apportionments and federal grants are conditioned upon the Child Care Programs incurring qualifying costs. Accordingly, grant revenue is recognized to the extent that allowable expenses have been incurred, up to the maximum funding provided by the grant. Parent fees are recognized as revenue as services are performed. Grants payable consists of amounts received which have not been earned. These amounts are transferred to revenue when earned.

Under CDE programs, families may be responsible for paying a portion of the childcare, referred to as parent fees. Parent fees are determined based on the family's income and size. The Foundation collects parent fees on the first day of every month and recognizes as revenue when services have been provided.

Contributions received are recorded as support without donor restrictions or support with donor restrictions depending on the existence or nature of any donor restrictions. Contributions for which donors have imposed restrictions which limit the use of the donated assets are reported as restricted support if the restrictions are not met in the same reporting period. When such donor-imposed restrictions are met in subsequent reporting periods, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions. Contributions for which donors have not stipulated restrictions, as well as contributions for which donors have stipulated restrictions that are met within the same reporting period are reported as support without donor restrictions. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return to the donor, are not recognized until the conditions on which they depend have been substantially met.

Income taxes

The Foundation is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). Accordingly, no provision for income taxes is included in the accompanying financial statements.

The Foundation has no unrecognized tax benefits at June 30, 2023. The Foundation's federal and state income tax returns prior to 2020 and 2019, respectively, are closed. Management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings. Management has analyzed the tax positions taken by the Foundation and has concluded that, as of June 30, 2023, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

If applicable, the Foundation recognizes interest and penalties associated with tax matters as part of income tax expense and includes accrued interest and penalties with accrued expenses in the statement of financial position.

Functional allocation expenses
The costs of providing programs and activities have been summarized on a functional basis in the statement of activities. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited based on total expenses.

Use of estimates
The preparation of financial statements in conformity with 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 may differ from these estimates.

Comparative totals
The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Child Care Programs' financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Subsequent events
The Child Care Programs have evaluated subsequent events through {DATE}, which is the date these financial statements were available to be issued.

Note 2 - Liquidity and availability

The Child Care Programs regularly monitor liquidity required to meet their operating needs and other contractual commitments, while also striving to maximize the investment of their available funds. The Child Care Programs have various sources of liquidity at their disposal including cash and cash equivalents and receivables. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Child Care Programs consider all expenditures related to their ongoing activities as well as the conduct of services undertaken to support those activities to be general expenditures.

At June 30, 2023, the Child Care Programs had the following financial assets and liquidity resources available over the next 12 months:

Claims on cash	$ 117,392
Grants and contracts receivable	22,182
Due from affiliate	15,842
Total assets available	$ 155,416

Note 3 - Child development reserves

The funding agreements with the California Department of Education allow the Child Care Programs to record reserves for the amounts not earned during the current year, up to certain amounts. These reserves are presented as a liability and restricted cash for financial statement purposes and are not included in the current year revenue. As of June 30, 2023, the balance of reserves was $13,404.

Note 4 - Related party transactions

The Child Care Programs operate from facilities paid for by California State Polytechnic University, Pomona. The Foundation performs fiscal administration for the Child Care Programs. The Foundation's fee is 10% for fiscal administration.

The Child Care Programs' teaching staff consist of employees from Associated Students, Inc. California State Polytechnic University, Pomona ("ASI"). On a monthly basis, the Child Care Programs reimburse ASI for salaries, benefits, and pension costs. All expenses not covered by contract revenues are covered by ASI, thus, resulting in a contribution.

Note 5 - Contingencies

State contracts

The Child Care Programs have received grant funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, management believes that any required reimbursements will not be material.

Supplementary Information

Cal Poly Pomona Foundation, Inc.
State Preschool, General Child Care and Prekindergarten Programs

Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2023

Program Name	Federal Assistance Listing Number	Pass-through Grantor's Number	Program or award amount	Expenditures
Federal programs:				
Department of Agriculture				
Passed through the State of California				
Department of Education				
Child Care Food Program	10.558	CACFP-23	$ 57,750	$ 41,496
Department of Health and Human Services				
Passed through the State of California				
Department of Education				
Child Care and Development Fund				
State Preschool		CSPP-2158	83,029	83,029
CCDF General Child Care and Development Program - CCDF Cluster	93.575 / 93.596	CCTR-2075	154,219	154,219
Total Federal awards			294,998	278,744
State programs:				
California State Department of Education				
Child Development Services				
State Preschool		CSPP-2158	605,762	524,745
General Child Care & Development		CCTR-2075	170,181	118,877
Prekindergarten and Family Literacy Support		CPKS-2024	2,500	2,271
Total State awards			778,443	645,893
Total Federal and State awards			$ 1,073,441	$ 924,637

See Independent Auditor's Report and Notes to Schedule of Expenditures and Child Care and Development Program Supplemental Information.

Cal Poly Pomona Foundation, Inc.
State Preschool, General Child Care and Prekindergarten Programs

Combining Statement of Activities
Year Ended June 30, 2023

	State Preschool Program (CSPP-2158)	General Child Care & Development Program (CCTR-2075)	Prekindergarten and Family Literacy Support (CPKS-2024)	Total
Revenue:				
State apportionments	$ 524,745	$ 118,877	$ 2,271	$ 645,893
Federal awards	83,029	154,219	-	237,248
Federal food program	41,496	-	-	41,496
Parent fees - non certified	16,308	-	-	16,308
Contribution from ASI	14,433	-	-	14,433
Interest income	2,338	2	229	2,569
Total revenue	682,349	273,098	2,500	957,947
Program expenses:				
Salaries	442,431	141,056	-	583,487
Employee benefits	106,423	84,600	-	191,023
Books and supplies	60,469	11,380	2,273	74,122
Equipment	3,907	2,441	-	6,348
Services and other operating expenses	10,860	8,794	-	19,654
Indirect costs	58,259	24,827	227	83,313
Total program expenses	682,349	273,098	2,500	957,947
Change in net assets	$ -	$ -	$ -	$ -

See Independent Auditor's Report and Notes to Schedule of Expenditures and Child Care and Development Program Supplemental Information.

Cal Poly Pomona Foundation, Inc.
State Preschool, General Child Care
and Prekindergarten Programs

Combining Schedule of Expenditures by State Categories
Year Ended June 30, 2023

	State Preschool Program (CSPP-2158)	General Child Care & Development Program (CCTR-2075)	Prekindergarten and Family Literacy Support (CPKS-2024)	Total
State Expense category:				
1000 Certificated salaries	$ 442,431	$ 141,056	$ -	$ 583,487
2000 Classified salaries	-	-	-	-
3000 Employee benefits	106,423	84,600	-	191,023
4000 Books, supplies and equipment	64,376	13,821	2,273	80,470
5000 Services & other operating	10,860	8,794	-	19,654
6000 Capital outlay	-	-	-	-
Indirect costs	58,259	24,827	227	83,313
Total expenses claimed for reimbursement	682,349	273,098	2,500	957,947
Total supplemental expenses	-	-	-	-
Total	$ 682,349	$ 273,098	$ 2,500	$ 957,947

See Independent Auditor's Report and Notes to Schedule of Expenditures and Child Care and Development Program Supplemental Information.

Cal Poly Pomona Foundation, Inc.
State Preschool, General Child Care
and Prekindergarten Programs

Reconciliation of CDE and GAAP Expense Reporting
Year Ended June 30, 2023

	State Preschool Program (CSPP-2158)	General Child Care & Development Program (CCTR-2075)	Prekindergarten and Family Literacy Support (CPKS-2024)	Total
Schedule of Expenditures by State Categories (CDE)	$ 682,349	$ 273,098	$ 2,500	$ 957,947
Adjustments to Reconcile Differences in Reporting:				
Nonreimbursable expenses	-	-	-	-
Combining Statement of Activities (GAAP)	$ 682,349	$ 273,098	$ 2,500	$ 957,947

See Independent Auditor's Report and Notes to Schedule of Expenditures and Child Care and Development Program Supplemental Information.

Cal Poly Pomona Foundation, Inc.
State Preschool, General Child Care
and Prekindergarten Programs

Combining Schedule of Reimbursable Equipment Expenditures
Year Ended June 30, 2023

	State Preschool Program (CSPP-2158)	General Child Care & Development Program (CCTR-2075)	Prekindergarten and Family Literacy Support (CPKS-2024)	Total
Capitalized equipment expensed on the AUD with prior written approval	$ -	$ -	$ -	$ -
Capitalized equipment expensed on the AUD without prior written approval	-	-	-	-
Total expenses	$ -	$ -	$ -	$ -

See Independent Auditor's Report and Notes to Schedule of Expenditures and Child Care and Development Program Supplemental Information.

Cal Poly Pomona Foundation, Inc.
State Preschool, General Child Care
and Prekindergarten Programs

Combining Schedule of Renovation and Repair Expenditures
Year Ended June 30, 2023

	State Preschool Program (CSPP-2158)	General Child Care & Development Program (CCTR-2075)	Prekindergarten and Family Literacy Support (CPKS-2024)	Total
Unit cost under $10,000 per item	$ -	$ -	$ -	$ -
Unit cost $10,000 or more per item with prior written approval	-	-	-	-
Unit cost $10,000 or more per item without prior written approval	-	-	-	-
Total renovation and repair expenditures	$ -	$ -	$ -	$ -

See Independent Auditor's Report and Notes to Schedule of Expenditures and Child Care and Development Program Supplemental Information.

Cal Poly Pomona Foundation, Inc.
State Preschool, General Child Care
and Prekindergarten Programs

Combining Schedule of Reimbursable Administrative Costs
Year Ended June 30, 2023

	State Preschool Program (CSPP-2158)	General Child Care & Development Program (CCTR-2075)	Prekindergarten and Family Literacy Support (CPKS-2024)	Total
Administrative expenses				
Indirect costs	$ 58,259	$ 24,827	$ 227	$ 83,313
Services/audit	8,167	8,167	-	16,334
Total administrative costs	$ 66,426	$ 32,994	$ 227	$ 99,647

See Independent Auditor's Report and Notes to Schedule of Expenditures and Child Care and Development Program Supplemental Information.

Cal Poly Pomona Foundation, Inc.
State Preschool, General Child Care
and Prekindergarten Programs

Notes to Schedule of Expenditures and
Child Care and Development Program Supplemental Information
June 30, 2023

Note 1 - General

The accompanying schedule of expenditures of federal and state awards presents the activity of all federal and state award programs of the Child Care Programs for the year ended June 30, 2023. Such expenditures are recognized following the cost principles contained in the *California Department of Education Audit Guide*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 2 - Basis of accounting

The accompanying schedule of expenditures of federal and state awards is prepared on the accrual basis of accounting in conformity with GAAP as described in the notes to the financial statements.

Note 3 - Allowable indirect costs

The Foundation elected to use the 10-percent de minimis indirect cost rate as allowed under the *California Department of Education Audit Guide*.

Note 4 - Allowable direct costs

Interest expense is only allowable as a reimbursable cost in certain circumstance when it has been preapproved by the administering state department or relates to the lease, purchase, acquisition, or repair or renovation of early learning and care facilities owned or leased by the contractor. No interest expense was claimed to a child development contract for the year ended June 30, 2023.

All expenses claimed for reimbursement under a related party rent transaction must be supported by a fair market rental estimate from an independent appraiser, licensed by the California Office of Real Estate Appraisers. No related party rent transactions were claimed to a child development contract for the year ended June 30, 2023.

Bad debt expense is unallowable unless it relates to uncollected family fees where documentation of adequate collection attempts exists. No bad debt expense was claimed to a child development contract for the year ended June 30, 2023.

Note 5 - Reconciliation of California Department of Education ("CDE") and GAAP expense reporting

The supplementary combining statement of activities and basic financial statements present financial data in conformity with GAAP. The other supplementary financial data presented in the audit, including data in the combining schedule of expenditures by state categories, present expenditures according to CDE reporting requirements. Reporting differences arise because CDE contract funds must be expended during the contract period (usually one year). Specifically, program amounts that are capitalized and depreciated over multiple years under GAAP are expensed in the contract period under CDE requirements. To address such reporting differences, the audit report includes a reconciliation of CDE and GAAP expense reporting.

Contractor Name: **Cal Poly Pomona Foundation, Inc.**

Contract Number: CSPP-2158

Fiscal Year Ended: June 30, 2023

Vendor Code: E923

California Department of Education Audited Enrollment, Attendance and Fiscal Report for California State Preschool Program

Section 1 – Number of Counties Where Services are Provided

Number of counties where the agency provided services to certified children (Form 1): **1**

Number of counties where the agency provided mental health consultation services to certified children (Form 2): **0**

Number of counties where the agency provided services to non-certified children (Form 3): **1**

Number of counties where the agency provided mental health consultation services to non-certified children (Form 4): **0**

Total enrollment and attendance forms to attach: **2**

Note: For each of the above categories, submit one form for each service county.

Section 2 – Days of Enrollment, Attendance and Operation

Enrollment and Attendance Form Summary	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjusted Days per Audit
Total Certified Days of Enrollment	8,892	0	8,892	11,592.5294
Total Certified Days of Enrollment with Mental Health Consultation Services	0	0	0	0.0000
Days of Attendance (including MHCS)	8,867	0	8,867	N/A
Total Non-Certified Days of Enrollment	637	0	637	466.3627
Total Non-Certified Days of Enrollment with Mental Health Consultation Services	0	0	0	0.0000

Days of Operation	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjusted Days per Audit
Days of Operation	234	0	234	N/A

Section 3 – Revenue

Restricted Income	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Child Nutrition Programs	0	41,496	41,496
County Maintenance of Effort (EC Section 8260)	0	0	0
Other:	14,398	(14,398)	0
Other:			0
TOTAL RESTRICTED INCOME	**14,398**	**27,098**	**41,496**

Transfer from Reserve	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Transfer from Preschool Reserve Account	0	0	0

Other Income	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Waived Family Fees for Certified Children	45,402	0	45,402
Interest Earned on Child Development Apportionment Payments	0	2,338	2,338
Unrestricted Income: Fees for Non-Certified Children	0	16,308	16,308
Unrestricted Income: Head Start	0	0	0
Other: Contribution from ASI	0	14,433	14,433
Other:			0

Section 4 - Reimbursable Expenses

Cost Category	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Direct Payments to Providers (FCCH only)	0	0	0
1000 Certificated Salaries	442,437	(6)	442,431
2000 Classified Salaries	0	0	0
3000 Employee Benefits	181,324	(74,901)	106,423
4000 Books and Supplies	17,239	47,137	64,376
5000 Services and Other Operating Expenses	13,098	(2,238)	10,860
6100/6200 Other Approved Capital Outlay	0	0	0
6400 New Equipment (program-related)	3,907	(3,907)	0
6500 Equipment Replacement (program-related)	0	0	0
Depreciation or Use Allowance	0	0	0
Start-up Expenses (service level exemption)	0	0	0
Indirect Costs (include in Total Administrative Cost)	0	58,259	58,259
TOTAL REIMBURSABLE EXPENSES	**658,005**	**24,344**	**682,349**

Does the agency have an indirect cost rate approved by its cognizant agency (Select YES or NO)? ☑ Yes ☐ No

Approved Indirect Cost Rate: 10.0%

Specific Items of Reimbursable Expenses	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Total Administrative Cost (included in Reimbursable Expenses)	65,409	1,017	66,426
Total Staff Training Cost (included in Reimbursable Expenses)	576	0	576

☑ NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 4.

Section 6 - Summary

Description	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Total Certified Days of Enrollment (including MHCS)	8,892	0	8,892
Days of Operation	234	0	234
Days of Attendance (including MHCS)	8,867	0	8,867
Total Certified Adjusted Days of Enrollment	N/A	N/A	11,592.5294
Total Non-Certified Adjusted Days of Enrollment	N/A	N/A	466.3627
Restricted Program Income	14,398	27,098	41,496
Transfer from Preschool Reserve Account	0	0	0
Interest Earned on Apportionment Payments	0	2,338	2,338
Direct Payments to Providers	0	0	0
Start-up Expenses (service level exemption)	0	0	0
Total Reimbursable Expenses	658,005	24,344	682,349
Total Administrative Cost	65,409	1,017	66,426
Total Staff Training Cost	576	0	576
Non-Reimbursable Cost (State Use Only)	N/A	N/A	0

Section 7 – Auditor's Assurances

Independent auditor's assurances on agency's compliance with the contract funding terms and conditions and program requirements of the California Department of Education, Early Education Division:

Eligibility, enrollment and attendance records are being maintained as required (Select YES or NO): ☑ Yes ☐ No

Reimbursable expenses claimed in Section 4 are eligible for reimbursement, reasonable, necessary, and adequately supported (Select YES or NO): ☑ Yes ☐ No

Section 8 – Comments

Include any comments in the comment box. If necessary, attach additional sheets to explain adjustments.

None.

California State Preschool Program – Form 1
Certified Children Days of Enrollment and Attendance

Service County: Los Angeles

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Three Years Old Full-time-plus	0	0	0	2.1240	0.0000
Three Years Old Full-time	2,174	0	2,174	1.8000	3,913.2000
Three Years Old Part-time	1,062	0	1,062	1.1401	1,210.7862
Four Years and Older Full-time-plus	9	0	9	1.1800	10.6200
Four Years and Older Full-time	1,731	0	1,731	1.0000	1,731.0000
Four Years and Older Part-time	1,112	0	1,112	0.6334	704.3408
Exceptional Needs Full-time-plus	0	0	0	2.8320	0.0000
Exceptional Needs Full-time	259	0	259	2.4000	621.6000
Exceptional Needs Part-time	89	0	89	1.5202	135.2978
Dual Language Learner Full-time-plus	1,603	0	1,603	1.4160	2,269.8480
Dual Language Learner Full-time	804	0	804	1.2000	964.8000
Dual Language Learner Part-time	0	0	0	0.6334	0.0000

Contractor Name: Cal Poly Pomona Foundation, Inc. **Contract Number: CSPP-2158**

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
At Risk of Abuse or Neglect Full-time-plus	0	0	0	1.2980	0.0000
At Risk of Abuse or Neglect Full-time	0	0	0	1.1000	0.0000
At Risk of Abuse or Neglect Part-time	49	0	49	0.6334	31.0366
Severely Disabled Full-time-plus	0	0	0	2.8320	0.0000
Severely Disabled Full-time	0	0	0	2.4000	0.0000
Severely Disabled Part-time	0	0	0	1.5202	0.0000
TOTAL CERTIFIED DAYS OF ENROLLMENT	**8,892**	**0**	**8,892**	N/A	**11,592.5294**

Attendance	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
DAYS OF ATTENDANCE	**8,867**	**0**	**8,867**	N/A	N/A

Enter the sum of Total Certified Days of Enrollment from all Form 1s in the Total Certified Days of Enrollment line of AUD 8501, Section 2.

Enter the sum of Days of Attendance from all Form 1s and Form 2s in the Days of Attendance line of AUD 8501, Section 2.

Contractor Name: Cal Poly Pomona Foundation, Inc. **Contract Number: CSPP-2158**

California State Preschool Program – Form 3
Non-Certified Children Days of Enrollment

Service County: Los Angeles

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Toddlers (18 up to 36 months) Full-time-plus	0	0	0	2.1240	0.0000
Toddlers (18 up to 36 months) Full-time	0	0	0	1.8000	0.0000
Toddlers (18 up to 36 months) Part-time	0	0	0	0.9900	0.0000
Three Years Old Full-time-plus	0	0	0	2.1240	0.0000
Three Years Old Full-time	0	0	0	1.8000	0.0000
Three Years Old Part-time	93	0	93	1.1401	106.0293
Four Years and Older Full-time-plus	0	0	0	1.1800	0.0000
Four Years and Older Full-time	43	0	43	1.0000	43.0000
Four Years and Older Part-time	151	0	151	0.6334	95.6434
Exceptional Needs Full-time-plus	0	0	0	2.8320	0.0000
Exceptional Needs Full-time	0	0	0	2.4000	0.0000
Exceptional Needs Part-time	0	0	0	1.5202	0.0000
Dual Language Learner Full-time-plus	0	0	0	1.4160	0.0000
Dual Language Learner Full-time	0	0	0	1.2000	0.0000
Dual Language Learner Part-time	350	0	350	0.6334	221.6900

Contractor Name: Cal Poly Pomona Foundation, Inc. **Contract Number: CSPP-2158**

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
At Risk of Abuse or Neglect Full-time-plus	0	0	0	1.2980	0.0000
At Risk of Abuse or Neglect Full-time	0	0	0	1.1000	0.0000
At Risk of Abuse or Neglect Part-time	0	0	0	0.6334	0.0000
Severely Disabled Full-time-plus	0	0	0	2.8320	0.0000
Severely Disabled Full-time	0	0	0	2.4000	0.0000
Severely Disabled Part-time	0	0	0	1.5202	0.0000
TOTAL NON-CERTIFIED DAYS OF ENROLLMENT	**637**	**0**	**637**	N/A	**466.3627**

Enter the sum of Total Non-Certified Days of Enrollment from all Form 3s in the Total Non-Certified Days of Enrollment line of AUD 8501, Section 2.

AUDITED ENROLLMENT, ATTENDANCE AND FISCAL REPORT FOR CHILD CARE AND DEVELOPMENT PROGRAMS

Fiscal Year Ending June 30, 2023
Contract Number CCTR-2075
Vendor Code E923

Full Name of Contractor Cal Poly Pomona Foundation, Inc.

Section 1 - Number of Counties Where Services are Provided

Number of counties where the agency provided services to certified children (Form AUD 9500.1): 1

Number of counties where the agency provided mental health consultation services to certified children (Form AUD 9500.2): 0

Number of counties where the agency provided services to non-certified children (Form AUD 9500.3): 0

Number of counties where the agency provided mental health consultation services to non-certified children (Form AUD 9500.4): 0

Total enrollment and attendance forms to attach: 1

Note: For each of the above categories, submit one form for each service county for the fiscal year.

Section 2 - Days of Enrollment, Attendance and Operation

	Column A Cumulative FY CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjusted Days per Audit
Total Certified Days of Enrollment	3,435	0	3435	4,847.8064
Total Certified Days of Enrollment with Mental Health Consultation Services	0	0		0.0000
Days of Attendance (including MHCS)	3,434	0	3434	**N/A**
Total Non-Certified Days of Enrollment	0	0		0.0000
Total Non-Certified Days of Enrollment with Mental Health Consultation Services	0	0		0.0000
Days of Operation	234	0	234	**N/A**

Audit Report Page 32

Full Name of Contractor Cal Poly Pomona Foundation, Inc. **Contract Number** CCTR-2075

Section 3 - Revenue

	Column A Cumulative FY CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs	0	0	
Restricted Income - County Maintenance of Effort (WIC Section 10308.5)	0	0	
Restricted Income - American Rescue Plan Act (ARPA)	0	0	
Restricted Income - Other:	0	0	
Restricted Income - Subtotal			
Transfer From Reserve	0	0	
Waived Family Fees for Certified Children	8,448	0	8448
Interest Earned on Child Development Apportionment Payments	0	2	2
Unrestricted Income - Fees for Non-Certified Children	0	0	
Unrestricted Income - Head Start	0	0	
Unrestricted Income - Other:	0	0	
Total Revenue	**8448**	**2**	**8450**

Comments:

Audit Report Page **33**

Full Name of Contractor Cal Poly Pomona Foundation, Inc. **Contract Number** CCTR-2075

Section 4 - Reimbursable Expenses

	Column A Cumulative FY CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers (FCCH only)	0	0	
1000 Certificated Salaries	141,057	-1	141056
2000 Classified Salaries	0	0	
3000 Employee Benefits	84,600	0	84600
4000 Books and Supplies	14,927	-1,106	13821
5000 Services and Other Operating Expenses	9,574	-780	8794
6100/6200 Other Approved Capital Outlay	0	0	
6400 New Equipment (program-related)	6,442	-6,442	
6500 Equipment Replacement (program-related)	0	0	
Depreciation or Use Allowance	0	0	
Start-up Expenses (service level exemption)	0	0	
Budget Impasse Credit	0	0	
Indirect Costs (include in Total Administrative Cost)	24,826	1	24827
Non-Reimbursable (State use only)			
Total Reimbursable Expenses	**281426**	**-8328**	**273098**
Total Administrative Cost (included in Section 4 above)	24,826	8,168	32994
Total Staff Training Cost (included in Section 4 above)	0	0	

Approved Indirect Cost Rate: 9.92% %

☑ NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 4.

Audit Report Page 34

Full Name of Contractor Cal Poly Pomona Foundation, Inc. **Contract Number** CCTR-2075

Section 7 - Summary

	Column A Cumulative FY CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Total Certified Days of Enrollment (including MHCS)	3435		3435
Days of Operation	234	0	234
Days of Attendance (including MHCS)	3434	0	3434
Restricted Program Income			
Transfer from Reserve	0	0	
Waived Family Fees for Certified Children	8448	0	8448
Interest Earned on Child Development Apportionment Payments	0	2	2
Direct Payments to Providers	0	0	
Start-up Expenses (service level exemption)	0	0	
Total Reimbursable Expenses	281426	-5887	275539
Total Administrative Cost	24826	8168	32994
Total Staff Training Cost	0	0	

Total Certified Adjusted Days of Enrollment (including MHCS) 4,847.8064

Total Non-Certified Adjusted Days of Enrollment (including MHCS)

Independent auditor's assurances on agency's compliance with contract funding terms and conditions and program requirements for programs that transferred to the California Department of Social Services on July 1, 2021 pursuant to WIC Section 10203(b):

Eligibility, enrollment and attendance records are being maintained as required (select YES or NO from the drop-down box): Yes

Reimbursable expenses claimed on page 3 are eligible for reimbursement, reasonable, necessary, and adequately supported (select YES or NO from the drop-down box): Yes

Include any comments in the comments box on page 2. If necessary, attach additional sheets to explain adjustments.

Audit Report Page 35

CHILD CARE AND DEVELOPMENT PROGRAMS CERTIFIED CHILDREN DAYS OF ENROLLMENT AND ATTENDANCE

Fiscal Year Ending June 30, 2023
Contract Number CCTR-2075
Vendor Code E923

Full Name of Contractor Cal Poly Pomona Foundation, Inc.

Service County: Los Angeles

	Column A Cumulative FY CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Infants (up to 18 months) Full-time-plus	0	0		2.8792	
Infants (up to 18 months) Full-time	0	0		2.4400	
Infants (up to 18 months) One-half-time	0	0		1.5455	
Toddlers (18 up to 36 months) Full-time-plus	0	0		2.1240	
Toddlers (18 up to 36 months) Full-time	1,597	0	1597	1.8000	2874.6000
Toddlers (18 up to 36 months) One-half-time	1,260	0	1260	1.1401	1436.5260
Three Years and Older Full-time-plus	0	0		1.1800	
Three Years and Older Full-time	30	0	30	1.0000	30.0000
Three Years and Older One-half-time	139	0	139	0.6334	88.0426
Exceptional Needs Full-time-plus	0	0		1.8172	
Exceptional Needs Full-time	0	0		1.5400	
Exceptional Needs One-half-time	0	0		0.9754	

Audit Report Page 36

Full Name of Contractor Cal Poly Pomona Foundation, Inc. **Contract Number** CCTR-2075

	Column A Cumulative FY CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Dual Language Learner Full-time-plus	0	0		1.2980	
Dual Language Learner Full-time	342	0	342	1.1000	376.2000
Dual Language Learner One-half-time	67	0	67	0.6334	42.4378
At Risk of Abuse or Neglect Full-time-plus	0	0		1.2980	
At Risk of Abuse or Neglect Full-time	0	0		1.1000	
At Risk of Abuse or Neglect One-half-time	0	0		0.6334	
Severely Disabled Full-time-plus	0	0		2.2774	
Severely Disabled Full-time	0	0		1.9300	
Severely Disabled One-half-time	0	0		1.2225	
Total Certified Days of Enrollment	**3435**		**3435**	**N/A**	**4847.8064**
Days of Attendance	**3,434**	**0**	**3434**	**N/A**	**N/A**

Enter the sum of Total Certified Days of Enrollment from Form AUD9500.1(s) in the Total Certified Days of Enrollment line of AUD 9500, Section 2.

Enter the sum of Days of Attendance from all Form AUD9500.1(s) and Form AUD9500.2(s) in the Days of Attendance line of AUD 9500, Section 2.

Contractor Name: Cal Poly Pomona Foundation, Inc.

Contract Number: CCTR-2075

Fiscal Year Ended: June 30, 2023

Vendor Code: E923

California Department of Education Audited Fiscal Report for California State Preschool Program Support Contracts

Section 1 – Revenue

Restricted Income	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative per Audit
County Maintenance of Effort (EC Section 8260)	0	0	0
Other:			0
TOTAL RESTRICTED INCOME	**0**	**0**	**0**

Other Income	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative per Audit
Interest Earned on Apportionment Payments	0	229	229
Unrestricted Income – Other:			0

Comments:

Section 2 – Reimbursable Expenses

Cost Category	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries	0	0	0
2000 Classified Salaries	0	0	0
3000 Employee Benefits	0	0	0
4000 Books and Supplies	0	2,273	2,273
5000 Services and Other Operating Expenses	0	0	0
6100/6200 Other Approved Capital Outlay	0	0	0
6400 New Equipment (program-related)	0	0	0
6500 Equipment Replacement (program-related)	0	0	0
Depreciation or Use Allowance	0	0	0
Indirect Costs (include in Total Administrative Cost)	0	227	227
TOTAL REIMBURSABLE EXPENSES	**0**	**2,500**	**2,500**

Specific Item of Reimbursable Expenses	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative per Audit
Total Administrative Cost (included in Reimbursable Expenses)	0	227	227

☑ NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 3.

Section 4 – Summary

Description	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income	0	0	0
Interest Earned on Apportionment Payments	0	229	229
Total Reimbursable Expenses	0	2,500	2,500
Total Administrative Cost	0	227	227
Non-Reimbursable Cost (State Use Only)	N/A	N/A	0

Does the Contractor have an indirect cost rate approved by its cognizant agency? (Select YES or NO) ☑ Yes ☐ No

Approved Indirect Cost Rate: 9.90%

California Department of Education | **Fiscal Year Ending: June 30, 2023**
Audited Preschool Reserve Account Activity Report | **Vendor Code: E923**

Contractor Name: Cal Poly Pomona Foundation, Inc.

Section 1 – Prior Year Reserve Account Activity

1. Beginning Balance (2021–22 AUD 9530A Ending Balance): 9,207

2. Plus Transfers to Reserve Account:

2021–22 Contract No.	Per 2021–22 Post-Audit EENFS 9530
Total Transferred from 2021–22 Contracts	**0**

3. Less Excess Reserve to be Billed:

4. 2021–22 EENFS 9530 Reserve Balance After Billing: 9,207

Section 2 – Current Year Reserve Account Activity

5. Plus Interest Earned This Year on Reserve:

Description	Column A per CPARIS	Column B Audit Adjustments	Column C Total per Audit
Interest Earned			0

6. Less Transfers to Contracts from Reserve:

2022–23 Contract No.	Column A per CPARIS	Column B Audit Adjustments	Column C Total per Audit
			0
			0
			0
Total Transferred to Contracts	**0**	**0**	**0**

7. Ending Balance:

Description	Column A per CPARIS	Column B Audit Adjustments	Column C Total per Audit
Ending Balance on June 30, 2023	9,207	0	9,207

COMMENTS – If necessary, attach additional sheets to explain adjustments.

AUDITED RESERVE ACCOUNT ACTIVITY REPORT

Fiscal Year End	June 30, 2023
Reserve Account Type	Center-Based
Vendor Code	E926

Full Name of Contractor **Cal Poly Pomona Foundation, Inc.**

Section 1 - Prior Year Reserve Account Activity

1. Beginning Balance (2021–22 AUD 9530A Ending Balance)	5,561
2. Plus Transfers to Reserve Account:	Per 2021–22 Post-Audit CDNFS 9530
Contract No.	
Contract No.	
Contract No.	
Contract No.	
Contract No.	
Contract No.	
Total Transferred from 2021–22 Contracts to Reserve	
3. Less Excess Reserve to be Billed	
4. Ending Balance per 2021-22 Post-Audit CDNFS 9530	**5,561**

Section 2 - Current Year (2022–23) Reserve Account Activity

	Column A CDNFS 9530A	Column B Audit Adjustments	Column C per Audit
5. Plus Interest Earned This Year on Reserve:		-1,364	-1,364
6. Less Transfers to Contracts from Reserve:			
Contract No.CCTR-2075			
Contract No.			
Contract No.			
Contract No.			
Contract No.			
Contract No.			
Total Transferred to Contracts from Reserve Account			
7. Ending Balance on June 30, 2023	**5,561**	**-1,364**	**4,197**

COMMENTS - If necessary, attach additional sheets to explain adjustments.

Audit Report Page 42

Cal Poly Pomona Foundation, Inc.
State Preschool, General Child Care
and Prekindergarten Programs

Schedule of State Findings
June 30, 2023

There were no findings for the fiscal year ended June 30, 2023.

Independent Auditor's 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*

The Board of Directors
Cal Poly Pomona Foundation, Inc.
(A California State University Auxiliary Organization)

We have audited, 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, the financial statements of the Cal Poly Pomona Foundation, Inc. (the "Foundation") State Preschool, General Child Care and Prekindergarten Programs (the "Child Care Programs"), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated {DATE}.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's Child Care Programs' internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's Child Care Programs' internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's Child Care Programs' 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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

Los Angeles, California
{DATE}

Memorandum

Date: September 13, 2023

To: Audit Committee

From: Joanne Mathew, CFO
Jackie Richman, CohnReznick

Attached: Required Communications with Those Charged with Governance
Draft Audited Financial Statements with Supplementary Information
Draft Single Audit Report Required by Uniform Guidance

Subject: **2022-2023 FINANCIAL AND SINGLE AUDIT REPORTS**

CohnReznick has completed the financial and single audits of Cal Poly Pomona Foundation for the fiscal year ended June 30, 2023. This is the first year of CohnReznick's engagement on these two audits with Enterprises.

The Foundation received an unmodified opinion on both reports.

Jackie Richman, Director, at CohnReznick will present the reports as detailed along with their required disclosures:

PROPOSED ACTION:
Management is recommending that the Audit Committee accept CohnReznick LLP's unmodified opinion on the Enterprises' Financial and Single Audit Reports for the fiscal year ended June 30, 2023 and requests the above reports be presented to the Board at its next scheduled meeting.

BE IT RESOLVED that the Audit Committee accepts CohnReznick LLP's unmodified opinion of the Enterprises' Financial and Single Audit Reports and forwards the reports to the Board of Directors for review and approval at its next scheduled meeting.

Passed and adopted this 13th day of September 2023.

By: ______________________________

Dr. David Speak, Chair
Audit Committee

Required Communications With Those Charged With Governance

[Insert Date]
The Board of Directors
Cal Poly Pomona Foundation, Inc.

Dear Members of the Board of Directors:

We have audited the financial statements of Cal Poly Pomona Foundation, Inc. (the "Foundation") as of and for the year ended June 30, 2023, and have issued our report thereon dated [Insert Date]. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated March 16, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Foundation, solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding significant control deficiencies other matters noted during our audit in a separate letter to you, at the bottom of the report dated [Insert Date].

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified management override of controls and improper revenue recognition as a significant risk. We addressed these risks though substantive audit procedures.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Foundation is included in Note 1 to the financial statements. There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

- Fair value of investments
- Collectability of receivables
- Useful lives of capital assets
- Lease receivables
- Lease liabilities
- Pension benefits
- Postretirement benefits

In connection with our audit of the financial statements for the year ended June 30, 2023, we reviewed the methodology for establishing these estimates and we found these estimates to be reasonable. However, estimates are subject to change because of future events, and the ultimate amounts realized may differ from those provided.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Foundation's financial statements relate to investments, the pension plan, and postretirement benefits which are neutral, consistent, and clear.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. There were no significant or unusual transactions identified as a result of our audit procedures that were brought to the attention of management.

Identified or Suspected Fraud

We are not aware of any fraud involving senior management, or those responsible for internal controls, or causing a material misstatement of the financial statements.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no uncorrected misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were no corrected misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Foundation's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances affecting the form and content of the audit opinion.

Representations Requested from Management

We have requested certain written representations from management, which are included in the letter dated [Insert Date].

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings or Issues

In the normal course of our professional association with the Foundation, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating conditions affecting the Foundation, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Foundation's auditors.

This report is intended solely for the information and use of those charged with governance, the Audit Committee, Board of Directors, and management of the Foundation, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

CohnReznick, LLP
Los Angeles, California

Cal Poly Pomona Foundation, Inc.

Financial Statements
(With Supplementary Information)
and Independent Auditor's Reports

June 30, 2023

Cal Poly Pomona Foundation, Inc.

Index

Independent Auditor's Report

The Board of Directors
Cal Poly Pomona Foundation, Inc.
(A California State University Auxiliary Organization)

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the aggregate remaining fund information of Cal Poly Pomona Foundation, Inc. (the “Foundation”), a component unit of California State Polytechnic University, Pomona as of and for the year ended June 30, 2023, and the related statements of revenues, expenses, and change in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Foundation’s basic financial statements as listed in the index.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business type activities and the aggregate remaining fund information of the Foundation as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 to 12, the Schedule of Foundation's Proportionate Share of the Net Pension Liability on page 49, the Schedule of Foundation Contributions on page 50, and the Schedule of Changes in Net OPEB Liability and Related Ratios on page 51 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Foundation's basic financial statements. The accompanying supplementary information on pages 52 to 63 is presented for purposes of additional analysis as required by an Administrative Directive dated June 24, 2003, Financial Reporting Requirements for Auxiliary Organizations, from the California State University Office of the Chancellor, and is not a required part of the basic financial statements.

The accompanying supplementary information on pages 52 to 63 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 accompanying supplementary information on pages 52 to 63 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 Report Date 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 the Foundation's internal control over financial reporting and compliance.

Los Angeles, California
Report Date

Management's Discussion and Analysis

Cal Poly Pomona Foundation, Inc.

Management's Discussion and Analysis ("MD&A")
Year Ended June 30, 2023

Introduction

The Cal Poly Pomona Foundation, Inc. (the "Foundation") is a nonprofit organization formed to support and advance the mission of California State Polytechnic University, Pomona (the "University"). To fulfill this mission, the Foundation pursues a wide range of opportunities through the development and administration of research and educational grants and contracts; conducting commercial activities including dining services, bookstore/retail, a conference center/hotel, apartment style housing, continuing education, and agricultural aid to instruction; the management of the Foundation's support programs and real estate activities; the development and administration of the Affordable Faculty/Staff Housing Program, a research park, special programs, and other similar activities on behalf of the University. The employment and training of students is a key priority of the Foundation.

The following discussion and analysis provides an overview of the financial position and activities of the Foundation for the year ended June 30, 2023.

This discussion and analysis has been prepared by management, and should be read in conjunction with the financial statements and notes.

Overview of the Financial Statements

This annual report consists of a series of financial statements prepared in accordance with the Governmental Accounting Standards Board ("GASB") principles, and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Included in this report are the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, the Statement of Cash Flows, Statement of Fiduciary Net Position, and Statement of changes in Fiduciary Net Position, which will provide a comprehensive financial overview of the Foundation's operations.

Statement of Net Position
The Statement of Net Position include all assets, deferred outflows and inflows of resources, liabilities, and net position of the Foundation. The statement also identify major categories of restrictions on the net position of the Foundation.

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

Statement of Cash Flows
The Statement of Cash Flows provides relevant information about the sources and uses of cash during the year. In addition, it provides information on the effects that cash and noncash investing, capital, and financing transactions during the year have on the Foundation's financial position.

Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position
Fiduciary funds are used to account for resources held for the benefit of parties outside the Foundation. The Foundation holds funds for the declining balance programs (Bronco Bucks, Meal Points). The Foundation's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. Fiduciary funds are not reflected in the Foundation's financial statements because the resources of those funds are not available to support other Foundation activities.

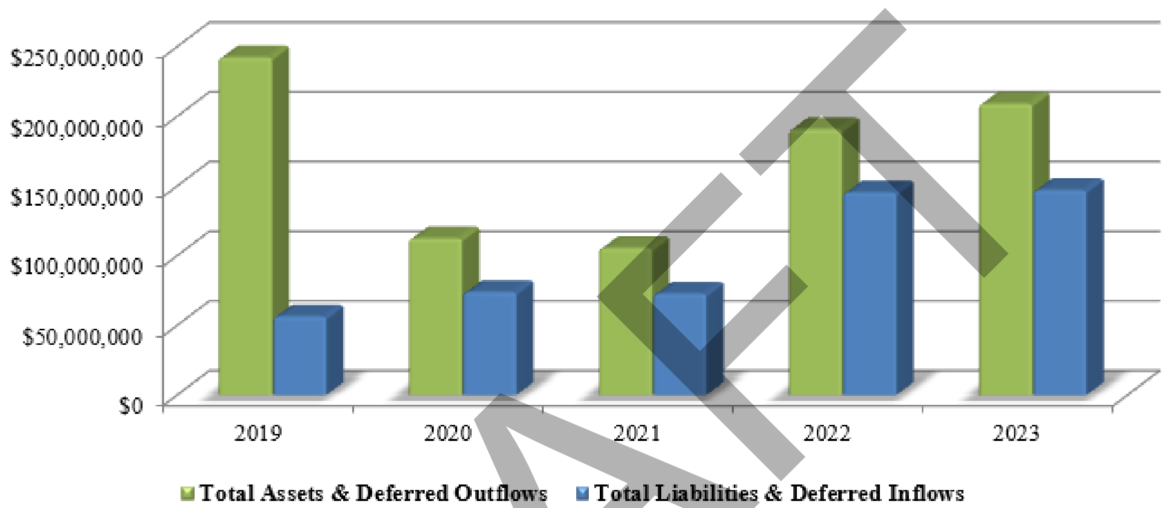
These statements are supported by notes to the basic financial statements, required supplementary information, as appropriate, and this section. All sections must be considered together to obtain a complete understanding of the financial status of the Foundation.

A summary of the Foundation's assets, deferred outflows, liabilities, deferred inflows, and net position is as follows:

	2023 (in thousands)	2022 (in thousands)
Assets		
Current assets	$ 63,449	$ 47,480
Noncurrent assets		
Restricted cash and cash equivalents	5	74
Accounts receivable, net of current portion	2,313	2,313
Lease receivables, net of current portion	93,067	93,595
Long-term investments	1,433	1,334
Capital assets, net	39,004	43,088
Total noncurrent assets	135,822	140,404
Total assets	199,271	187,884
Deferred outflows of resources		
Net pension liability	6,750	2,427
Net OPEB liability	3,042	476
Total deferred outflows of resources	9,792	2,903
Liabilities		
Current liabilities	12,130	11,610
Noncurrent liabilities	39,361	29,945
Total liabilities	51,491	41,555
Deferred inflows of resources		
Net pension liability	3,404	7,825
Leases	91,018	92,897
Net OPEB liability	493	2,595
Split interest agreements	715	583
Total deferred inflows of resources	95,630	103,900
Net position		
Net investment in capital assets	20,984	22,773
Restricted unvested grant assets	222	2,402
Unrestricted	40,736	20,157
Total net position	$ 61,942	$ 45,332

Total assets and deferred outflows were $209.1 million and $190.8 million for fiscal years 2023 and 2022, respectively. The increase between 2023 and 2022 of $18.3 million or 9.6% is attributed to the increase in current assets of $16.0 million and $6.9 million in pension and OPEB liabilities, and a decrease of $4.1 million in net capital assets.

Total Assets & Deferred Outflows, Liabilities & Deferred Inflows



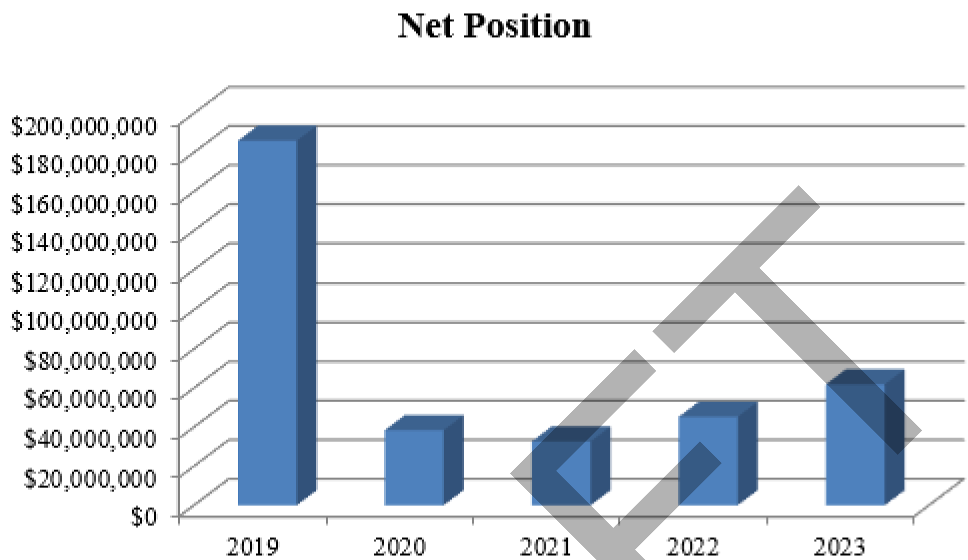
Total liabilities and deferred inflows were $147.1 million and $145.4 million for the fiscal years 2023 and 2022, respectively. The net increase of $1.7 million is sprinkled throughout multiple areas such as an increase of $9.6 million in non-current liabilities and a decrease of $8.4 million in net pension liability, leases and net OPEB liability.

Net Position

Net position represents the residual interest in the Foundation's assets after liabilities are deducted. The Foundation's net position is as follows:

	2023 (in thousands)	2022 (in thousands)
Net investment in capital assets	$ 20,984	$ 22,773
Restricted		
Nonexpendable	222	2,402
Unrestricted	40,736	20,157
Net position	$ 61,942	$ 45,332

Net position increased by 36.6% or $16.6 million primarily in unrestricted entrepreneurial activities of the Foundation as well as program activities. Net investment in capital assets decreased by $1.8 million or 7.9%.



Statement of Revenues, Expenses, and Changes in Net Position

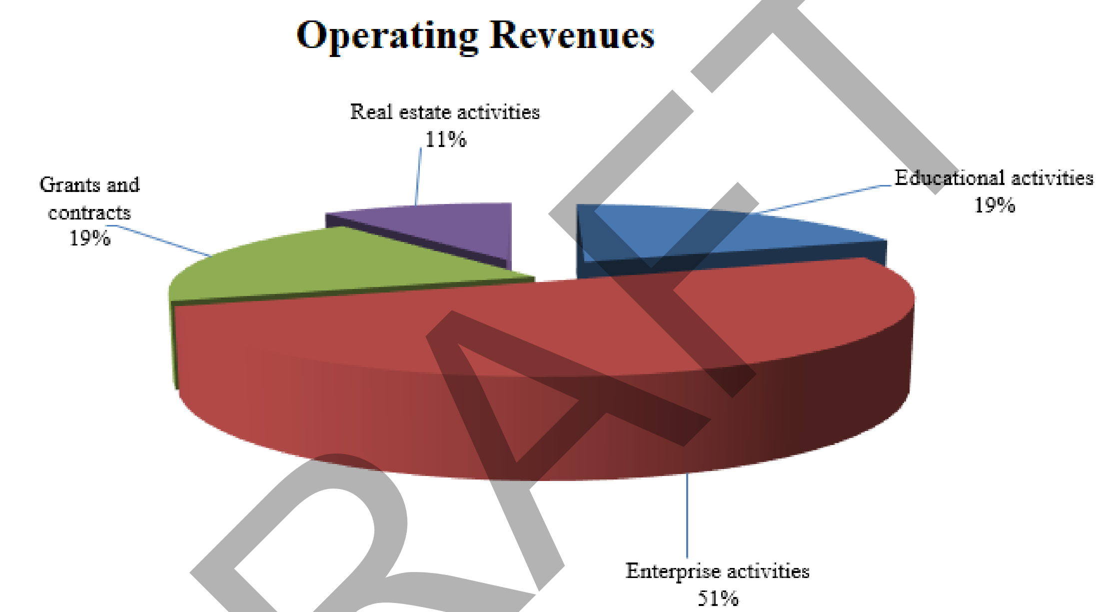
The statement of revenues, expenses, and changes in net position presents the Foundation's results of operations. A summary of the Foundation's revenues, expenses, and changes in net position is as follows:

	2023 (in thousands)	2022 (in thousands)
Operating revenues		
Educational activities	$ 19,232	$ 7,442
Enterprise activities	49,902	37,247
Grants and contracts	19,093	18,436
Admin and real estate activities	10,465	11,271
Total operating revenues	98,692	74,396
Operating expenses	83,092	64,143
Operating income	15,600	10,253
Nonoperating revenues (expenses)		
Gain on PPP loan forgiveness	3,795	-
Investment income, net	2,137	(2,982)
Interest expense	(1,294)	(1,133)
Other nonoperating expenses	(3,628)	(1,019)
Net nonoperating revenues (expenses)	1,010	(5,134)
Change in net position	16,610	5,119
Net position		
Net position, beginning of year	45,332	40,213
Net position, end of year	$ 61,942	$ 45,332

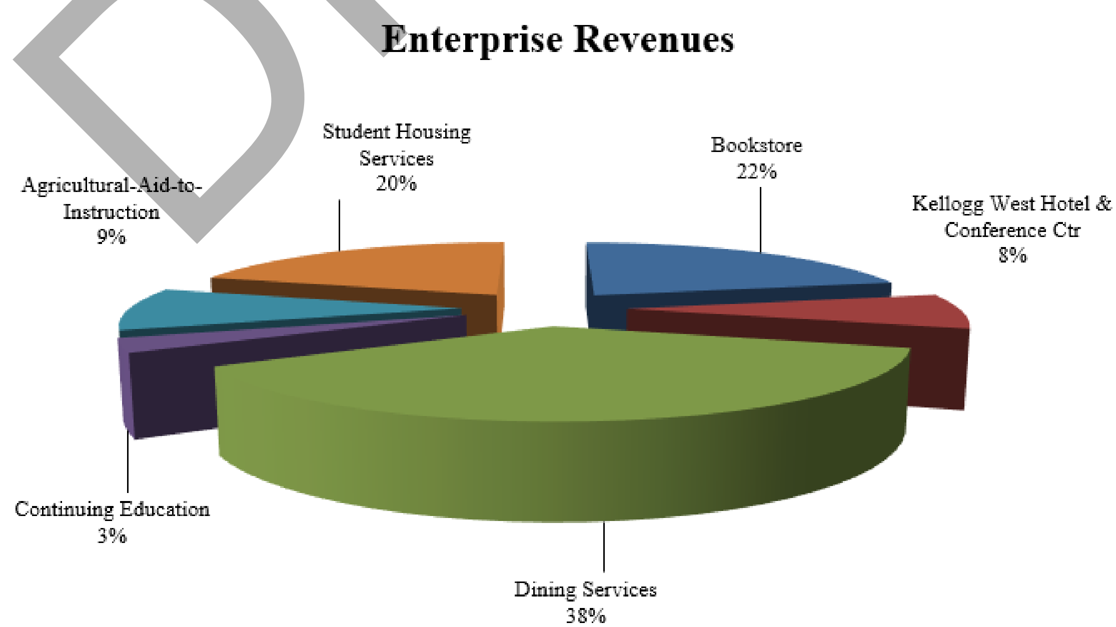
During the fiscal year 2023, total operating revenues increased 32.7% or $24.3 million as student population continued to increase on campus than the previous years which heavily impacted enterprise activities, mainly catering events. Operating expenses increased 30% or $18.9 million because of the increase in enterprise activities.

The net nonoperating revenues were approximately $1.0 million. Net investment gain for the year was approximately $2.1 million as the market continued to rebound with positive momentum.

Operating revenues also include grants and contracts awarded by governmental and private institutions. Amounts administered by the Foundation are recorded as revenue and expense in the financial statements.

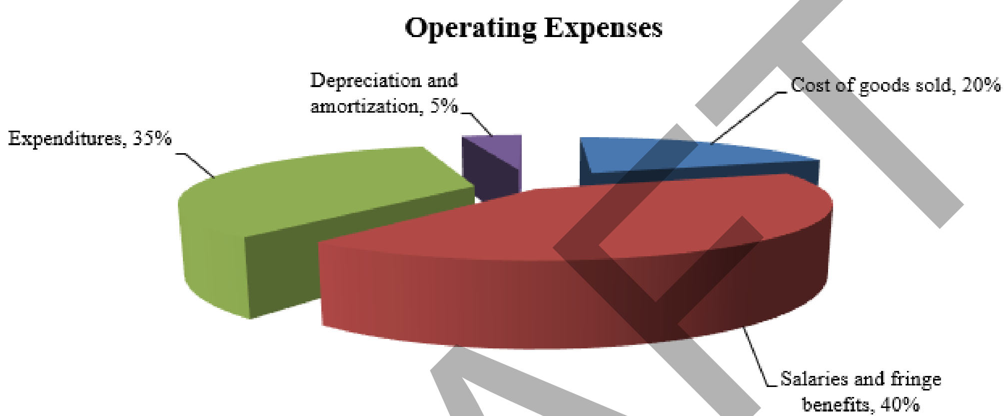


Auxiliary enterprise operating revenues consist of the following programs:



The Foundation entered into a master operating agreement and various supplemental operating agreements with the Trustees of the California State University in July 2018, on behalf of the University that expires in February 2025 and allows the Foundation to operate various activities including the above enterprise activities. All activities of the Foundation are designed to support students, faculty and staff by providing convenient goods and services at reasonable prices. These services provide additional resources and support services to further the University's mission.

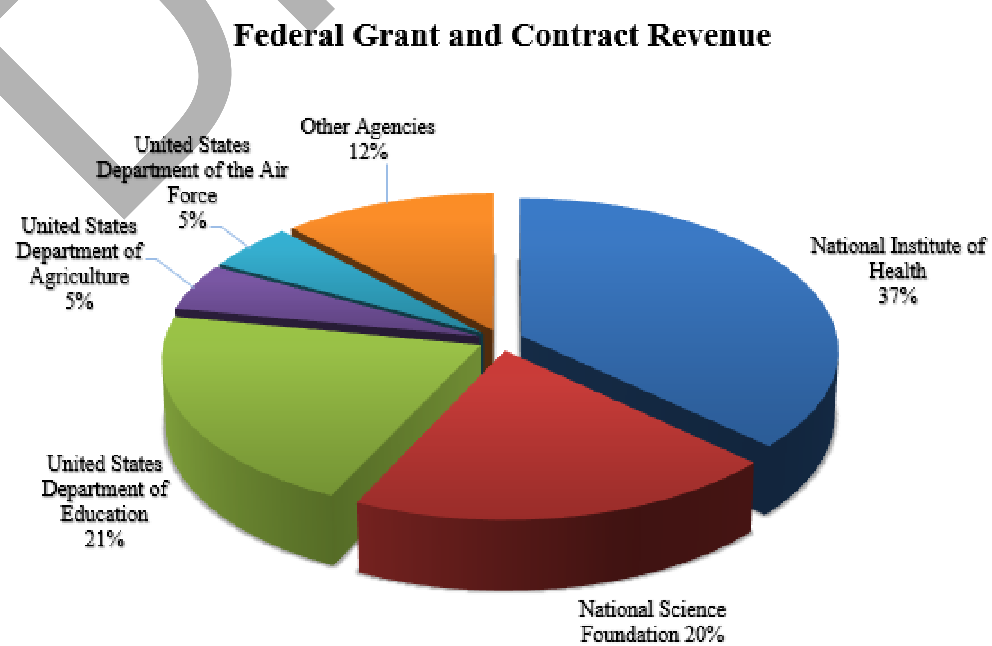
In fiscal year 2023, operating expenses consist of cost of goods sold of $16.4 million, salaries and fringe benefits of $34.1 million, payments to vendors of $28.9 million, and depreciation and amortization of $3.7 million.



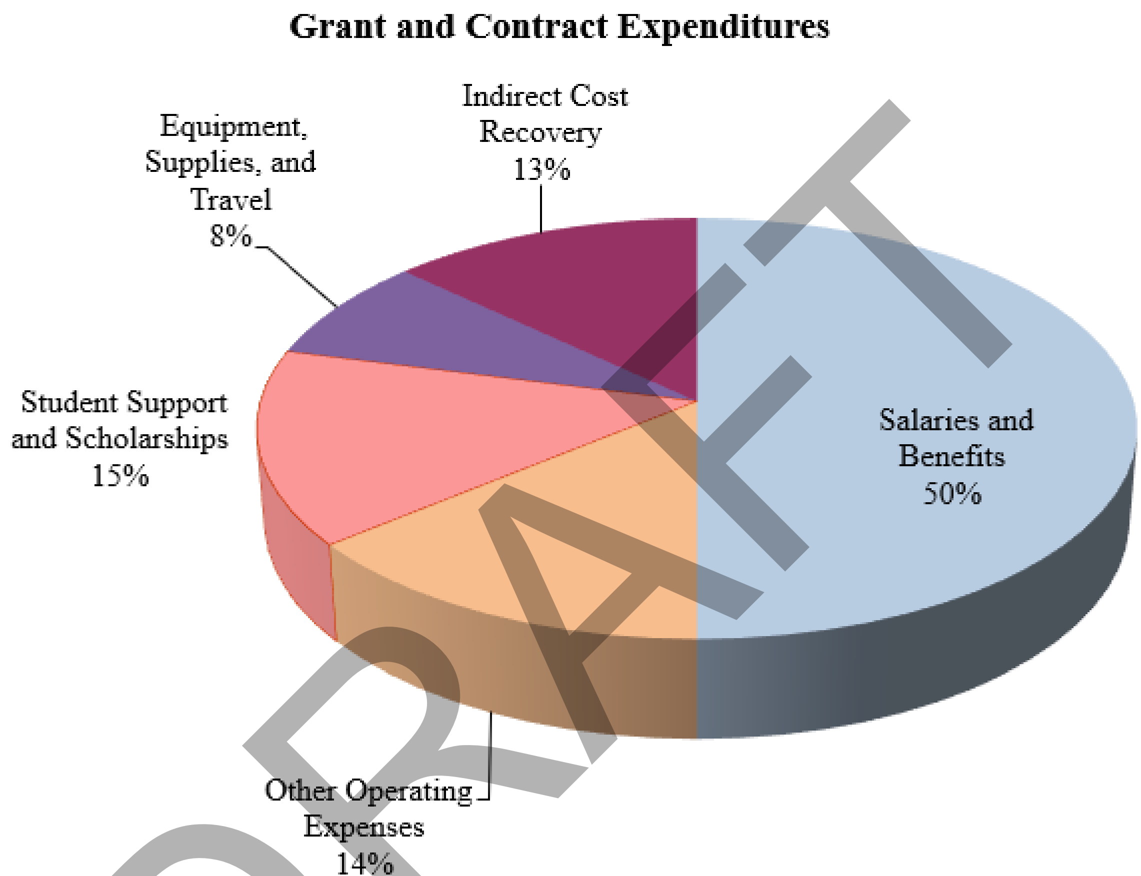
Grants and Contracts

The Foundation is the recipient of all externally-funded sponsored projects awarded on behalf of California State Polytechnic University, Pomona. For the fiscal year 2022-23, University faculty and staff have secured over $37.1 million in external funds representing 356 projects.

Federal grant and contract awards received represents 86% of the sponsored program activity and includes support from a variety of agencies including:



During the last two fiscal years, grants and contracts expenditures totaled $31.8 million consisting of federal grants and contracts of $25.0 million, state grants and contracts of $4.7 million, and non-governmental grants and contracts of $2.1 million. Expenditures relating to grant and contract projects consisted of the following items:



The total amount of indirect cost recovery income collected from grant and contract projects totaled $4.3 million in fiscal year 2022-23 and 2021-22. This income is used to pay for the pre-award operating costs of the Office of Research and Sponsored Programs and the Foundation's post award administrative fee, with the excess being returned to Academic Affairs for distribution back to the Academic/University units that generated the activity.

Factors Impacting Future Periods

The effects of the pandemic and declining population trends have had continued influence within the higher education industry. Student enrollment, future capital considerations, as well as inflation, have effective dates that affect future financial presentations. However, the impact of the implementation of these to the statements of the Foundation have not been assessed at this time.

Basic Financial Statements

Cal Poly Pomona Foundation, Inc.

Statement of Net Position
June 30, 2023

Assets	
Current assets	
Cash and cash equivalents	$ 15,815,328
Short-term investments	31,544,944
Accounts receivable, current portion, net	7,130,695
Accounts receivable from related parties	5,687,463
Lease receivables, current portion	880,327
Inventories	1,788,820
Assets held for sale	349,807
Prepaid expenses and other assets	251,613
Total current assets	63,448,997
Noncurrent assets	
Restricted cash and cash equivalents	4,521
Accounts receivable, net of current portion	2,312,657
Lease receivables, net of current portion	93,066,892
Long-term investments	1,432,693
Capital assets, net	39,004,146
Total noncurrent assets	135,820,909
Total assets	199,269,906
Deferred outflows of resources	
Net pension liability	6,750,417
Net OPEB liability	3,041,762
Total deferred outflows of resources	$ 9,792,179

Cal Poly Pomona Foundation, Inc.

Statement of Net Position
June 30, 2023

Liabilities	
Current liabilities	
Accounts payable	$ 2,848,002
Accounts payable to related parties	1,011,626
Accrued salaries and benefits payable	871,883
Accrued compensated absences	762,434
Unearned revenue	1,970,160
Lease liabilities, current portion	1,345,439
Other liabilities	3,320,909
Total current liabilities	12,130,453
Noncurrent liabilities	
Lease liabilities, net of current portion	17,654,843
Net pension liability	13,376,813
Net OPEB liability	7,604,028
Unitrust liability	725,271
Total noncurrent liabilities	39,360,955
Total liabilities	51,491,408
Deferred inflows of resources	
Net pension liability	3,403,656
Leases	91,018,444
Net OPEB liability	493,283
Split interest agreements	715,310
Total deferred inflows of resources	95,630,693
Net position	
Net investment in capital assets	20,984,450
Restricted unvested grant assets	221,587
Unrestricted	40,733,947
Total net position	$ 61,939,984

See Notes to Financial Statements.

Cal Poly Pomona Foundation, Inc.

Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2023

Operating revenues	
Educational activities	$ 19,231,851
Enterprise activities	49,901,463
Grants and contracts	19,092,994
Real estate activities	10,464,954
Total operating revenues	98,691,262
Operating expenses	
Educational activities	7,717,490
Enterprise activities	40,615,942
Grants and contracts	17,121,606
Administrative and real estate activities	13,881,954
Depreciation and amortization	3,756,290
Total operating expenses	83,093,282
Operating income	15,597,980
Nonoperating revenues (expenses)	
Gain on PPP loan forgiveness	3,795,000
Investment income	2,137,032
Interest expense	(1,293,530)
Other nonoperating expenses	(3,628,149)
Net nonoperating revenues	1,010,353
Change in net position	16,608,333
Net position, beginning of year	45,331,651
Net position, end of year	$ 61,939,984

See Notes to Financial Statements.

Cal Poly Pomona Foundation, Inc.

Statement of Cash Flows
Year Ended June 30, 2023

Cash flows from operating activities	
Receipts from federal grants and contracts	$ 15,638,642
Receipts from state and local grants and contracts	2,689,470
Receipts from nongovernmental grants and contracts	1,180,029
Payments to suppliers	(41,475,594)
Payments to employees	(24,778,490)
Payments for benefits	(8,565,332)
Sales and services of educational activities	18,847,079
Sales and services of enterprise activities	51,205,493
Other receipts	3,681,673
Net cash provided by operating activities	18,422,970
Cash flows from noncapital financing activities	
Other noncapital financing activities	166,851
Net cash provided by noncapital financing activities	166,851
Cash flows from capital and related financing activities	
Acquisitions of capital assets	(3,297,182)
Proceeds from sale or transfer of capital assets	3,624,966
Principal paid on capital debt and lease	(1,315,098)
Interest paid on capital debt and lease	(1,293,530)
Principal collections on capital lease receivable	830,564
Deferred inflow of leases	(1,879,012)
Net cash used in capital and related financing activities	(3,329,292)
Cash flows from investing activities	
Proceeds from sales and maturities of investments	27,763,179
Purchases of investments	(30,712,375)
Investment loss	(118,031)
Net cash used in investing activities	(3,067,227)
Net increase in cash and cash equivalents	12,193,302
Cash and cash equivalents, beginning	3,626,547
Cash and cash equivalents, end	$ 15,819,849
Breakdown of ending cash balance	
Cash and cash equivalents	$ 15,815,328
Restricted cash and cash equivalents	4,521
	$ 15,819,849

Cal Poly Pomona Foundation, Inc.

Statement of Cash Flows
Year Ended June 30, 2023

Reconciliation of operating income to net cash provided by operating activities	
Operating income	$ 15,597,980
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization	3,756,290
Lease receivable additions	(369,068)
PPP loan forgiveness	(3,795,000)
Change in assets and liabilities	
Accounts receivable, net	1,259,653
Prepaid expenses and other assets	206,447
Deferred outflows of resources	(6,889,018)
Accounts payable and accounts payable to related parties	(449,579)
Accrued salaries and benefits payable	13,667
Accrued compensated absences	(72,408)
Unearned revenue	241,136
Net other postemployment benefits liability	3,220,894
Net pension liability	10,971,197
Other liabilities	1,121,942
Deferred inflows of resources	(6,391,163)
Net cash provided by operating activities	$ 18,422,970
Supplemental schedule of noncash activities	
Transfers of noncapital assets to the University	$ 119,421
Transfers of capital assets to the University	3,508,728
Net transfers to the University	$ 3,628,149

See Notes to Financial Statements.

Cal Poly Pomona Foundation, Inc.

Statement of Fiduciary Net Position
June 30, 2023

	Bronco Bucks
Assets	
Current assets	
Cash	$ 429,553
Total assets	429,553
Net position	
Restricted:	
Funds held for others	429,553
Total net position	$ 429,553

See Notes to Financial Statements.

Cal Poly Pomona Foundation, Inc.

Statement of Changes in Fiduciary Net Position
June 30, 2023

	Bronco Bucks
Additions	
Program Income	$ 1,064,220
Total additions	1,064,220
Deductions	
Distributions	$ 1,022,166
Total deductions	1,022,166
Change in fiduciary net position	42,054
Fiduciary net position, beginning of year	387,499
Fiduciary net position, end of year	$ 429,553

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See Notes to Financial Statements.

Note 1 - Organization

Cal Poly Pomona Foundation, Inc. (the "Foundation") was organized as a nonprofit corporation and auxiliary organization of California State Polytechnic University, Pomona (the "University") in 1966. The Foundation assists the University in several ways, through the development and administration of research and educational grants and contracts; conducting enterprise activities including dining services, bookstore/retail, a conference center/hotel, apartment style housing, continuing education, and agricultural aid to instruction; the management of Foundation programs and real estate activities; the development and administration of the Affordable Faculty/Staff housing Program, a research park, special programs, and other similar activities on behalf of the University.

Note 2 - Summary of significant accounting policies

Financial reporting entity

The Foundation is a legally separate tax-exempt component unit of the University. The University is part of the California State University ("CSU") system. Costs are allocated to specific programs and activities where applicable. Costs not identified with specific activities that relate to the full scope of the Foundation's activities are allocated to general operations.

The Foundation's Board appointments require approval from the University President, and as a result, the Foundation follows the reporting principles promulgated by the Governmental Accounting Standards Board ("GASB"). The basic financial statements present the Statement of Net Position, Statement of Revenue, Expenses, and Changes in Net Position, Statement of Cash Flows, Statement of Fiduciary Net Position, and Statement of Changes in Fiduciary Net Position (if applicable) of the Foundation. These statements do not purport to present financial information of the CSU system as a whole.

The Foundation is the trustee, or fiduciary, for assets that belong to students through the Bronco Bucks program. The Foundation is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The Foundation excludes these activities from their financial statements because the Foundation cannot use these assets to finance its operations.

Basis of presentation

The Foundation records revenue in part from assisting the University in various activities as described in Note 1 above and accordingly, has chosen to present its basic financial statements using the reporting model for special-purpose governments engaged only in business-type activities. This model allows all financial information for the Foundation to be reported in a single column each year in each of the basic financial statements. The effect of any internal activity between funds or groups of funds has been eliminated from these basic financial statements.

Basis of accounting

The accompanying basic financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"), as prescribed by the GASB. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Fiduciary fund financial statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position, if applicable. The Foundation's fiduciary funds only include

Custodial Funds, which are used to report fiduciary activities where the Foundation does not control the assets, intended for the benefit of the students. These assets are not held in a trust and are utilized by students through charges on campus on the Bronco Bucks cards. The Custodial Funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting in accordance with GASB Statement No. 84, *Fiduciary Activities*.

Classification of current and noncurrent assets and liabilities
The Foundation considers assets to be current that can reasonably be expected, as part of its normal business operations, to be converted to cash and be available for liquidation within twelve months of the date of the statement of net position. Liabilities that reasonably can be expected, as part of normal Foundation business operations, to be liquidated within twelve months of the date of the statement of net positions are considered to be current. All other assets and liabilities are considered to be noncurrent.

Federal grants and contracts
The Foundation serves as administrator for various grants and contracts awarded by governmental and private institutions. Amounts administered by the Foundation are recorded as revenue and expense, respectively, in the financial statements.

Cash and cash equivalents
The Foundation considers all highly-liquid investments with an original maturity date of three months or less to be cash equivalents.

Accounts receivable
Accounts receivable include receivables due from federal, state and local governments for contract and grant reimbursements. Accounts receivable also include receivables from enterprise sales and services and for real estate rents and leases. Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Foundation provides for losses on accounts receivable using the allowance method. The allowance is based on the length of time the receivable has been outstanding.

Leases receivable
Leases receivable include receivables that are recognized at the net present value of the leased assets, at a borrowing rate either explicitly described in the lease agreement or as implicitly determined by the Foundation, reduced by principal payments received.

Inventories
Inventories are presented at the lower of cost or net realizable value based on the average cost method and are expensed when used. Inventory consists of textbooks held for resale in the bookstore, ancillary instructional materials, apparel and other supplies held for educational purposes.

Investments and endowment investments
Investments are reflected at fair value using quoted market prices or net asset value ("NAV"). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Gains and losses are included in the Statement of Revenues, Expenses, and Changes in Net Position as investment income, net.

The Foundation's general investment policy authorizes the investment of excess funds in a range of investments to seek an average total annual return of 2.0% plus the percentage change in the greater Higher Education Price Index (“HEPI”). The Foundation's endowment investment policy authorizes the investment of endowment funds in a range of investments to seek an average total annual return of 4.0% plus the percentage change in the greater Los Angeles area consumer price index.

These investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities may occur in the near term and that such change could materially affect the financial statements. Although the market value of investments is subject to fluctuations, management believes the investment policies are prudent for the long-term welfare of the Foundation.

Lease assets
Lease assets are assets which the Foundation leases for a term of more than one year. The value of the lease assets are determined by the net present value of the leases using the interest rate implicit in the lease, or if not determinable, the Foundation's incremental borrowing rate at the time of the lease agreement, amortized over the term of the lease.

Capital assets
Capital assets are stated at cost or estimated historical cost if purchased or if donated, at estimated acquisition value at date of donation. Capital assets with a value of less than $5,000 are not capitalized. Title to all assets, whether purchased, constructed, or donated, is held by the Foundation or title to an asset is transferred to the University and not included in the Foundation's capital assets. Depreciation is determined using the straight-line method over the estimated lives of the assets ranging from 3 to 40 years. Leasehold improvements are amortized using the straight-line method over the shorter of their estimated useful lives or the term of the lease. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are not capitalized.

Deferred outflows of resources
Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then.

The deferred outflows of resources related to the net pension and other postemployment benefit ("OPEB") liabilities resulted from changes in actuarial assumptions, contributions to the pension and OPEB plans made subsequent to the measurement date of the actuarial valuations for the pension and OPEB plans, net difference between projected and actual earnings on plan investments, and differences between expected and actual actuarial experience in measuring plan liabilities. In addition, deferred outflows related to the net pension liability resulted in changes in its proportionate share of the net pension liability, as well as differences between actual contributions and its proportionate share of contributions.

Unearned revenue
Unearned revenue consists primarily of funds received in advance of earnings related to enterprise activities and continuing education.

Other liabilities
Other liabilities consist of grant and contracts funds received in advance of expenditures and the remainder interest associated with charitable remainder trust agreements.

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

Net OPEB liability
For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, the fiduciary net position of the Foundation's plans and additions to/ deductions from the Plans' fiduciary net position have been determined by Actuarial Standards of Practice and applicable Federal and State laws.

Unitrust liability
The Foundation administers irrevocable charitable remainder trusts that provide for the payment of lifetime distributions to the trustors or other designated beneficiaries. Upon the demise of the lifetime beneficiary, the trusts and gift annuities provide for the distribution of assets to the Foundation for the benefit of the campus. Remainder trust and gift annuity funds designated to the campus are recorded as deferred inflow per GASB 81 in the accompanying financial statements in the years received and as a donation in the year the trust matures. The fair value of the trusts' assets has been included in the accompanying statement of net position and a corresponding liability has been recorded to reflect the present value of required lifetime payments to the named beneficiaries.

Deferred inflows of resources
Deferred inflows of resources represent an acquisition of net position by the Foundation that is applicable to a future reporting period and thus, will not be recognized as an inflow of resources (income) until then. The Foundation has a deferred gain on split interest agreements with charitable trusts and an advance refunding, resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The deferred inflows of resources related to the net pension and OPEB liabilities resulted from changes in actuarial assumptions, differences between expected and actual experience, and net difference between expected and actual earnings on pension and OPEB plan investments. In addition, deferred inflows related to the net pension liability changes in its proportionate share of the net pension liability.

Deferred inflows also include changes as impacted by the implementation of GASB Statement No. 87 for single model lease accounting as the lessor.

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

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

Restricted - expendable - Amounts subject to externally imposed conditions that can be fulfilled by the actions of the Foundation or by the passage of time. When both restricted and unrestricted resources are available for use, it is the Foundation's policy to use restricted resources first, then unrestricted resources as they are needed.

Unrestricted - All other categories of net position. In addition, unrestricted net position may be designated for use by the Foundation's Board of Directors.

Classification of revenues and expenses
The Foundation considers operating revenues and expenses in the Statement of Revenues, Expenses, and Changes in Net Position to be those revenues and expenses that result from exchange transactions or from other activities that are connected directly to the Foundation's primary functions. Exchange transactions include charges for services rendered and the acquisition of goods and services. Certain other transactions are reported as nonoperating revenues and expenses in accordance with GASB Statement No. 33. These nonoperating activities include the Foundation's net investment income, interest expense, transfer of assets to the University, and transfer of assets to the Philanthropic Foundation.

Income taxes
The Foundation is organized under the nonprofit public benefit laws of California and is recognized as an exempt organization for both federal and California purposes under Section 501(c)(3) and 23701(d), respectively.

The Foundation 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 is unrelated business income activities conducted that would be taxable. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required.

Estimates
The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows, revenues, and expenses in the accompanying basic financial statements. Actual results could differ from those estimates.

Subsequent events
The Foundation has evaluated subsequent events through Report Date, which is the date the financial statements were available to be issued.

Note 3 - Credit risk

Custodial credit risk
Custodial credit risk for deposits is the risk that in the event of a bank failure, the Foundation's deposits may not be returned. The cash and cash equivalents of the Foundation are maintained at financial institutions and are fully insured or collateralized up to $250,000 per financial institution.

Securities Investor Protection Corporation ("SIPC") protects against the loss of cash and securities - such as stocks and bonds - held by a customer at a financially-troubled SIPC member brokerage firm. The limit of SIPC protection is $500,000, which includes a $250,000 limit for cash.

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Foundation will not be able to recover the value of its investments that are in the possession of the counterparty. As of June 30, 2023, all investments are in the name of the Foundation, and the Foundation is not exposed to custodial credit risk associated with its investments.

Following is a list of acceptable instruments to invest in as of June 30, 2023:

Description	General portfolio	Endowment portfolio
Money market funds	X	X
Certificate of deposits	X	X
Common and preferred stocks		X
U.S. Government or agency obligations	X	X
International bonds	X	
Mortgage-backed securities	X	X
Corporate debt	X	X
Repurchase agreements	X	X
Mutual funds (debt or equity)	X	X
Real Estate Investment Trusts		X
Real estate	X	
Real assets	X	X
Alternative investments	X	
Hedge funds		X
Private equity		X

Interest rate risk
This is the risk of loss due to the fair value of an investment falling due to rising interest rates. As a means of limiting its exposure to fair value losses from rising interest rates, in accordance with its investment policies, the Foundation authorized investment of up to 10% of the market value of the asset class in non-investment grade debt provided that all such investments shall be made through mutual funds so as to diversity risk.

As of June 30, 2023, all mutual funds invested in fixed income securities, with total fair value of $172,688, and have a duration between one and four years, were included in general investments.

Credit risk
This is the risk that an issuer or other counterparty to a debt instrument will not fulfill its obligations. This is measured by the assignment of ratings by nationally recognized statistical rating organizations. Specifically, the Foundation's investment policy requires that corporate debt must carry an investment grade rating by at least two of three rating agencies at the time of purchase. The debt mutual funds are unrated.

The foundation had the following investments subject to credit risk:

Investment type	Rating (S&P/Moody's)	Fair value
Fixed income mutual funds	AA- through AA+	$ 172,688
Corporate bonds	BB- through BB+	8,464,615
US treasury securities	AAA	9,851

At June 30, 2023, the Foundation's fixed income securities have the following maturities:

	1 year	1 - 5 years	5 - 10 years	Over 10 years	Total
Fixed income mutual funds	$ -	$ 172,688	$ -	$ -	$ 172,688
Corporate bonds	8,242,932	-	-	221,683	8,464,615
U.S. treasury securities	-	-	-	9,851	9,851
	$ 8,242,932	$ 172,688	$ -	$ 231,534	$ 8,647,154

Concentration of credit risk

Financial instruments which potentially subject the Foundation to concentrations of credit risk include cash and cash equivalents. The Foundation maintains its cash and cash equivalents and investments with high-credit quality financial institutions, which typically exceeds the federally insured limits. The Foundation has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

The Foundation's investments are subject to various risks, such as interest rate, credit and overall market volatility risks. Further, because of the significance of the investments to the Foundation's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that the diversification of its invested assets among the various asset classes should mitigate the impact of changes.

In order to maximize returns in the investment portfolio while preserving capital, the Foundation's investment policy provides for a range asset allocation as follows:

Asset class	Target asset mix table general investments range
Equities	10 - 65%
Domestic equities	N/A
International equities	N/A
Fixed income - mutual funds	40 - 85%
Cash equivalents	0 - 20%
Real estate	0 - 10%
Real assets	0 - 10%
Alternative investments	0 - 25%
Hedge funds	N/A
Private equity	N/A

As of June 30, 2023, the Foundation was not exposed to concentration of credit risk as there were no investments in a single issuer in excess of 5%.

Note 4 - Cash, and cash equivalents

Cash and cash equivalents as of June 30, 2023, are composed of the following:

Cash on hand	$ 3,374
Cash in bank	557,211
Cash and cash equivalents	15,254,743
Restricted cash and cash equivalents	4,521
	$ 15,819,849

Cash in banks
The *California Government Code* requires California banks and savings and loan associations to secure the Foundation's deposits. Obligations pledged to secure deposits must be delivered to an institution other than the institution in which the deposit is made; however, the trust department of the same institution may hold them. Written custodial agreements are required that provide, among other things, that the collateral securities are held separate from the assets of the custodial institution. The pledge to secure deposits is administered by the California Superintendent of Banks. The market value of pledged securities must equal 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure an agency's deposits by pledging first trust deeds or first mortgages having a value of 150% of an agency's total deposits. All such collateral is considered to be held by the pledging financial institutions' trust departments or agents in the name of the Foundation. At June 30, 2023, cash held by financial institutions for the Foundation of $15,811,954 was insured and collateralized as described above. At June 30, 2023 the book balance for the Foundation was $557,211, pooled cash and liquid investments was $15,254,743 and restricted cash and cash equivalents was $4,521.

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of receivables and cash accounts in financial institutions. The total cash balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000 per institution. As of

June 30, 2023, the Foundation's bank deposits exceeded the balance insured by the FDIC by $2,620,251. The Foundation monitors its financial institutions and the concentration of credit risk on a regular basis and does not anticipate nonperformance by the financial institutions.

Note 5 - Investments

At June 30, 2023, investments consist of the following:

Common stocks	$ 17,946,876
Corporate bonds	8,464,615
U.S. treasury securities	9,851
Indexed annuity	255,177
Fixed income mutual funds	172,688
Local agency investment fund	100,172
Alternative investments	6,028,258
Total investments	32,977,637
Less short-term investments	31,544,944
Long-term investments	$ 1,432,693

Fair value measurements

Investments are presented in the financial statements at fair value in accordance with GAAP. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. Valuation techniques are used to determine fair value which consists of the market, cost and income approach.

In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

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

The carrying value of cash, receivables, and payables approximates fair value as of June 30, 2023 due to the relative short maturities of these instruments.

At June 30, 2023, the investments are carried at fair value and are classified in the table below in one of the three categories as described above:

	Level 1	Level 2	Level 3	Investments measured at NAV	Total
Common stocks	$ 17,946,876	$ -	$ -	$ -	$ 17,946,876
Corporate bonds	-	8,464,615	-	-	8,464,615
U.S. treasury securities	-	9,851	-	-	9,851
Indexed annuity	255,177	-	-	-	255,177
Fixed income mutual funds	172,688	-	-	-	172,688
Local agency investment fund	-	-	-	100,172	100,172
Alternative investments	-	-	-	6,028,258	6,028,258
Total	$ 18,374,741	$ 8,474,466	$ -	$ 6,128,430	$ 32,977,637

Common stocks, indexed annuities, and fixed income mutual funds categorized as Level 1 are valued based on prices quoted in active markets for those securities. Corporate bonds and U.S. treasury securities are categorized as Level 2 are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices.

At June 30, 2023, the Foundation has the following investments in limited partnerships that calculate net asset value ("NAV") per share:

Description	NAV	Unfunded commitments	Redemption terms	Redemption notice period
Private Equity Funds				
Hamilton Lane	$ 2,558,920	$ 616,666	None	None
Premier LCP X Offshore	4,000	396,000	None	None
Oak Street	18,171	281,949	None	None
Hedge Funds				
Coatue Offshore	254,589	-	Quarterly	45 Calendar Days
Hudson Bay Ltd - Advisory	576,256	-	Quarterly	60 Days
Schonfeld Ltd	677,994	-	Quarterly	45 Calendar Days
Seg Partners Offsh Class I	245,195	-	Quarterly	60 Days
Third Point	223,761	-	Quarterly	60 Days
Hedge Funds - Shares				
Blackstone BCRED	227,967	-	Monthly	3 Days
BREIT CL I	513,806	-	Monthly	3 Days
HP/Starboard Value Ltd	267,062	-	Quarterly	90 Calendar Days +
Partners Group Pe - I	460,537	-	Quarterly	Tender Window Announcements
	$ 6,028,258	$ 1,294,615		

Investment earnings
Net investment income was $2,137,032 for the year ended June 30, 2023, which is comprised of interest, dividends, realized gains and losses, and unrealized gains and losses due to changes in the fair value of investments held at year-end, net of investment fees. Investment income or losses are distributed ratably to participating funds.

Note 6 - Accounts receivable

The following is a summary of accounts receivable at June 30, 2023:

Real estate	$	2,693,171
Enterprise activities		1,989,073
Grants and contracts		3,855,315
Educational activities		981,204
Less allowance for uncollectible amounts		(75,411)
Subtotal accounts receivable		9,443,352
Due from related parties		5,687,463
Total accounts receivable		15,130,815
Less due from related parties		5,687,463
Less current accounts receivable		7,130,695
Noncurrent accounts receivable	$	2,312,657

Note 7 - Capital assets

The capital assets balance at June 30, 2023, consists of the following activity:

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Capital assets, not being depreciated				
Land	$ 7,102,910	$ -	$ -	$ 7,102,910
Construction in progress	21,909	698,461	155,556	564,814
Total capital assets not being depreciated	7,124,819	698,461	155,556	7,667,724
Capital assets being depreciated				
Buildings and building improvements	36,720,557	388,191	9,128	37,099,620
Orchards	143,638	-	-	143,638
Infrastructure	8,651,467	-	-	8,651,467
Equipment, furniture and vehicles	15,286,613	2,210,529	4,402,081	13,095,061
Right-of-use leases				
Land and building	21,410,300	-	-	21,410,300
Equipment, furniture and vehicles	31,339	-	-	31,339
Total capital assets being depreciated	82,243,914	2,598,720	4,411,209	80,431,425
Total capital assets	89,368,733	3,297,181	4,566,765	88,099,149
Less accumulated depreciation/amortization for				
Buildings and building improvements	30,208,207	695,044	-	30,903,251
Orchards	133,719	1,177	-	134,896
Infrastructure	3,008,709	216,253	-	3,224,962
Equipment, furniture and vehicles	11,218,514	1,133,236	941,799	11,409,951
Right-of-use leases				
Land and building	1,703,597	1,702,814	-	3,406,411
Equipment, furniture and vehicles	7,766	7,766	-	15,532
Total accumulated depreciation	46,280,512	3,756,290	941,799	49,095,003
Depreciable assets, net	35,963,402	(1,157,570)	3,469,410	31,336,422
Total capital assets - net	$ 43,088,221	$ (459,109)	$ 3,624,966	$ 39,004,146

For the year ended June 30, 2023 depreciation expense was $2,045,710 and amortization expense was $1,710,580. Decreases in capital assets was mainly attributable to capital asset transfers to the University during the year totaling $3,508,728.

Note 8 - Line of credit

The Foundation had an unsecured revolving line of credit that expired in June 2023. The note was subordinate to all existing and future indebtedness of the Foundation with the Trustees of the California State University. The maximum principal sum of up to $6,000,000 could have been advanced for operating purposes pursuant to the terms of the credit agreement. There was no outstanding principal at June 30, 2023. Each advance bore interest at either (i) a fluctuating rate per annum determined by the Bank to be the Applicable Margin above Daily Simple SOFR in effect from time to time, or (ii) a fixed rate per annum determined by the Bank to be the Applicable Margin plus the SOFR margin adjustment above term SOFR in effect on the first day of the applicable interest period.

The Foundation could have selected interest periods of one, three, or six months for each advance. The Foundation had to maintain a zero balance on advances under the line of credit for a period of at least thirty (30) consecutive days during each 12-month period. The Foundation must have maintained a minimum unrestricted liquidity of no less than $6,000,000 when extended at any time.

For purposes of this note, minimum unrestricted liquidity is the sum of the total cash, cash equivalents, and investments less amounts listed on the Statement of Net Position that were Restricted for Nonexpendable and Expendable purposes.

Note 9 - Gain on PPP loan forgiveness

On May 19, 2021, the Foundation was granted a loan (the "Loan") from Newtek Small Business Finance, LLC in the aggregate amount of $3,795,000, pursuant to the Paycheck Protection Program ("PPP") under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), which was enacted March 27, 2020. The Loan, which was in the form of a Note dated May 21, 2021 is set to mature on May 20, 2025, bearing interest at a rate of 1% per annum under the updated guidance of the CARES Act. Per the terms of the PPP Loan, a portion of the Loan's principal was eligible to be forgiven depending on how the Foundation used the funds. During the year ended June 30, 2022, the Foundation submitted its application for loan forgiveness and received notice in September 2022 from its lender that the forgiveness was approved for the full amount of the Loan. Accordingly, the Foundation derecognized the $3,795,000 loan and recognized a corresponding gain on PPP Loan forgiveness which is included in the accompanying statement of revenues, expenses, and changes in net position. There is a six-year period during which the SBA can review the Foundation's forgiveness calculation.

Note 10 - Lease receivables

Lease receivable income was $2,062,665 for the year ended June 30, 2023, which is comprised of $830,564 of principal payments and $1,232,101 of interest payments.

Lease receivables consists of the following as of June 30, 2023:

Name	Balance June 30, 2022	Additions	Principal payments	Balance June 30, 2023
Aeroscience	$ 49,193	$ -	$ 15,088	$ 34,105
American National Red Cross	19,023,451	-	172,863	18,850,588
Biomedix	48,819	369,068	65,434	352,453
Biomedix	201,838	-	43,441	158,397
Blair, Church & Flynn Consulting Engineers	42,662	-	20,812	21,850
Circle Wood	203,728	-	99,385	104,343
Mesa	790,921	-	250,815	540,106
Titan Oil Recovery, Inc.	167,626	-	69,309	98,317
Southern California Edison III	18,889,797	-	28,567	18,861,230
Southern California Edison IV	22,543,142	-	59,674	22,483,468
Southern California Edison V	32,447,538	-	5,176	32,442,362
	$ 94,408,715	$ 369,068	$ 830,564	$ 93,947,219

Cal Poly Pomona Foundation, Inc.

Notes to Financial Statements
June 30, 2023

Lease agreements where the Foundation is the lessor are summarized as follows:

Tenant	Address	Unit/Suite#	Lease Start Date	Lease End Date	Lease term (months)	Discount Rate	Base monthly rent	Increase % per year	Current payment per month
Aerosclence	S670W. Temple Ave., Pomona, CA91768	135	8/1/2022	7/31/2025	36	1.86%	$ 1,133	3% - 2nd yr 3% - 3rd yr	$ 1,334
American National Red Cross	Lease land within the Innovation Village Project	-	5/1/2003	4/30/2058	660	1.86%	$ 29,948	2%-5% per year based on CPI	$ 43,721
Biomedix	S670W. Temple Ave., Pomona, CA91768	277	10/1/2021	9/30/2026	60	1.86%	$ 3,816	3% - 2nd yr 3% - 3rd yr 4% - 4th yr 4% - 5th yr	$ 3,931
Biomedix	S670W. Temple Ave., Pomona, CA91768	195 & 196	4/1/2023	3/31/2028	60	1.86%	$ 5,904	Based on CPI rate	$ 5,904
Blair, Church & Flynn Consulting Engineers	S670W. Temple Ave., Pomona, CA91768	110	6/15/2021	6/30/2024	36	1.86%	$ 1,734	3% - 2nd yr 3% - 3rd yr	$ 1,786
Circle Wood	S670W. Temple Ave., Pomona, CA91768	273 & 275	7/1/2019	6/30/2024	60	1.86%	$ 7,804	3% - 2nd yr 3% - 3rd yr 3% - 4th yr 3% - 5th yr	$ 8,527
Mesa	S670W. Temple Ave., Pomona, CA91768	150, 151, 152, 153, 154, 191, 192, 193, 194 & 279	7/1/2020	6/30/2025	60	1.86%	$ 20,688	3% - Months 13-24 3% - Months 25-36 3% - Months 37-48 3% - Months 49-60	$ 21,948
Southern California Edison III	Lease land within the Innovation Village Project	-	4/14/2006	4/14/2081	900	1.30%	$ 16,941	Based on CPI rate	$ 22,830
Southern California Edison IV	Lease land within the Innovation Village Project	-	1/15/2009	1/15/2084	900	0.90%	$ 16,154	Based on CPI rate	$ 21,860
Southern California Edison V	Lease land within the Innovation Village Project	-	11/11/2014	4/1/2089	900	1.10%	$ 26,461	Based on CPI rate	$ 30,173
Titan Oil Recovery, Inc.	S670W. Temple Ave., Pomona, CA91768	270	11/1/2021	10/31/2024	36	1.86%	$ 5,869	3% - 2nd yr 3% - 3rd yr	$ 6,045

Future payments are due to the Foundation are as follows for the years ended June 30:

Fiscal year	Principal	Interest	Principal and interest
2024	$ 880,327	$ 1,171,747	$ 2,052,074
2025	782,081	1,157,060	1,939,141
2026	502,887	1,146,264	1,649,151
2027	493,912	1,138,312	1,632,224
2028	499,771	1,130,435	1,630,206
2029-2033	2,791,671	5,535,632	8,327,303
2034-2038	3,884,795	5,290,388	9,175,183
2039-2043	5,148,630	4,960,882	10,109,512
2044-2048	6,605,099	4,533,808	11,138,907
2049-2053	8,279,154	3,994,107	12,273,261
2054-2058	10,023,350	3,324,880	13,348,230
2059-2063	6,549,428	2,781,233	9,330,661
2064-2068	7,881,184	2,387,304	10,268,488
2069-2073	9,385,196	1,915,212	11,300,408
2074-2078	11,081,366	1,354,846	12,436,212
2079-2083	11,834,990	704,328	12,539,318
2084-2088	6,386,738	222,423	6,609,161
2089-2093	936,640	4,311	940,951
	$ 93,947,219	$ 42,753,172	$ 136,700,391

Note 11 - Lease liabilities

Lease liabilities consists of the following as of June 30, 2023:

Name	Balance June 30, 2022	Additions	Principal payments	Balance June 30, 2023
Ricoh Copier/Printer	$ 9,677	$ -	$ 2,321	$ 7,356
Ricoh Copier/Printer	2,098	-	867	1,231
Ricoh Copier/Printer	6,476	-	2,679	3,797
Ricoh Copier/Printer	5,383	-	2,227	3,156
CTTI - Tech Park Ground	869,209	-	285,307	583,902
University Village (Phase Ill) Ground	19,422,537	-	1,021,697	18,400,840
	$ 20,315,380	$ -	$ 1,315,098	$ 19,000,282

Lease agreements where the Foundation is the lessee are summarized as follows:

Description	Address	Lease start date	Lease end date	Lease term (months)	Current payment per month
Ricoh Copier/Printer	Research Office 3801 W. Temple, Bldg. 1, RM 224, Pomona, CA 91768-2557	N/A	N/A	Month-to-month	$ 216
Ricoh Copier/Printer	CPGE 3801 W. Temple, Bldg. 220C Pomona, CA 91768-2557	N/A	N/A	Month-to-month	$ 316
Ricoh Copier/Printer	Kellogg West 3801 W. Temple Ave., Bldg. 76, Pomona, CA 91768-2557	8/23/2021	8/31/2026	60	$ 193
Ricoh Copier/Printer	University Village 3801 W. Temple Ave., Pomona, CA 91768-2557	4/29/2021	8/31/2024	40	$ 72
Ricoh Copier/Printer	Research Office 3801 W. Temple, Bldg. 1, RM 55, Pomona, CA 91768-2557	8/14/2019	8/31/2024	60	$ 223
Ricoh Copier/Printer	Bronco Bookstore 3801 W. Temple Ave., Bldg. 66, Pomona, CA 91768-2557	10/29/2019	10/31/2024	60	$ 186
Center for Training, Technology & Incubation - Tech Park Ground Lease	3650-3670 W. Temple Avenue, Pomona, CA 91768	8/1/2000	11/30/2024	292	$ 23,868
University Village (Phase I, II, Ill) Ground Lease	3400 Poly Vista, Pomona CA 91768	5/1/2003	11/30/2035	391	$ 85,141

Annual requirements to amortize long-term obligations and related interest are as follows for the years ending June 30:

Fiscal year	Principal	Interest	Principal and interest
2024	$ 1,345,439	$ 333,700	$ 1,679,139
2025	1,329,814	329,113	1,658,927
2026	1,386,462	303,717	1,690,179
2027	1,408,699	275,358	1,684,057
2028	1392014	244088	1,636,102
2029 - 2033	7,363,483	807,951	8,171,434
2034 - 2038	4,774,371	136,989	4,911,360
	$ 19,000,282	$ 2,430,916	$ 21,431,198

Note 12 - Long-term liabilities

A schedule of changes in long-term liabilities for the year ended June 30, 2023 is shown below:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Amount due within one year
Lease liability	$ 20,315,380	$ -	$ 1,315,098	$ 19,000,282	$ 1,345,439
PPP Loan	3,795,000	-	3,795,000	-	-
Compensated absences	834,842	7,310,264	7,382,672	762,434	762,434
Net pension liability	2,405,616	10,971,197	-	13,376,813	-
Unitrust liability	827,905	-	102,634	725,271	-
Net OPEB liability	4,383,134	4,580,814	1,359,920	7,604,028	-
	$ 32,561,877	$ 22,862,275	$ 13,955,324	$ 41,468,828	$ 2,107,873

Note 13 - Transactions with related parties

California State Polytechnic University, Pomona

The Foundation and the University provide various services on each other's behalf. Such services are appropriately billed. At June 30, 2023, receivables from other activities and due from the University are $5,115,589. Accounts payable include $906,818 due to the University at June 30, 2023.

The Foundation made payments of $10,319,348 to the University during the current fiscal year based on the agreements. Amounts paid to the Foundation during fiscal year 2022-23 totaled $35,919,360.

During fiscal year 2022-23, the Foundation transferred assets totaling $3,628,149 comprised of building improvements, equipment and renovations to various facilities at the University. The University assumed ownership and management of the building improvements, equipment and facilities.

Cal Poly Pomona Philanthropic Foundation ("Philanthropic Foundation")

The Foundation and Philanthropic Foundation are subject to a Support Services Agreement, effective July 1, 2019, wherein the Foundation provides fiscal and administrative services to the Philanthropic Foundation. Such services are appropriately billed. Amounts paid by the Foundation during fiscal year 2022-23 totaled $535,237. Amounts paid to the Foundation during fiscal year 2022-23 totaled $2,639,300.

At June 30, 2023, accounts payable due to the Philanthropic Foundation totaled $0. Accounts receivable due from the Philanthropic Foundation totaled $525,147.

Cal Poly Pomona Associated Students ("ASI")
The Foundation and ASI provide various services on each other's behalf. Such services are appropriately billed. Amounts paid by the Foundation during fiscal year 2022-2023 totaled $1,306,491. Amounts paid to the Foundation during fiscal year 2022-2023 totaled $491,186.

At June 30, 2023, receivables from other activities and due from ASI are $46,727. Accounts payable due from the Foundation to ASI at June 30, 2023 totaled $104,808.

Note 14 - Pension plan - California Public Employees' Retirement System ("CalPERS")

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

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

Benefits provided
The Plan provides service retirement and disability benefits, annual cost of living adjustments and death benefits to eligible plan members. Benefits are based on years of service credit, a benefit factor and the member's final compensation. All members are eligible for employment related disability benefits regardless of length of service and nonduty disability benefits after five years of service. Disability benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. The Post-Retirement Death Benefit is a one-time payment made to a retiree's designated survivor or estate upon the retiree's death. The Basic Death Benefit is a lump sum paid to any member's beneficiary if the member dies while actively employed. The spouse or registered domestic partner of a deceased member, who was eligible to retire for service at the time of death, may elect to receive the Pre-Retirement Option 2W Death Benefit in lieu of the Basic Death Benefit lump sum. The Pre-Retirement Option 2W Death Benefit is a monthly allowance equal to the amount the member would have received if they had retired for service on the date of death and elected Option 2W, the highest monthly allowance a member can leave a spouse or domestic partner. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The First Tier Plan closed to new entrants on or after June 26, 2011. The Second Tier Plan was closed to new entrants on or after December 31, 2012.

The Plan provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Miscellaneous Risk Pool		
	First Tier Plan	**Second Tier Plan**	**PEPRA Misc Plan**
Hire date:	On or Before June 25, 2011	June 26, 2011 December 31, 2012	On or after January 1, 2013
Benefit formula:	2% at 55	2% at 60	2% at 62
Benefit vesting schedule:	5 years of service	5 years of service	5 years of service
Benefit payments:	Monthly for life	Monthly for life	Monthly for life
Retirement age:	55	60	62
Required employee contribution rate:	6.92%	6.93%	6.75%
Required employer contribution rate:	12.32%	8.63%	7.47%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are determined annually through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Foundation is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates for each plan for the year ended June 30, 2023 are presented above and the total Foundation contributions were $2,015,253.

Pension liabilities, pension expense, deferred outflows of resources, and deferred inflows of resources related to pensions

As of June 30, 2023, the Foundation reported net pension liabilities for its proportionate share of the Miscellaneous Risk Pool net pension liability totaling $13,376,813. The net pension liability was measured as of June 30, 2022. The Foundation's proportion of the net pension liability was based on a projection of the Foundation's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the Foundation's proportion was 0.0033100, which decreased from 0.0034200 in the prior year.

For the year ended June 30, 2023, the Foundation recognized pension expense of $4,241,770. At June 30, 2023, the Foundation reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	$ 2,015,253	$ -
Differences between expected and actual experience	2,837,034	-
Net difference between projected and actual earnings on pension plan investments	311,034	208,318
Effect of change in proportion	-	1,606,968
Difference between contributions and proportionate share of contributions	-	1,588,370
Changes of assumptions	1,587,096	-
	$ 6,750,417	$ 3,403,656

The deferred outflow of resources related to pensions resulting from Foundation contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

The net differences between projected and actual earnings on plan investments is amortized over a five-year period on a straight-line basis. One-fifth is recognized in pension expense during the measurement period and the remaining amount is deferred and will be amortized over the remaining four-year period. The remaining net differences between projected and actual earnings on plan investments shown above represents the unamortized balance relating to the current measurement period and the prior measurement period on a net basis.

All other deferred inflows of resources and deferred outflows of resources are amortized over the expected average remaining service life ("EARSL") of the plan participants. The EARSL for the Miscellaneous Plan for the June 30, 2022 measurement date is 3.7 years.

The amortization is recognized in pension expense for the year the gain or loss occurs. The remaining amounts are deferred and will be amortized over the remaining periods not to exceed 3.7 years.

The deferred inflows of resources and outflows of resources will be recognized in pension expense as follows:

Years Ending June 30	Deferred Outflows (Inflows) of Resources
2024	$ 295,142
2025	295,142
2026	425,539
2027	20,543
	$ 1,036,366

During the fiscal year ended June 30, 2023 the Foundation made contributions to the pension plan after the measurement date of $2,015,253, which will reduce the deferred outflows of resources and deferred inflows of resources above. The Foundation also recognized $295,142 of pension expense in deferred inflows of resources and deferred outflows of resources for the years ending June 30, 2023. Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner in accordance with GASB 68.

Changes in assumptions
Amounts reported for the measurement period ended June 30, 2022 reflect several changes in assumptions, to more closely reflect actual experience:

- A decrease in the discount rate used from 7.15% in the prior period to 6.90% in the current period.
- A decrease in the consumer price inflation from 2.50% in the prior period to 2.30% in the current period.
- A decrease in the post retirement benefits increase from Control COLA up to 2.50% in the prior period to 2.30% in the current period.

Actuarial methods and assumptions
For the measurement period ended June 30, 2022, the total pension liability was determined by rolling forward the June 30, 2021 actuarial accounting valuation. The June 30, 2022 total pension liability was based on the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB 68
Actuarial Assumptions:	
Discount rate	6.90%
Consumer price Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality rate table	Derived using CalPERS' Membership Data for all Funds
CalPERS experience study and review of actuarial assumptions	Based on December 2017
Post Retirement benefits increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power Applies.

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS experience study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include 15 years of mortality improvement using 90% of Scale MP 2016 published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The expected real rates of return by asset class are as followed:

Asset Class	Assumed Asset Allocation	Real Return Years 1 - 10 [1,2]
Global equity - cap-weighted	30.00%	4.45%
Global equity non-cap-weighted	12.00	3.84
Private equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed securities	5.00	0.50
Investment grade corporates	10.00	1.56
High yield	5.00	2.27
Emerging market debt	5.00	2.48
Private debt	5.00	3.57
Real assets	15.00	3.21
Leverage	(5.00)	(0.59)

1 An expected inflation of 2.30% used for this period.
2 Figures are based on the 2021-22 Asset Liability Management study.

Discount rate
The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rate and that contributions from employers will be made at statutory contribution rates, actuarily determined. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the Foundation's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% decrease (5.9%)	$ 21,735,868
Current discount rate (6.9%)	13,376,813
1% increase (7.9%)	6,499,387

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

Note 15 - Other postretirement healthcare benefits ("OPEB") plan

Plan description
The Foundation sponsors a single-employer defined benefit postretirement health care plan to pay a portion of the retiree's insurance premiums. Based on the eligibility criteria shown below, this plan allows for employer paid retiree healthcare premiums for the retiree and their dependents. A retiree is eligible to enroll in the Plan on an annual basis during open enrollment or at any time the retiree experiences a qualifying event as defined by COBRA regulations.

Beginning in the fiscal year ended June 2011 the Foundation participated in the Auxiliaries Multiple Employer VEBA (Voluntary Employees' Beneficiary Association). The Auxiliaries Multiple Employer VEBA is a separate 501(c)(9) organization established in August 2010 to assist in funding post-retirement healthcare benefits for recognized auxiliaries of the California State University System. The Auxiliaries Multiple Employer VEBA issues separate audited financial statements. Copies of the annual report may be obtained from Keenan Associates, 2355 Crenshaw Blvd., Suite 200, Torrance, CA 90501.

The Auxiliaries Multiple Employer VEBA Board is comprised of at least three Trustees and no more than 16 Trustees. The Board consists of at least three officers, a Chairman, a Vice Chair and a Past Chair who serve one, one-year term in each officer seat. The Vice Chair is selected by the Nominating Committee and elected by a majority vote of the primary member of the participating auxiliaries. The Trustees of the Board are nominated by their respective auxiliary and elected by a majority vote of the primary member of the participating auxiliaries.

Eligibility and benefits

The Foundation pays a portion of the health care premium for an eligible retiree, eligible retiree plus one and eligible retiree plus two or more dependents. Eligibility is determined as a combination of age and service. The Foundation's portion of the health care premium is fixed at an annual increase of 5% as approved by the Board of Directors. A minimum of 1,720 hours of compensated employment in a regular benefited full time status qualifies as one year of service. Employees who retired before July 1, 2004 with at least five years of service and were age 50 or older qualify for 100% of the eligible portion of the premiums paid by the Foundation.

Employees who were hired before October 1, 2004, are at least 50 years of age, and have attained 10 years of service qualify to have 75% of the eligible portion of the premiums paid by the Foundation. For each additional year of service, the Foundation will increase the eligible portion of the premium by 5% until the employee attains 15 years of service and 100% of the eligible portion of the premiums paid by the Foundation. Additionally, employees who are at least 50 years of age and have at least 10 years of service may add together their age and years of service at retirement; when that amount totals 70, the employees qualify for 100% of the eligible portion of the premiums paid by the Foundation.

Employees who were hired on or after October 1, 2004 and before March 1, 2009, are at least 50 years of age, and have attained 10 years of service qualify to have 50% of the eligible portion of the premiums paid by the Foundation and earn an additional 5% for each year of service completed after 10 years of service. Employees reach 100% of the eligible portion of the premiums paid by the Foundation once attaining 20 years of service.

Employees hired on or after March 1, 2009, are ineligible for benefits under the defined benefit healthcare plan for retirees.

Schedule of changes in net OPEB liability

Total OPEB Liability	
Service cost	$ 92,370
Interest	1,077,426
Differences between expected and actual experience	(286,598)
Benefit payments, including refunds of employee contributions	(675,951)
Net change in Total OPEB Liability	207,247
Total OPEB Liability - beginning <a>	16,816,083
Total OPEB Liability - ending <b>	$ 17,023,330
Plan Fiduciary Net Position	
Contribution - employer	$ 397,371
Net investment income	(2,263,832)
Benefit payments, including refunds of employee contributions	(675,951)
Administrative expense	(34,920)
Retro reimbursement of benefit payments	(436,315)
Net change in Plan Fiduciary Net Position	(3,013,647)
Plan Fiduciary Net Position - beginning <c>	12,432,949
Plan Fiduciary Net Position - ending <d>	9,419,302
Net OPEB Liability - beginning <a> - <c>	4,383,134
Net OPEB Liability - ending <b> - <d>	$ 7,604,028

The total OPEB liability was determined by an actuarial valuation as of June 30, 2021 with a measurement date of June 30, 2022 using the following assumptions, applied to all periods included in the measurement, unless otherwise specified.

Plan fiduciary net position

Detailed information about the plan fiduciary net position as of June 30, 2022 is available in the separately issued VEBA financial report. The VEBA financial report can be obtained by submitting a request to: Keenan Financial Services, 2355 Crenshaw Blvd. Suite 200, Torrance, CA 90501.

Actuarial methods and assumptions

Discount rate	6.50% based on the VEBA investment policy.
Net investment return	6.50% based on the VEBA investment policy.
Inflation	2.26% annual inflation.
Payroll increases	3.25% annual increases.
Baseline cost	Pre-Medicare: $7,247 per year Post-Medicare: $4,602 per year
Administrative expenses	$36,221 for the measurement period ending June 30, 2022.
Health plan participant	100% of eligible participants will participate.

Healthcare trend rates used in the actuarial valuation are as follows:

	Increase in premium rates	
Year beginning	**Pre-65**	**Post-65**
2023	6.38%	5.00%
2024	6.13%	5.00%
2025	5.88%	5.00%
2026	5.63%	5.00%
2027	5.50%	5.00%
2028	5.38%	5.00%
2029	5.25%	5.00%
2030	5.13%	5.00%
2031 to 2036	5.00%	5.00%
2037	4.88%	4.88%
2038 to 2048	4.75%	4.75%
2049	4.63%	4.63%
2050 to 2067	4.50%	4.50%
2068	4.25%	4.25%
2069 and later	4.00%	4.00%

Mortality rates used in this valuation are those described in the 2017 CalPERS experience study.

Pre-Retirement: CalPERS 2017 Mortality
Post-Retirement: CalPERS 2017 Mortality

	Sample Mortality Rates			
	Active Employees		Retired Employees	
Age	Male	Female	Male	Female
55	0.17%	0.12%	0.44%	0.41%
60	0.26%	0.17%	0.67%	0.48%
65	0.36%	0.23%	0.93%	0.64%
70	0.62%	0.39%	1.34%	0.93%
75	1.06%	0.62%	2.32%	1.63%
80	1.66%	0.94%	3.98%	3.01%
85	0.00%	0.00%	7.12%	5.42%
90	0.00%	0.00%	13.04%	10.09%

Long-term expected rate of return
As of June 30, 2022, the long-term expected rates of return for each major investment class in the VEBA's portfolio are as follows:

Investment class	Target allocation	Long-term expected RRR
Equity	54.00%	5.66%
Fixed Income	38.00%	1.12%
REITS	8.00%	5.08%
	100.00%	

The above table shows the target asset allocation in VEBA investment policy.

Discount rate
The discount rate is based on a blend of the long-term expected rate of return on assets for benefits covered by plan assets and a yield or index for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or better for benefits not covered by plan assets.

The arithmetic long-term expected real rates of return by asset class shown above is for the next 10 years. For the years thereafter, returns were based on historical average index real returns over the last 30 years assuming a similar equity/fixed investment mix and a 2.26% inflation rate. Investment expenses were assumed to be 10 basis points per year. These returns were matched with cash flows for benefits covered by plan assets and the Fidelity Municipal GO Index as of June 30, 2022 (Bond Buyer 20-Bond General Obligation index as of June 30, 2021) was matched with cash flows not covered by plan assets to measure the reasonableness of the choice in discount rate.

Below are the discount rates used and the Bond Buyer 20-Bond GO Index as of measurement dates of June 30, 2022 and 2021.

	June 30, 2022	June 30, 2021
Discount Rate	6.50%	6.50%
Fidelity Municipal GO Index	3.69%	1.92%
Bond Buyer 2--Bond GO Index	N/A	2.16%

Sensitivity analysis
The following presents the Foundation's net OPEB liability if it were calculated using a discount or trend rate that is 1% point lower (5.50%) or 1% higher (7.50%) than the current rate:

Sensitivity of the net OPEB liability to changes in the discount rate:

Discount rate	Net OPEB Liability	$ Change	% Change
+1%	$ 5,836,899	$ (1,767,129)	-23%
Base	7,604,028	-	0%
-1%	9,730,178	2,126,150	28%

Sensitivity of the net OPEB liability to changes in the trend rate:

Trend Rate	Net OPEB Liability	$Change	%Change
+1%	$ 9,635,889	$ 2,031,861	27%
Base	7,604,028	-	0%
-1%	5,802,133	(1,801,895)	-24%

Annual OPEB expense and net OPEB liability
At June 30, 2023, the Foundation reported $7,604,028 for the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2021. The Foundation's net OPEB liability was based on a projection of the Foundation's covered employee payroll of $2,872,472.

Plan Fiduciary Net Position (plan assets) was valued as of the measurement date of June 30, 2022 and the total OPEB liability was determined based upon the actuarial valuation as of June 30, 2021. As of June 30, 2022, the Plan Fiduciary Net Position was $9,419,302.

For the year ended June 30, 2023, the Foundation recognized OPEB expense of $317,547. OPEB expense represents the change in the net OPEB liability during the measurement period, adjusted for service cost, interest on the total OPEB liability, expected investment return, net of investment expense, and the deferred recognition of changes in investment gains and losses, actuarial assumptions or methods, and plan benefits.

At June 30, 2023, the measurement of the Total OPEB Liability, plan membership included thirty-two (32) active plan members and one hundred fifteen (115) retired members and beneficiaries receiving benefit for a grand total one hundred forty-seven (147) plan participants.

Deferred outflows/inflows of resources

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience in the measurement of the total OPEB liability	$ 15,350	$ 173,071
Changes in assumptions	381	320,212
Net difference between projected and actual earnings on OPEB plan investments	1,261,960	-
Contributions to OPEB plan after measurement date	1,764,071	-
Total	$ 3,041,762	$ 493,283

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal year ended June 30:	Deferred outflows/(inflows) of resources
2024	$ (172,083)
2025	170,479
2026	176,416
2027	609,596
2028	-
Thereafter	-
	$ 784,408

During the fiscal year ended June 30, 2023 the Foundation made contributions to the OPEB plan after the measurement date of $1,764,071, which will reduce the deferred outflows of resources and deferred inflows of resources above. Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net OPEB liability to be recognized in future periods in a systematic and rational manner in accordance with GASB 75. Investment gains or losses are recognized in OPEB expense over a five-year period and economic/demographic gains or losses and assumption changes or inputs are recognized over the average remaining service life for all active and inactive members.

Note 16 - Assets held for sale

The Foundation purchases housing in support of the University's mission to develop affordable faculty/staff housing options to attract and retain employees for the University.

At June 30, 2023, total assets held for sale include one faculty/staff house. Fair values of assets measured on a nonrecurring basis held for sale at June 30, 2023 were $349,807. Assets held for sale are recorded at cost which approximates fair value. Cost to sell and unrealized losses are immaterial and will not be recognized until the assets are sold.

Required Supplementary Information

Cal Poly Pomona Foundation, Inc.
California Public Employees Retirement Plan
Schedule of Foundation's Proportionate Share of the Net Pension Liability
Plan Year Ended June 30, 2023

	2022	2021	2020	2019	2018	2017	2016	2015
Foundation's proportion of the net pension liability	0.12669%	0.24413%	0.22170%	0.21743%	0.24325%	0.21200%	0.07771%	0.07957%
Foundation's proportionate share of the net pension liability (asset)	$ 2,405,616	$ 10,297,623	$ 8,877,822	$ 8,194,358	$ 9,589,146	$ 8,352,723	$ 5,338,104	$ 4,998,351
Foundation's covered-employee payroll	$ 12,143,926	$ 9,741,322	$ 12,562,122	$ 11,541,499	$ 11,061,078	$ 11,198,164	$ 10,995,860	$ 10,862,791
Foundation's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	19.8%	105.7%	70.7%	71.0%	86.7%	74.6%	48.5%	46.0%
Plan fiduciary net position as a percentage of the total pension liability	90.5%	85.4%	84.0%	85.6%	82.2%	86.1%	88.3%	89.1%

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

Amounts for covered payroll are reported as of the previous fiscal year to align with the measurement date of the net pension liability.

Cal Poly Pomona Foundation, Inc.
California Public Employees Retirement Plan
Schedule of Foundation Contributions
Plan Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 2,015,253	$ 1,697,759	$ 1,495,924	$ 1,731,723	$ 2,159,281	$ 2,331,544	$ 1,786,168	$ 1,010,277
Contributions in relation to the contractually required contribution	(2,015,253)	(1,697,759)	(1,495,924)	(1,731,723)	(2,159,281)	(2,331,544)	(1,786,168)	(1,010,277)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
Foundation's covered-employee payroll	$ 9,642,240	$ 12,143,926	$ 9,741,322	$ 12,562,122	$ 11,541,499	$ 11,061,078	$ 11,198,164	$ 10,995,860
Contributions as a percentage of covered employee payroll	20.9%	13.98%	15.36%	13.79%	18.71%	21.08%	15.95%	9.19%

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

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See Independent Auditor's Report.

Cal Poly Pomona Foundation, Inc.
California Public Employees Retirement Plan
Schedule of Changes in Net OPEB Liability and Related Ratios
Plan Year Ended June 30, 2023

Plan Year Ended June 30	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	$ 92,370	$ 197,238	$ 187,854	$ 182,673	$ 142,277	$ 148,176
Interest	1,077,426	1,141,658	1,104,006	1,051,769	894,698	1,051,372
Differences between expected and actual experience	(286,598)	79,980	(86,309)	(745,620)	1,014,722	1,680,006
Change of assumptions	-	(1,668,472)	14,502	985,763	890,259	(3,591,876)
Benefits payments, including refunds of employee contributions	(675,951)	(592,799)	(705,751)	(647,375)	(486,936)	(584,422)
Net change in Total OPEB Liability	207,247	(842,395)	514,302	827,210	2,455,020	(1,296,744)
Total OPEB Liability - beginning	16,816,083	17,658,478	17,144,176	16,316,966	13,861,946	15,158,690
Total OPEB Liability - ending	$ 17,023,330	$ 16,816,083	$ 17,658,478	$ 17,144,176	$ 16,316,966	$ 13,861,946
Plan Fiduciary Net Position						
Contributions - employer	$ 397,371	$ 436,315	$ 1,705,751	$ 1,647,375	$ 1,000,000	$ 1,111,120
Net investment income	(2,263,832)	2,841,138	420,836	449,772	567,209	743,578
Benefit payments, including refunds of employee contributions	(1,112,266)	(1,968,173)	(705,751)	(647,375)	(486,936)	(584,422)
Administrative expense	(34,920)	(36,221)	(34,779)	(49,278)	(39,162)	(33,384)
Net change in Fiduciary Net Position	(3,013,647)	1,273,059	1,386,057	1,400,494	1,041,111	1,236,892
Plan Fiduciary Net Position - beginning	12,432,949	11,159,890	9,773,833	8,373,339	7,332,228	6,095,336
Plan Fiduciary Net Position - ending	$ 9,419,302	$ 12,432,949	$ 11,159,890	$ 9,773,833	$ 8,373,339	$ 7,332,228
Net OPEB Liability - ending	$ 7,604,028	$ 4,383,134	$ 6,498,588	$ 7,370,343	$ 7,943,627	$ 6,529,718
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	55.33%	73.93%	63.20%	57.01%	51.32%	52.89%
Covered employee payroll	$ 2,872,472	$ 2,699,762	$ 4,760,791	$ 4,010,791	$ 4,550,937	$ 4,550,937
Plan Net OPEB Liability as a Percentage of covered employee payroll	264.72%	162.35%	136.50%	183.76%	174.55%	143.48%

Note: Schedule is intended to show information for 10 years. Since 2017 is the first year for this presenction, no other data prior to 2017 is available.

See Independent Auditor's Report.

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Supplementary Information

Cal Poly Pomona Foundation, Inc.

Schedule of Net Position
June 30, 2023
(For Inclusion in the California State University)

Assets:		
Current assets:		
Cash and cash equivalents	$	15,815,328
Short-term investments		31,544,944
Accounts receivable, net		12,818,158
Lease receivable, current portion		880,327
P3 receivable, current portion		-
Notes receivable, current portion		-
Pledges receivable, net		-
Prepaid expenses and other current assets		2,390,240
Total current assets		**63,448,997**
Noncurrent assets:		
Restricted cash and cash equivalents		4,521
Accounts receivable, net		2,312,657
Lease receivable, net of current portion		93,066,892
P3 receivable, net of current portion		-
Notes receivable, net of current portion		-
Student loans receivable, net		-
Pledges receivable, net		-
Endowment investments		-
Other long-term investments		1,432,693
Capital assets, net		39,004,146
Other assets		-
Total noncurrent assets		**135,820,909**
Total assets		**199,269,906**
Deferred outflows of resources:		
Unamortized loss on debt refunding		-
Net pension liability		6,750,417
Net OPEB liability		3,041,762
Leases		-
P3		-
Others		-
Total deferred outflows of resources		**9,792,179**

Cal Poly Pomona Foundation, Inc.

Schedule of Net Position
June 30, 2023
(For Inclusion in the California State University)

Liabilities:	
Current liabilities:	
Accounts payable	3,859,628
Accrued salaries and benefits	871,883
Accrued compensated absences, current portion	762,434
Unearned revenues	1,970,160
Lease liabilities, current portion	1,345,439
SBITA liabilities - current portion	-
P3 liabilities - current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	3,320,909
Total current liabilities	12,130,453
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	-
Unearned revenues	-
Grants refundable	-
Lease liabilities, net of current portion	17,654,843
SBITA liabilities, net of current portion	-
P3 liabilities, net of current portion	-
Long-term debt obligations, net of current portion	-
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	7,604,028
Net pension liability	13,376,813
Other liabilities	725,271
Total noncurrent liabilities	39,360,955
Total liabilities	51,491,408
Deferred inflows of resources:	
P3 service concession arrangements	-
Net pension liability	3,403,656
Net OPEB liability	493,283
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Lease	91,018,444
P3	-
Others	715,310
Total deferred inflows of resources	95,630,693
Net position:	
Net investment in capital assets	20,984,450
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	221,587
Capital projects	-
Debt service	-
Others	-
Unrestricted	40,733,947
Total net position	**$ 61,939,984**

Cal Poly Pomona Foundation, Inc.

Schedule of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2023
(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		15,223,495
State		2,689,470
Local		-
Nongovernmental		1,180,029
Sales and services of educational activities		19,231,851
Sales and services of auxiliary enterprises, gross		49,901,463
Scholarship allowances (enter as negative)		-
Other operating revenues		10,464,954
Total operating revenues		**98,691,262**
Expenses:		
Operating expenses:		
Instruction		10,916,989
Research		7,661,709
Public service		71,789
Academic support		5,035,960
Student services		515,583
Institutional support		636,035
Operation and maintenance of plant		1,031
Student grants and scholarships		-
Auxiliary enterprise expenses		54,497,896
Depreciation and amortization		3,756,290
Total operating expenses		**83,093,282**
Operating income (loss)		**15,597,980**

Cal Poly Pomona Foundation, Inc.

Schedule of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2023
(For Inclusion in the California State University)

Nonoperating revenues (expenses):	
State appropriations, noncapital	-
Federal financial aid grants, noncapital	-
State financial aid grants, noncapital	-
Local financial aid grants, noncapital	-
Nongovernmental and other financial aid grants, noncapital	-
Other federal nonoperating grants, noncapital	-
Gifts, noncapital	-
Investment income (loss), net	2,137,032
Endowment income (loss), net	-
Interest expense	(1,293,530)
Other nonoperating revenues (expenses)	166,851
Net nonoperating revenues (expenses)	**1,010,353**
Income (loss) before other revenues (expenses)	**16,608,333**
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	**16,608,333**
Net position:	
Net position at beginning of year, as previously reported	45,331,651
Restatements	-
Net position at beginning of year, as restated	**45,331,651**
Net position at end of year	**$ 61,939,984**

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Cal Poly Pomona Foundation, Inc.

Other Information
June 30, 2023
(For Inclusion in the California State University)

1 **Cash and cash equivalents:**

Portion of restricted cash and cash equivalents related to endowments	$ -
All other restricted cash and cash equivalents	4,521
Noncurrent restricted cash and cash equivalents	**4,521**
Current cash and cash equivalents	15,815,328
Total	**$ 15,819,849**

2.1 **Composition of investments:**

Investment Type	Current	Noncurrent	Total
Money market funds	$ -	$ -	$ -
Repurchase agreements	-	-	-
Certificates of deposit	-	-	-
U.S. agency securities	-	-	-
U.S. treasury securities	-	231,534	**231,534**
Municipal bonds	-	-	-
Corporate bonds	8,242,932	-	**8,242,932**
Asset-backed securities	-	-	-
Mortgage-backed securities	-	-	-
Commercial paper	-	-	-
Supranational	-	-	-
Mutual funds	172,688	-	**172,688**
Exchange-traded funds	-	-	-
Equity securities	16,745,717	1,201,159	**17,946,876**
Alternative investments:			
Private equity (including limited partnerships)	2,581,091	-	**2,581,091**
Hedge funds	3,447,167	-	**3,447,167**
Managed futures	-	-	-
Real estate investments (including REITs)	-	-	-
Commodities	-	-	-
Derivatives	-	-	-
Other alternative investments	-	-	-
Other external investment pools	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-
State of California Local Agency Investment Fund (LAIF)	100,172	-	**100,172**
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Other investments:			
Indexed annuity	255,177	-	**255,177**
Total other investments	**255,177**	**-**	**255,177**
Total investments	**31,544,944**	**1,432,693**	**32,977,637**
Less endowment investments (enter as negative number)	**-**	**-**	**-**
Total investments, net of endowments	**$ 31,544,944**	**$ 1,432,693**	**$ 32,977,637**

Other Information
June 30, 2023
(For Inclusion in the California State University)

2.2 Fair value hierarchy in investments:

Investment Type	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	$ -	$ -	$ -	$ -	$ -
Repurchase agreements	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
U.S. agency securities	-	-	-	-	-
U.S. treasury securities	**231,534**	-	231,534	-	-
Municipal bonds	-	-	-	-	-
Corporate bonds	**8,242,932**	-	8,242,932	-	-
Asset-backed securities	-	-	-	-	-
Mortgage-backed securities	-	-	-	-	-
Commercial paper	-	-	-	-	-
Supranational	-	-	-	-	-
Mutual funds	**172,688**	172,688	-	-	-
Exchange-traded funds	-	-	-	-	-
Equity securities	**17,946,876**	17,946,876	-	-	-
Alternative investments:					
Private equity (including limited partnerships)	**2,581,091**	-	-	-	2,581,091
Hedge funds	**3,447,167**	-	-	-	3,447,167
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	-	-	-	-	-
Commodities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other alternative investments	-	-	-	-	-
Other external investment pools	-	-	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	**100,172**	-	-	-	100,172
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments:					
Indexed annuity	**255,177**	255,177	-	-	-
Total other investments	**255,177**	**255,177**	**-**	**-**	**-**
Total investments	**$ 32,977,637**	**$ 18,374,741**	**$ 8,474,466**	**$ -**	**$ 6,128,430**

2.3 Investments held by the University under contractual agreements:

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

Cal Poly Pomona Foundation, Inc.

Other Information
June 30, 2023
(For Inclusion in the California State University)

3.1 Capital Assets, excluding ROU assets:

Composition of capital assets, excluding ROU assets:	Balance June 30, 2022	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2022 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2023
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements	$ 7,102,910	$ -	$ -	$ -	**$ 7,102,910**	$ -	$ -	$ -	**$ 7,102,910**
Works of art and historical treasures	-	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	21,909	-	-	-	**21,909**	698,461	(155,556)	-	**564,814**
Intangible assets:									
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Intangible assets in progress (PWIP)	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
	-	-	-	-	-	-	-	-	-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	**7,124,819**	-	-	-	**7,124,819**	**698,461**	**(155,556)**	-	**7,667,724**
Depreciable/Amortizable capital assets:									
Buildings and building improvements	36,720,557	-	-	-	**36,720,557**	388,191	(9,128)	-	**37,099,620**
Improvements, other than buildings	143,638	-	-	-	**143,638**	-	-	-	**143,638**
Infrastructure	8,651,467	-	-	-	**8,651,467**	-	-	-	**8,651,467**
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	15,286,613	-	-	-	**15,286,613**	2,210,529	(4,402,081)	-	**13,095,061**
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
	-	-	-	-	-	-	-	-	-
Total Other intangible assets:	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	**60,802,275**	-	-	-	**60,802,275**	**2,598,720**	**(4,411,209)**	-	**58,989,786**
Total capital assets	**67,927,094**	-	-	-	**67,927,094**	**3,297,181**	**(4,566,765)**	-	**66,657,510**
Less accumulated depreciation/amortization:									
Buildings and building improvements	(30,208,207)	-	-	-	**(30,208,207)**	(695,044)	-	-	**(30,903,251)**
Improvements, other than buildings	(133,719)	-	-	-	**(133,719)**	(1,177)	-	-	**(134,896)**
Infrastructure	(3,008,709)	-	-	-	**(3,008,709)**	(216,253)	-	-	**(3,224,962)**
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	(11,218,514)	-	-	-	**(11,218,514)**	(1,133,236)	941,799	-	**(11,409,951)**
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
	-	-	-	-	-	-	-	-	-
Total Other intangible assets:	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	**(44,569,149)**	-	-	-	**(44,569,149)**	**(2,045,710)**	**941,799**	-	**(45,673,060)**
Total capital assets, net excluding ROU assets	**$ 23,357,945**	**$ -**	**$ -**	**$ -**	**$ 23,357,945**	**$ 1,251,471**	**$ (3,624,966)**	**$ -**	**$ 20,984,450**

Cal Poly Pomona Foundation, Inc.

Other Information
June 30, 2023
(For Inclusion in the California State University)

Capital Assets, Right of Use

Composition of capital assets - Lease ROU, net:	Balance June 30, 2022	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2022 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2023
Non-depreciable/Non-amortizable lease assets:									
Land and land improvements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total non-depreciable/non-amortizable lease assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable lease assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	21,410,300	-	-	-	21,410,300	-	-	-	**21,410,300**
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	31,339	-	-	-	31,339	-	-	-	**31,339**
Total depreciable/amortizable lease assets	**21,441,639**	-	-	-	**21,441,639**	-	-	-	**21,441,639**
Less accumulated depreciation/amortization:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	(1,703,597)	-	-	-	(1,703,597)	(1,702,814)	-	-	**(3,406,411)**
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	(7,766)	-	-	-	(7,766)	(7,766)	-	-	**(15,532)**
Total accumulated depreciation/amortization	**(1,711,363)**	-	-	-	**(1,711,363)**	**(1,710,580)**	-	-	**(3,421,943)**
Total capital assets - lease ROU, net	**$ 19,730,276**	**$ -**	**$ -**	**$ -**	**$ 19,730,276**	**$ (1,710,580)**	**$ -**	**$ -**	**$ 18,019,696**

Composition of capital assets - SBITA ROU, net	Balance June 30, 2022	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2022 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2023
Depreciable/Amortizable SBITA assets:									
Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total depreciable/amortizable SBITA assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Software	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - SBITA ROU, net	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Cal Poly Pomona Foundation, Inc.

Other Information
June 30, 2023
(For Inclusion in the California State University)

Composition of capital assets - P3 ROU, net:	Balance June 30, 2022	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2022 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2023
Non-depreciable/Non-amortizable P3 assets:									
Land and land improvements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total non-depreciable/non-amortizable P3 assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable P3 assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable P3 assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - P3 ROU, net	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total capital assets, net including ROU assets									**$ 39,004,146**

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

Depreciation and amortization expense - capital assets, excluding ROU assets	$ 2,045,710
Amortization expense - Leases ROU	1,710,580
Amortization expense - SBITA ROU	-
Amortization expense - P3 ROU	-
Depreciation and Amortization expense - Others	-
Total depreciation and amortization	**$ 3,756,290**

Cal Poly Pomona Foundation, Inc.

Other Information
June 30, 2023
(For Inclusion in the California State University)

4 **Long-term liabilities:**

	Balance June 30, 2022	Prior Period Adjustments / Reclassifications	Balance June 30, 2022 (Restated)	Additions	Reductions	Balance June 30, 2023	Current Portion	Noncurrent Portion
1. Accrued compensated absences	$ 834,842	$ -	$ 834,842	$ 7,310,264	$ (7,382,672)	**$ 762,434**	$ 762,434	$ -
2. Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-
3. Capital lease obligations (pre-ASC 842):								
Gross balance	-	-	-	-	-	-	-	-
Unamortized net premium/(discount)	-	-	-	-	-	-	-	-
Total capital lease obligations (pre ASC 842)	-	-	-	-	-	-	-	-
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 Finance purchase of capital assets	-	-	-	-	-	-	-	-
4.5 Others:								
PPP loan	3,795,000	-	3,795,000	-	(3,795,000)	-	-	-
Total others	**3,795,000**	**-**	**3,795,000**	**-**	**(3,795,000)**	**-**	**-**	**-**
Sub-total long-term debt	**3,795,000**	**-**	**3,795,000**	**-**	**(3,795,000)**	**-**	**-**	**-**
4.6 Unamortized net bond premium/(discount)	-	-	-	-	-	-	-	-
Total long-term debt obligations	**$ 3,795,000**	**$ -**	**$ 3,795,000**	**$ -**	**$ (3,795,000)**	**$ -**	**$ -**	**$ -**

5. Lease, SBITA, P3 liabilities:	Balance June 30, 2022	Prior Period Adjustments / Reclassifications	Additions	Remeasurements	Reductions	Balance June 30, 2023	Current Portion	Noncurrent Portion
Lease liabilities	$ 20,315,380	$ -	$ -	$ -	$ (1,315,098)	**$ 19,000,282**	$ 1,345,439	$ 17,654,843
SBITA liabilities	-	-	-	-	-	-	-	-
P3 liabilities - SCA	-	-	-	-	-	-	-	-
P3 liabilities - non-SCA	-	-	-	-	-	-	-	-
Sub-total P3 liabilities	-	-	-	-	-	-	-	-
Total Lease, SBITA, P3 liabilities	**$ 20,315,380**	**$ -**	**$ -**	**$ -**	**$ (1,315,098)**	**$ 19,000,282**	**$ 1,345,439**	**$ 17,654,843**
Total long-term liabilities						**$ 19,762,716**	**$ 2,107,873**	**$ 17,654,843**

Cal Poly Pomona Foundation, Inc.

Other Information
June 30, 2023
(For Inclusion in the California State University)

5 Future minimum payments schedule - leases, SBITA, P3:

	Lease Liabilities			SBITA liabilities			Public-Private or Public-Public Partnerships (P3)			Total Leases, SBITA, P3 liabilities		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:												
2024	$ 1,345,439	$ 333,700	$ **1,679,139**	$ -	$ -	$ -	$ -	$ -	$ -	$ **1,345,439**	$ **333,700**	$ **1,679,139**
2025	1,329,814	329,113	**1,658,927**	-	-	-	-	-	-	**1,329,814**	**329,113**	**1,658,927**
2026	1,386,462	303,717	**1,690,179**	-	-	-	-	-	-	**1,386,462**	**303,717**	**1,690,179**
2027	1,408,699	275,358	**1,684,057**	-	-	-	-	-	-	**1,408,699**	**275,358**	**1,684,057**
2028	1,392,014	244,088	**1,636,102**	-	-	-	-	-	-	**1,392,014**	**244,088**	**1,636,102**
2029 - 2033	7,363,483	807,951	**8,171,434**	-	-	-	-	-	-	**7,363,483**	**807,951**	**8,171,434**
2034 - 2038	4,774,371	136,989	**4,911,360**	-	-	-	-	-	-	**4,774,371**	**136,989**	**4,911,360**
2039 - 2043	-	-	-	-	-	-	-	-	-	-	-	-
2044 - 2048	-	-	-	-	-	-	-	-	-	-	-	-
2049 - 2053	-	-	-	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-	-	-	-
Total minimum payments	**$ 19,000,282**	**$ 2,430,916**	**$ 21,431,198**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 19,000,282**	**$ 2,430,916**	**$ 21,431,198**
Less: amounts representing interest												(2,430,916)
Present value of future minimum payments												19,000,282
Total Leases, SBITA, P3 liabilities												19,000,282
Less: current portion												(1,345,439)
Leases, SBITA, P3 liabilities, net of current portion												**$ 17,654,843**

6 Future minimum payments schedule - Long-term debt obligations:

	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:									
2024	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2025	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-
2029 - 2033	-	-	-	-	-	-	-	-	-
2034 - 2038	-	-	-	-	-	-	-	-	-
2039 - 2043	-	-	-	-	-	-	-	-	-
2044 - 2048	-	-	-	-	-	-	-	-	-
2049 - 2053	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total minimum payments	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Less: amounts representing interest									-
Present value of future minimum payments									-
Unamortized net premium/(discount)									-
Total long-term debt obligations									-
Less: current portion									-
Long-term debt obligations, net of current portion									**$ -**

7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	$ 665,776
Payments to University for other than salaries of University personnel	9,653,572
Payments received from University for services, space, and programs	35,919,360
Gifts-in-kind to the University from discretely presented component units	-
Gifts (cash or assets) to the University from discretely presented component units	3,628,149
Accounts payable to University	(906,818)
Other amounts payable to University	-
Accounts receivable from University	5,115,589
Other amounts receivable from University	-

8 Restatements

		Debit/(Credit)
Restatement #1	N/A	
		$ -
		$ -
Restatement #2	N/A	
		$ -
		$ -

Cal Poly Pomona Foundation, Inc.

Other Information
June 30, 2023
(For Inclusion in the California State University)

9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	$ 4,241,502	$ 1,029,646	$ 136,768	$ 6,917	$ -	$ 5,502,156	$ -	**$ 10,916,989**
Research	3,775,473	718,730	61,547	-	-	3,105,959	-	**7,661,709**
Public service	36,855	11,834	1,644	1,993	-	19,463	-	**71,789**
Academic support	1,440,191	343,979	50,850	62,249	-	3,138,691	-	**5,035,960**
Student services	109,048	24,876	3,520	4,286	-	373,853	-	**515,583**
Institutional support	60,119	56,348	9,393	11,520	-	498,655	-	**636,035**
Operation and maintenance of plant	-	-	-	-	-	1,031	-	**1,031**
Student grants and scholarships	-	-	-	-	-	-	-	**-**
Auxiliary enterprise expenses	15,201,249	5,146,774	681,804	836,059	-	32,632,010	-	**54,497,896**
Depreciation and amortization	-	-	-	-	-	-	3,756,290	**3,756,290**
Total operating expenses	**$ 24,864,437**	**$ 7,332,187**	**$ 945,526**	**$ 923,024**	**$ -**	**$ 45,271,818**	**$ 3,756,290**	**$ 83,093,282**

Select type of pension plan >> **Defined Benefit Plan**

10 Deferred outflows/inflows of resources:

1. Deferred Outflows of Resources	
Deferred outflows - unamortized loss on refunding(s)	$ -
Deferred outflows - net pension liability	6,750,417
Deferred outflows - net OPEB liability	3,041,762
Deferred outflows - leases	-
Deferred outflows - P3	-
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	**$ 9,792,179**
2. Deferred Inflows of Resources	
Deferred inflows - P3 service concession arrangements	$ -
Deferred inflows - net pension liability	3,403,656
Deferred inflows - net OPEB liability	493,283
Deferred inflows - unamortized gain on debt refunding(s)	-
Deferred inflows - nonexchange transactions	-
Deferred inflows - leases	91,018,444
Deferred inflows - P3	-
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	715,310
Total deferred inflows - others	**715,310**
Total deferred inflows of resources	**$ 95,630,693**

11 Other nonoperating revenues (expenses)

Other nonoperating revenues	$ 3,795,000
Other nonoperating (expenses)	(3,628,149)
Total other nonoperating revenues (expenses)	**$ 166,851**

Cal Poly Pomona Foundation, Inc.

Other Information
June 30, 2023
(For Inclusion in the California State University)

Description	DPCU - Fiduciary Funds Net Position					
	Pension trust funds Net Position 992	Other employee benefit trust funds Net Position 993	Investment trust funds Net Position 994	Private-purpose trust funds Net Position 995	Custodial funds Net Position 996	Total
Assets						
Current assets:						
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ 429,553	**$ 429,553**
Short-term investments	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-	-
Lease receivable, current portion	-	-	-	-	-	-
P3 receivable, current portion	-	-	-	-	-	-
Notes receivable, current portion	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-
Prepaid expenses and other current assets	-	-	-	-	-	-
Total current assets	**-**	**-**	**-**	**-**	**429,553**	**429,553**
Noncurrent assets:						
Restricted cash and cash equivalents	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-	-
Lease receivable, net of current portion	-	-	-	-	-	-
P3 receivable, net of current portion	-	-	-	-	-	-
Notes receivable, net of current portion	-	-	-	-	-	-
Student loans receivable, net	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-
Endowment investments	-	-	-	-	-	-
Other long-term investments	-	-	-	-	-	-
Capital assets, net	-	-	-	-	-	-
Capital assets, net - lease ROU	-	-	-	-	-	-
Capital assets, net - SBITA ROU	-	-	-	-	-	-
Capital assets, net - P3 ROU	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total noncurrent assets	**-**	**-**	**-**	**-**	**-**	**-**
Total assets	**-**	**-**	**-**	**-**	**429,553**	**429,553**
Deferred outflows of resources:						
Unamortized loss on debt refunding	-	-	-	-	-	-
Net pension liability	-	-	-	-	-	-
Net OPEB liability	-	-	-	-	-	-
Leases	-	-	-	-	-	-
P3	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total deferred outflows of resources	**-**	**-**	**-**	**-**	**-**	**-**

Cal Poly Pomona Foundation, Inc.

Other Information
June 30, 2023
(For Inclusion in the California State University)

Liabilities						
Current liabilities:						
Accounts payable	-	-	-	-	-	-
Accrued salaries and benefits	-	-	-	-	-	-
Accrued compensated absences, current portion	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-
Lease liabilities, current portion	-	-	-	-	-	-
SBITA liabilities - current portion	-	-	-	-	-	-
P3 liabilities - current portion	-	-	-	-	-	-
Long-term debt obligations, current portion	-	-	-	-	-	-
Claims liability for losses and loss adjustment expenses, current portion	-	-	-	-	-	-
Depository accounts	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total current liabilities	-	-	-	-	-	-
Noncurrent liabilities:						
Accrued compensated absences, net of current portion	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-
Grants refundable	-	-	-	-	-	-
Lease liabilities, net of current portion	-	-	-	-	-	-
SBITA liabilities, net of current portion	-	-	-	-	-	-
P3 liabilities, net of current portion	-	-	-	-	-	-
Long-term debt obligations, net of current portion	-	-	-	-	-	-
Claims liability for losses and loss adjustment expenses, net of current portion	-	-	-	-	-	-
Depository accounts	-	-	-	-	-	-
Net other postemployment benefits liability	-	-	-	-	-	-
Net pension liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
Deferred inflows of resources:						
P3 service concession arrangements	-	-	-	-	-	-
Net pension liability	-	-	-	-	-	-
Net OPEB liability	-	-	-	-	-	-
Unamortized gain on debt refunding	-	-	-	-	-	-
Nonexchange transactions	-	-	-	-	-	-
Lease	-	-	-	-	-	-
P3	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
Net position						
Total ending net position	**$ -**	**$ -**	**$ -**	**$ -**	**$ 429,553**	**$ 429,553**

Cal Poly Pomona Foundation, Inc.

Other Information
June 30, 2023
(For Inclusion in the California State University)

		DPCU - Fiduciary Funds Net Position					
GAAP Account	Description	Pension trust funds Net Position 992	Other employee benefit trust funds Net Position 993	Investment trust funds Net Position 994	Private-purpose trust funds Net Position 995	Custodial funds Net Position 996	Total
Additions	Contributions from employers	$ -	$ -	$ -	$ -	$ -	$ -
Additions	Contributions from nonemployer contributing entities	-	-	-	-	-	-
Additions	Contributions from plan members	-	-	-	-	-	-
Additions	Contributions from all sources	-	-	-	-	-	-
Additions	Investment earnings	-	-	-	-	-	-
Additions	Investment costs	-	-	-	-	-	-
Additions	Program Income	-	-	-	-	1,064,220	**1,064,220**
Additions		-	-	-	-	-	-
Additions		-	-	-	-	-	-
Additions		-	-	-	-	-	-
Additions		-	-	-	-	-	-
Additions		-	-	-	-	-	-
Additions		-	-	-	-	-	-
Additions		-	-	-	-	-	-
Additions		-	-	-	-	-	-
Additions		-	-	-	-	-	-
Total Additions		**-**	**-**	**-**	**-**	**1,064,220**	**1,064,220**
Deductions	Benefit payments to plan members	-	-	-	-	-	-
Deductions	Total administrative expenses	-	-	-	-	-	-
Deductions	Benefit payments	-	-	-	-	-	-
Deductions	Redemptions	-	-	-	-	-	-
Deductions	Distributions	-	-	-	-	1,022,166	**1,022,166**
Deductions		-	-	-	-	-	-
Deductions		-	-	-	-	-	-
Deductions		-	-	-	-	-	-
Deductions		-	-	-	-	-	-
Deductions		-	-	-	-	-	-
Deductions		-	-	-	-	-	-
Deductions		-	-	-	-	-	-
Deductions		-	-	-	-	-	-
Deductions		-	-	-	-	-	-
Total Deductions		**-**	**-**	**-**	**-**	**1,022,166**	**1,022,166**
Increase (decrease) in net position		**-**	**-**	**-**	**-**	**42,054**	**42,054**
Net position at beginning of year, as previously reported		-	-	-	-	-	-
Restatements		-	-	-	-	387,499	**387,499**
Net position at beginning of year, as restated		**-**	**-**	**-**	**-**	**387,499**	**387,499**
Net position at end of year		**$ -**	**$ -**	**$ -**	**$ -**	**$ 429,553**	**$ 429,553**

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

To the Board of Directors
Cal Poly Pomona Foundation, Inc.
(A California State University Auxiliary Organization)

We have audited 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, the financial statements of the business-type activities and the aggregate remaining fund information of the Cal Poly Pomona Foundation, Inc. (the "Foundation"), and for the year ended as of June 30, 2023,and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated Report Date.

Report on 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") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of This Report

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

Los Angeles, California
Report Date

Cal Poly Pomona Foundation, Inc.

Schedule of Expenditures of Federal Awards and Independent Auditor's Reports Required by the Uniform Guidance

Year Ended June 30, 2023

Cal Poly Pomona Foundation, Inc.

Index

Cal Poly Pomona Foundation, Inc.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Number	Passed-through to Subrecipients	Expenditures
Research and Development Cluster				
Department of Agriculture				
Pass-through from California Department of Food and Agriculture				
Specialty Crop Block Grant Program - Farm Bill	10.170	21-001-037-SF	$ -	$ 178,333
Pass-through from Chico State Enterprises				
Specialty Crop Block Grant Program - Farm Bill	10.170	SUB21-003	-	52,753
Total Specialty Crop Block Grant Program - Farm Bill			-	231,086
Pass-through from Cal Poly Corporation				
Higher-Education - Institution Challenge Grants Program	10.217	2022-1-53734	-	7,830
Pass-through from Washington State University				
Higher-Education - Institution Challenge Grants Program	10.217	140674 SPC003974	-	28,676
Higher-Education - Institution Challenge Grants Program	10.217		-	5,426
Total Higher-Education - Institution Challenge Grants Program			-	41,932
Hispanic Serving Institutions Education Grants	10.223		12,639	197,247
Pass-through from The Regents of the University of California Davis				
Organic Agriculture Research and Extension Initiative	10.307	2020-51300-32275	-	89,239
Specialty Crop Research Initiative	10.309	A22-0776-S001	-	46,407
Pass-through from The Regents of the University of California UCR				
Agriculture and Food Research Initiative (AFRI)	10.310	S001438	-	5,155
Pass-through from the University of Connecticut				
Agriculture and Food Research Initiative (AFRI)	10.310	146018302	-	8,191
Pass-through from the Board of Trustees of the University of Arkansas				
Agriculture and Food Research Initiative (AFRI)	10.310	2022-69015-36720	-	50,574
Agriculture and Food Research Initiative (AFRI)	10.310		-	49,566
Total Agriculture and Food Research Initiative (AFRI)			-	113,486
Capacity Building for Non-Land Grant Colleges of Agriculture	10.326		-	90,121
Pass-through from Oregon State University				
Food Safety Outreach Program	10.328	C0595B-E	-	3,076
Soil and Water Conservation	10.902		-	19,448
Total Department of Agriculture			12,639	832,042

See Notes to Schedule of Expenditures of Federal Awards

Cal Poly Pomona Foundation, Inc.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Number	Passed-through to Subrecipients	Expenditures
National Science Foundation				
Engineering	47.041		-	219,126
Pass-through from Metaseismic, Inc.				
Engineering	47.041	1927071	-	45,602
Total Engineering			-	264,728
Mathematical and Physical Sciences	47.049		-	383,404
Pass-through from The Regents of the University of California				
Mathematical and Physical Sciences	47.049	1636646	-	(7,894)
Mathematical and Physical Sciences	47.049	00010000	-	222,208
Total Mathematical and Physical Sciences			-	597,718
Computer and Information Science and Engineering	47.070		-	356,809
Pass-through from Kettering University				
Computer and Information Science and Engineering	47.070	531130A	-	5,085
Total Computer and Information Science and Engineering			-	361,894
Biological Sciences	47.074		-	204,886
Social, Behavior, and Economic Sciences	47.075		-	78,139
Pass-through from Portland State University				
Social, Behavior, and Economic Sciences	47.075	100258	-	3,937
Total Social, Behavior, and Economic Sciences			-	82,076
STEM Education	47.076		111,182	1,834,976
Pass-through from University Enterprises Inc.				
STEM Education	47.076	532964	-	(100)
STEM Education	47.076	532965	-	23,000
Pass-through from CSU Long Beach Research Foundation				
STEM Education	47.076	SG225019100-CPP	-	19,106
Pass-through from Whatcom Community College				
STEM Education	47.076	DGE-1842096	-	48,551
Total STEM Education			111,182	1,925,533

See Notes to Schedule of Expenditures of Federal Awards

Cal Poly Pomona Foundation, Inc.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Number	Passed-through to Subrecipients	Expenditures
Office of International Science and Engineering	47.079		-	40,552
Pass-through from San Diego State University Research Foundation				
Office of International Science and Engineering	47.079	1827251	-	3,452
Total Office of International Science and Engineering			-	44,004
Total National Science Foundation			111,182	3,480,839
Department of Energy				
Pass-through from QuesTek Innovations LLC				
Office of Science Financial Assistance Program	81.049	DE-SC0020605	-	48,541
Pass-through from The Regents of the University of California				
Office of Science Financial Assistance Program	81.049	2022-1819	-	20,145
Pass-through from OLI Systems, Inc.				
Office of Science Financial Assistance Program	81.049	DE-FOA-0002554	-	46,000
Office of Science Financial Assistance Program	81.049		-	52,359
Total Office of Science Financial Assistance Program			-	167,045
Pass-through from University of Cincinnati				
Nuclear Energy Research, Development and Demonstration	81.121	013271-002	-	23,146
Total Department of Energy			-	190,191
Department of Education				
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013		62,162	674,003
Higher Education Institutional Aid	84.031		-	885,546
Child Care Access Means Parents in School	84.335		-	274,923
Total Department of Education			62,162	1,834,472
Department of Health and Human Services				
Pass-through from California Institute of Technology				
Mental Health Research Grants	93.242	S586859	-	282,192
Biomedical Research and Research Training	93.859		-	765,610
Total Department of Health and Human Services			-	1,047,802
Total Research and Development Cluster			222,733	8,192,328

See Notes to Schedule of Expenditures of Federal Awards

Cal Poly Pomona Foundation, Inc.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Number	Passed-through to Subrecipients	Expenditures
Other Programs				
Department of Agriculture				
Pass-through from The Regents of the University of California Davis				
Food Safety Outreach Program	10.328	2020-70020-32263	-	20,299
Pass-through from California Department of Education				
Child and Adult Care Food Program (CACFP)	10.558	05310-CACFP-19-NP-IC	-	54,370
Pass-through from California Department of Education				
Summer Food Service Program	10.559	05310-SFSP-19	-	3,335
Total Child Nutrition Cluster			-	3,335
Pass-through from CSU Chico				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	A22-0055-S011	-	46,544
Total SNAP Cluster			-	46,544
Soil and Water Conservation	10.902		-	45,822
Total Department of Agriculture			-	170,370
Department of Defense				
Pass-through from Office of Naval Research				
Science, Technology, Engineering & Mathematics (STEM) Education, Outreach and Workforce Program	12.330	N00014-21-1-2628	-	133,552
Total Department of Defense			-	133,552
Department of Interior				
Pass-through from United States Geological Survey				
Earthquake Hazards Program Assistance	15.807	G20AP00057	-	11,425
Total Department of Interior			-	11,425
Department of Transportation				
Highway Training and Education	20.215		-	14,603
Total Department of Transportation			-	14,603
Department of the Treasury				
Pass-through from The University Corporation at CSU Northridge				
Volunteer Income Tax Assistance (VITA) Matching Grant Program	21.009	A16-0069-S007	-	1,327
Total Department of the Treasury			-	1,327

See Notes to Schedule of Expenditures of Federal Awards

Cal Poly Pomona Foundation, Inc.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Number	Passed-through to Subrecipients	Expenditures
National Aeronautical and Space Administration				
Pass-through from Jet Propulsion Laboratory				
Science	43.001	1692662	-	6,803
Pass-through from Universities Research Association				
Science	43.001	008700-15	-	163,672
Total National Aeronautical and Space Administration			-	170,475
Department of Education				
Pass through from California Department of Corrections and Rehabilitation				
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	C5609154	58,937	96,417
TRIO Cluster				
TRIO_Student Support Services	84.042		-	849,433
TRIO_Talent Search	84.044		-	446,958
TRIO_Upward Bound	84.047		-	2,499,274
TRIO_McNair Post-Baccalaureate Achievement	84.217		-	210,918
Total TRIO Cluster			-	4,006,583
Special Education: Personnel Development to Improve Services and Results for Children with Disabilities	84.325		-	62,218
Pass through from University of California, Office of the President				
Supporting Effective Instruction State Grants	84.367	ESSA21-CMP-POMONA	-	1,252
Supporting Effective Instruction State Grants	84.367	ESSA22-CMP-POMONA	-	24,233
Total Supporting Effective Instruction State Grants			-	25,485
Total Department of Education			58,937	4,190,703
Department of Health and Human Services				
Pass-through from California Department of Education				
Child Care and Development Block Grant	93.575	CCTR-2075	-	154,219
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	CSPP-2158		83,029
Total CCDF Cluster			-	237,248
Total Department of Health and Human Services			-	237,248

See Notes to Schedule of Expenditures of Federal Awards

Cal Poly Pomona Foundation, Inc.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Number	Passed-through to Subrecipients	Expenditures
Corporation for National and Community Service (CNCS)				
Pass-through from Cal State L.A. University Auxiliary Services, Inc.				
AmeriCorps State and National	94.006	CCSFRF008	-	408,973
Total Corporation for National and Community Service (CNCS)			-	408,973
United States Forest Service				
Pass-through from National Fish and Wildlife Foundation				
Developing Precision-Restoration for Post-Fire Restoration	XX.XXX	0805.19.064303	-	57,352
Total United States Forest Services			-	57,352
Total Other Programs			58,937	5,396,028
Total Expenditures of Federal Awards			$ 281,670	$ 13,588,356

See Notes to Schedule of Expenditures of Federal Awards

Cal Poly Pomona Foundation, Inc.

Notes to Schedule of Expenditures of Federal Awards
June 30, 2023

Note 1 - Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards ("Schedule") presents the activity of all federal award programs of the Cal Poly Pomona Foundation, Inc. (the "Foundation") under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* ("CFR") 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 position or cash flows of the Foundation.

Note 2 - Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principals contained in the Uniform Guidance, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursements. 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, such as transfer of expenses incurred in the previous year to a continuing project in the current fiscal year.

Note 3 - Indirect cost rate

The Foundation has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4 - Subrecipients

The Foundation passes certain financial awards received to other governments or not-for-profit agencies (subrecipients). As Note 2 describes, the Foundation reports expenditures of federal awards to subrecipients on the accrual basis.

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

To the Board of Directors
Cal Poly Pomona Foundation, Inc.
(A California State University Auxiliary Organization)

We have audited, 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, the financial statements of Cal Poly Pomona Foundation, Inc., (the "Foundation") which comprise the statement of net position as of June 30, 2023, and the related statements of revenues, expenses and change in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated Report Date.

Report on 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") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Los Angeles, California
Report Date

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

To the Board of Directors
Cal Poly Pomona Foundation, Inc.
(A California State University Auxiliary Organization)

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Cal Poly Pomona Foundation's (the "Foundation") compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget ("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, 2023. The Foundation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards"*); 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"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Foundation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Foundation's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Foundation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Foundation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Foundation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Foundation as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Foundation's basic financial statements. We issued our report thereon dated Report Date, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Los Angeles, California
Report Date

Cal Poly Pomona Foundation, Inc.

Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Section 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 GAAP:	Unmodified opinion
Internal control over financial reporting:	
• Material weakness(es) identified?	____yes ✓ no
• Significant deficiency(ies) identified?	____yes ✓ none reported
Noncompliance material to financial statements noted?	____yes ✓ no

Federal Awards

Internal control over major federal programs:	
• Material weakness(es) identified?	____yes ✓ no
• Significant deficiency(ies) identified?	____yes ✓ none reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified opinion
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____yes ✓ no

Identification of major federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
Various	TRIO Cluster

Dollar threshold used to distinguish between type A and B programs	$750,000
Auditee qualified as low-risk auditee?	✓ yes ____no

Section II - Financial Statement Findings

None reported.

Section III - Federal Award Findings and Questioned Costs

None reported.

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ENTERPRISES

CEO's Report

September 13, 2023

Audit Committee

Agenda

- Welcome Poly Trolley Express
- Instant Access Complete initial results
- SB-640 update
- New EH&S Support
- CPPPF Audit Support

CPPE IT participated in the 2023 Information Security Audit conducted by the CO's office. The audit was conducted between October 2022 and February 2023. The Audit reviewed the following areas:

- Review of existing IT Security policies
- Classification of information and inventory sensitive data
- Inventory of IT assets
- System Hardening Standards
- Application & Operating patch management
- Vulnerability management and remediation
- Security Event Logging and Monitoring
- User Access Provisioning
- Incident Manage Responsibilities

The audit consisted of the initial Internal Control Questionnaire, Request for Documents, interviews conducted by the CO's auditors, and a National Guard Vulnerability scan of hardware located on the Campus Network.

The final report was issued in April 2023, and Foundation IT completed the audit without a single finding.

Appreciation is due to Campus IT as our partners in IT security.

REVISED 9/12/23 Committee

2023-2024

Audit Committee - Meetings

Committee members:

1. Dr. David Speak, Chair
2. Ruby Suchecki
3. John McGuthry
4. Stephanie Pastor
5. Lowell Overton
6. Oliver Santos
7. Joice Xiong

Meets 1st and 4th quarter (September & May)
Committee Meeting Wednesday, September 13, 2023 3 pm – 4:30 pm Zoom
Committee Meeting Friday, May 17th, 2024 1:30 pm – 3 pm Zoom