

AGENDA

- Chair:** Christina Gonzales, Vice Chair (In place of Ysabel Trinidad, Chair)
- Directors:** Dr. Alison Baski, Mayra Brown, Dr. Soraya Coley, Erica Frausto-Aguado, Dr. Terri Gomez, Christina Gonzales, Megan H. Shadrick, April Jimenez, Dr. Rita Kumar, John McGuthry, Cynthia Nelson, Dr. Phyllis Nelson, Lowell Overton, Stephanie Pastor, Anissa Patel, Dr. Homeyra Sadaghiani, Oliver Santos, Dr. David Speak, Ruby Suchecki, Frances Teves, Dr. Maryann Tolano-Leveque, Ysabel Trinidad, Cade Wheeler, Kris Zoleta
- Staff:** Shari Benson, Claudia Burciaga-Ramos, Jared Ceja, Lisa Coats, Ernest Diaz, Tariq Marji, Thomas Sekayan
- Guest:** Jackie Richman - CohnReznick

ACKNOWLEDGEMENT OF MEMBERS OF THE PUBLIC

who may or may not be commenting on a specific item or making a general comment. Christina Gonzales, Vice Chair

I. CHAIR'S REPORT

Christina Gonzales

II. CONSENT ACTION ITEMS

Items in this section are considered to be routine and acted on in one motion. Each item of the Consent agenda approved by the Board shall be deemed to have been considered in full and adopted as recommended. Any Board 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.

- | | | |
|--|---|---------|
| A. Approval of Minutes
– Meeting #403 – July 13, 2024, Retreat
(Attachment) A | Christina Gonzales | 3 - 5 |
| B. Investment Portfolio Report Q4 2023-2024
(Attachment) A | Ysabel Trinidad, F&I Chair
Tariq Marji, CFO | 6 - 14 |
| C. Holiday Schedule 2025
(Attachment) A | Dr. Phyllis Nelson, Personnel Chair
Shari Benson, CHRO | 15 - 16 |
| D. Healthcare Rates for 2025
(Attachment) A | Dr. Phyllis Nelson
Shari Benson | 17 |
| E. Salary Grades 2025: Minimum Wage Adjustment
(Attachment) A | Dr. Phyllis Nelson
Shari Benson | 18 - 22 |
| F. 2024 – 2025 Board Meeting Schedule
(Attachment) I | Christina Gonzales
Jared Ceja | 23 |
| G. CPPE Reserved Analysis
(Attachment) I | Ysabel Trinidad
Tariq Marji | 24 |

III. GENERAL UPDATES

- | | | |
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| H. Welcome New and Returning Members | Christina Gonzales | |
| I. CEO's Report | Jared Ceja, CEO | 25 - 26 |

V. ACTION ITEM

J. Election of New Student Director (Attachment)	Jared Ceja	27 - 28
K. 2023 – 2024 Financial and Single Audit Reports (Attachment)	Dr. David Speak, Audit Chair Tariq Marji, Interim CFO Jackie Richman, CohnReznik	29 - 118

VI. INFORMATION & DISCUSSION ITEMS

The following items provide information and reports by management staff to the Board. Staff and Board may engage in discussion on any item if requested by a committee member or staff member.

L. Financial Highlights: Q4 2023 - 2024 (Attachment)	Ysabel Trinidad Tariq Marji	119
M. The Current State of Higher Education	Provost Terri Gomez	

VII CLOSED SESSION

Jared Ceja

VIII OPEN FORUM

IX ADJOURMENT

Christina Gonzales

Next Board Meeting #405 – Tuesday December 17, 2024, at 2:00 p.m. at Kellogg West & via Zoom

CAL POLY POMONA FOUNDATION, INC.
Summer Retreat Board of Directors, Meeting #403
July 13, 2024, at 10:30 AM
Minutes

CAL POLY POMONA
ENTERPRISES

Notice is hereby given that a meeting of the Board of Directors was held by video teleconference on Saturday, July 13, 2024 at 10:30 am to discuss matters on the posted agenda. The meeting notice in its entirety was posted on the internet at: <https://foundation.cpp.edu/meetingpackets.aspx>.

Present: Dr. Terri Gomez, Dr. Rita Kumar, John McGuthry, Cynthia Nelson, Lowell Overton, Stephanie Pastor, Dr. David Speak, Ysabel Trinidad, Kris Zoleta, Erica Frausto-Aguado, Frances Teves, Ruby Suchecki, Dr. Maryann Tolano-Leveque, Mayra Brown, Dr. Phyllis Nelson

Absent: Dr. Soraya Coley, Christina Gonzales, Dr. Homeyra Sadaghiani, Oliver Santos, Cade Wheeler, Anissa Patel, April Jimenez-Valadez

Staff: Shari Benson, Claudia Burciaga-Ramos, Jared Ceja, Lisa Coats, Ernest Diaz, Tariq Marji, Thomas Sekayan

CHAIR'S REPORT

Ysabel Trinidad called the meeting to order at 10:30 a.m. and welcomed all to the meeting. She asked all attendees, board members, and staff to introduce themselves. She thanked the board members for their service and thanked Jared Ceja and team for the planning and coordination of an engaging Summer Retreat. Mrs. Trinidad commended Enterprises for the help provided during commencement. There were 12 ceremonies for the 6,900 graduates of the Class of 2024 that were cheered on by 55,000 of their family and friends. The university received approximately 51,000 applications for first-time freshmen for the upcoming 2024–2025 fiscal year, a more than 10% increase over the last year; if the first year and transfer student applications are included, there are a total of 63,000 applications. CPP was among the top schools in Money Magazine's Best Colleges for 2024, earning the 5-star coveted rating published last month. Areas for which the university was recognized for strong programs included Engineering, Business, Hospitality Management, Agriculture, and Apparel Merchandising Management. CPP also received a designation as a national center of academic excellence by the Department of Homeland Security and the National Security Agency for producing cyber security professionals. Also, Money Magazine praised CPP on two other lists: #3 Best Colleges in the West for 2024 and #8 Best Public College of 2024/25. We continue to have high demand. The governor signed the 2024/25 budget, continuing the commitment to the 5-year compact funding of \$240 million for 24/25, but it includes a \$75 million one-time reduction to the CSU operating budget and a net new \$165 million to support the CSU. The budget for 24/25 also looked ahead with a stated reduction of about 7.95% to the CSU's based operating budget for 25/26. The Board of Trustees will be acting on the 24/25 budget later this month. Dr. Terri Gomez has been appointed permanent Provost and VP for academic affairs. Frances Teves, who served as interim VP for Advancement last year, has been appointed permanently. A presentation for an upcoming board meeting to review the university's budget and overall state of higher education will assist the board in understanding where we are as a university and what is happening in the Cal State University system and in education in general.

GENERAL UPDATES

A. CEO's Report

Jared Ceja mentioned there has been a change in management for Kellogg West. Currently, Thomas Sekayan is acting as GM to continue the service advancement we have made. We have added additional support and are currently recruiting a permanent replacement. The team will be sending invitations to the Pumpkin Fest Preview Night, which is scheduled for Friday, September 27 – an evening of food, drink, and lots of fun. You will also get an invitation to the 43rd Annual Bronco Golf Tournament, to be held on Monday, July 29, at the Glendora Country Club.

ACTION ITEM

B. Approval of May 29, 2024 minutes

A motion was made by Dr. David Speak and seconded by Kris Zoleta to approve the May 29, 2024, minutes. There was no opposition; the minutes were approved.

C. Election of the New Dean 2024-2025 Director

Jared Ceja welcomed a new Dean Director nominee, Dr. Alison Baski, as nominated by the Deans Action Council. Mr. Ceja also noted that there is one two-year student director term pending a nomination from Associated Students.

A motion was made by Dr. David Speak and seconded by Dr. Rita Kumar that the Board of Directors accepts the nomination of Dr. Alison Baski, as nominated by the Deans Action Council, and welcomes her to the 2024-2025 Board of Directors effective immediately. There was no opposition, and the motion was approved unanimously.

D. 2024/2025 Committee Descriptions and Assignments

Jared Ceja mentioned that the board directors work with management each year to understand the needs of all active committees and what can be expected for the upcoming fiscal year. Committees are most effective when the talents and interests of board directors align with the

responsibilities of their selected committee(s). All board members are expected to serve on at least one committee but may choose to sit on two or more. Jared invited the committee liaisons to speak on their respective committees.

Each open standing committee has an executive management liaison:

Audit: Tariq Marji, Interim CFO

Finance & Investment: Tariq Marji, Interim CFO

Personnel: Shari Benson, CHRO

Program: Thomas Sekayan, COO

The Nominating Committee is set and is made up of Dr. Terri Gomez (Chair), Dr. Homeyra Sadaghiani, and Stephanie Pastor.

Board members attending the meeting indicated the committee(s) of their choice. Members not in attendance were assigned to a committee by those present, with guidance from staff.

Executive Committee

1. Ysabel Trinidad, Chair
2. Christina Gonzales, Vice Chair
3. Dr. Soraya Coley
4. Dr. Rita Kumar
5. Cade Wheeler
6. *Ruby Suchecki
7. Stephanie Pastor

Audit Committee:

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

Personnel Committee:

1. Dr. Phyllis Nelson, Chair
2. Cynthia Nelson
3. April Jimenez-Valadez
4. Mayra Brown
5. TBD – Incoming Student
6. ***Kimberly G. Allain

Program Committee: 2 meetings per year

1. Christina Gonzales, Chair
2. Erika Frausto
3. Maryann Tolano-Leveque
4. Dr. Rita Kumar
5. Dr. Phyllis Nelson
6. Kris Zoleta
7. Mayra Brown
8. Cade Wheeler
9. Frances Teves
10. Dr. David Speak
11. *** Craig LaMunyon

Finance and Investment Committee: Meets quarterly

1. Ysabel Trinidad, Chair
2. Dr. Alison A. Baski
3. Dr. Rita Kumar
4. Kris Zoleta
5. Ruby Suchecki
6. Cynthia Nelson
7. Anissa Patel
8. ***Carol Lee
9. ***Michelle Cardona

*Positions appointed by the President

***Non-Board committee members

A motion was made by Dr. Phyllis Nelson and seconded by Dr. David Speak that the Board of Directors accepts the nominations for committee membership, as presented, for the 2024-2025 Audit, Finance & Investment, Personnel, and Program committees, effective immediately. The motion was unanimously approved.

INFORMATION & DISCUSSION ITEMS

E. 2024/2025 Committee Chairs, Officer Roles, and Nominating Committee

Jared Ceja reviewed the officers, committee chairs, and committee appointments for the board, all committees, and corporate officers for the 2024–2025 year.

F. Capital Emergency Fund Uses: 23/24

Jared Ceja and Tariq Marji provided an update on the Emergency and Unanticipated Needs Fund (\$525,000) approved by the Board on May 25, 2023, as part of the 23/24 Budget. As anticipated, unscheduled equipment breakdowns and operating needs have surfaced throughout various programs, specifically in dining services and real estate. These needs directly impact day-to-day operations and the ability to provide safe and consistent services. They include:

- 1) \$15,000 (Programmatic): The current fleet of delivery vehicles for retail catering is insufficient to support projected needs for spring 2024 and beyond. One additional electric delivery cart will be procured to support our services. The cart will also be used occasionally for retail store product deliveries and restocking.
- 2) \$40,000 (Deferred Maintenance): The existing frozen yogurt machine utilized in Centerpointe is too frequently out of service and has become increasingly difficult to maintain. The new frozen yogurt machine quoted for purchase is expected to be more reliable and have lower maintenance needs.
- 3) \$15,000 (Contractual/Legal): One of two existing Turbo Chef ovens at Starbucks is broken and non-reparable. Starbucks' licensing agreement requires the purchase of two new models if a legacy unit breaks.
- 4) \$60,000 (Health & Safety): Building roof re-coat needed to seal openings and prevent further water intrusion in tenant spaces. The roof work includes a 15-year leak-free warranty.

- 5) \$24,000 (Health & Safety): Expansion of scope with additional capital for repair and performance of a sectional replacement of roofing at Building #55.
- 6) \$15,000 (Programmatic): Smart refrigerator store with tablet POS, merchandising shelves, and RFID sensors at H-Café store. This is a more cost-effective delivery for H-Café than the previous iteration.
- 7) \$25,000 (Programmatic): API configuration between the dining POS system and our payroll system, enabling added labor reporting functionality and accuracy. This will have a positive ROI, likely in under 1 year, and need to be completed before the fall of 2024.

The amounts have been rounded off for simplicity.

Board members and staff engaged in a brief discussion on selected items, covering additional details.

OPEN FORUM

Dr. Phyllis Nelson asked about the project for the roof where tarps are placed. Mr. Ceja mentioned the project has commenced, the prework is in full gear, and the work is targeted for completion before the rainy season. Dr. Phyllis Nelson asked about the work being done at the Round Table Pizza area and the previous Einstein location; the RTP space is being remodeled for The Patio by IBW starting in the fall, and the Einstein location has become Element, which will now include bowls, sandwiches, and automated coffee machines. Mr. Ceja confirmed that the presentation on "The Current State of Higher Education" by Dr. Terri Gomez will be rescheduled for an upcoming board meeting. Ruby Suchecki commended staff on another amazing Retreat; she enjoyed the focus on the team bonding exercise. She also asked if it was possible for the next retreat to have a handout with everyone's photo to help all recognize staff and board members; having name badges for everyone also helps.

ADJOURNMENT

Dr. Speak made a motion to adjourn. There was no opposition to the motion; the meeting was adjourned at 11:38 a.m.

Respectfully submitted,

John McGuthry, Secretary Treasurer

Next Board Meeting #404 – Tuesday September 17, 2024 at 2:00 p.m. at Kellogg West & via Zoom



Memorandum

Date: September 17, 2024

To: Board of Directors

From: Ysabel Trinidad, Finance and Investment Committee Chair
Tariq Marji, CFO

Attached: Graystone Capital Market Commentary
Graystone Portfolio Review Common
Fund Investment Report

Subject: INVESTMENT PORTFOLIO REPORT– Fourth Quarter 2023-2024

The Foundation's General Investment Policy 131 requires a comprehensive quarterly report of the investment portfolio's performance be provided to the members of the Finance & Investment Committee and Board of Directors at each regularly scheduled meeting.

GENERAL INVESTMENT PORTFOLIO

The General Investment Portfolio ("Portfolio") has a current total market value of \$46.1M as of June 30, 2024. The majority portion managed by Graystone Consulting has a current market value of \$43.2M with 23% Fixed Income, 60% Equities, 17% Alternatives, and less than 1% Cash. All allocations are within current policy ranges. The return over the last quarter was 1.61% (gross) and 12.35% over the last twelve months (6/30/23-6/30/24). Additional information is included in the report provided by Graystone.

Management received capital call notices and has contributed \$236,250 against its commitment of \$250,000 to Capital Partners IV and \$701,250 against its commitment of \$750,000 to Capital Private Equity Partners VII. The value of the non-marketable investments is \$214,114. The Common Fund Summary Investment and Performance Reports are available for further details.

During Q4 2023-24, the foundation continued to maintain a Blackrock Liquidity Treasury Trust Fund. The balance and yield as of 6/30/24 are \$2.7M and 5.30%, respectively.

PROPOSED ACTION:

Management and the Finance and Investment Committee recommend approval of the Investment Report – 4th Quarter 2023-2024.

BE IT RESOLVED that the Board of Directors accepts the recommendation of the Finance and Investment Committee and approves the Investment Portfolio Report – 4th Quarter 2023 – 2024 as presented.

PASSED AND ADOPTED THIS 17TH DAY OF SEPTEMBER 2024.

By: _____
John McGuthry, Secretary/Treasurer
Board of Directors

Executive Summary

Bottom Line: Economic cross currents have multiplied and GIC forecasts now reflect a fat tail distribution around the odds of hard landing/Goldilocks soft landing or a re-acceleration no-landing (25%/50%/25%). At the same time two “known unknowns” are solidifying — Fed rate cut probabilities and Presidential election odds both of which are driving enthusiasm. Market is technically overbought, stock index valuations do not appear compelling; bond risk is still asymmetric. Pursue Active Risk Management and DIVERSIFICATION given the dependence of this rally on LIQUIDITY and EARNINGS ACHIEVEMENT, which require margin expansion at a time when pricing power is receding.

- We are still forecasting an economic soft landing (50% odds down from 80%), but MS & Co. real GDP forecasts remain quite solid at 2.3% in 2024 and 2.1% in 2025. However, risks to the forecasts are rising with weakening labor market.
- MS & Co. is expecting three rate cuts versus market pricing in 2.7 in 2024. First cut starts in September; market at 90%+ odds.
- But we see cycle terminal rate end of 2025 at 3.625%. We are in a new secular rates regime driven by structural changes and higher debts/deficits.
- US Treasury rates are priced close to tactical fair value with 10-year yields expected to be 3.80%-4.10% by Q4.
- We are forecasting US fixed income markets to ultimately compete with US stock index risk-adjusted returns (total return of ~10% through mid 2025) especially once the Fed begins to cut. Bonds should beat equities, which are grinding out ~5% advances in the most likely cases through June 2025 (MS & Co S&P 500 target price 5400).
- Best ideas are US financials, energy, healthcare, Japan, real assets and infrastructure investments. We like munis and leveraged loans. Watching for any opportunities in key EMs like India and Mexico.

Key Considerations and Investment Controversies: Fundamentals INCREASING in importance

- Path towards disinflation has improved for now. June CPI data surprised with negative m/m price changes. Improvements finally seen in housing and supercore services.
- Labor market is cooling decisively; U-3 up to 4.1%, a 27-month high, continuing claims grinding higher and job openings or vacancy rate normalizing. If Beveridge Curve and Phillips curve are normalizing unemployment could begin to rise.
- Bifurcation between HAVES and HAVE-NOTS; higher for longer will pressure small businesses, lower 2/3rds of consumers, CRE, regional banks, VC-backed companies, small caps. Consumer is increasingly dependent on job market for momentum
- Both presidential candidate platforms point to higher debts/deficits, higher rates and still higher than target inflation; we expect the neutral rate to reset to towards 2.5-3%.
- Earnings expectations remain ambitious and back-end loaded; big growth still concentrated; consensus \$245 in 2024 increasingly doable but \$279 in 2025 remains a stretch.
- Consensus expectations assume profit margin expansion and achievement of near record operating margins over 12.2% — more than 14% ex-financials
- US equity valuations appear rich at more than 23.2x forward consensus earnings (2024 Q4) 21.8x blended forward and an equity risk premium of only 42bps, levels similar to the end of 1998 before the Tech Wreck.
- Stock/bond correlations remain positive; undermining the diversification benefits of 60/40. Finding asset classes uncorrelated to interest rates is difficult.
- Market positioning is complacent with VIX back below 13, put/call ratios and short interest ratios low.

GIC Recommendations for Portfolio Positioning

- Overall, we remain market weight global equities; the US market cap-weighted beta is slightly underweight while we are overweight the equal-weighted benchmark.
- MS & Co. Wilson’s June 2025 S&P 500 target price is 5400; it incorporates a view that we will trade in a wide range from 4,700-6,100. That said, we are inclined to neutralize strong factor positionings. We are balancing exposures between defensives and cyclicals, growth and value and mega versus large/mid and small caps.
- Alternatively, we remain overweight fixed income, believing that a higher for longer regime creates opportunities to own better risk-adjusted returns in current coupons with the potential for capital gains if rates fade in 2024 as forecast. Munis and IG credit remain decent holds barbelled with short duration Treasuries.
- Outside the US, we prefer Japan based on improving growth and inflation dynamics there and the very inexpensive yen. We continue to also look for stock-specific opportunities in Europe and beta opportunities in select EMs like India, Brazil, and Mexico.
- We also like alternatives in: relative value and L/S hedge funds, infrastructure, commodities, residential real estate, and private credit.
- Remaining fully invested to your PERSONAL BENCHMARKS is the best strategy. DO NOT TRY TO MARKET TIME.
- Dollar cost averaging should be patient given potential risks in the near term. LONG-TERM STRATEGIC MONEY should always be deployed in LUMP sums.

Source: Morgan Stanley Wealth Management GIC as of July 17, 2024. Beveridge curve, or UV curve, is a graphical representation of the relationship between unemployment and the job vacancy rate, the number of unfilled jobs expressed as a proportion of the labor force. It typically has vacancies on the vertical axis and unemployment on the horizontal. The curve, named after [William Beveridge](#), is hyperbolic-shaped and slopes downward, as a higher rate of unemployment normally occurs with a lower rate of vacancies. Phillips curve is an economic concept developed by A.W. Phillips showing that inflation and unemployment have a stable and inverse relationship. The theory states that with economic growth comes inflation, which in turn should lead to more jobs and less unemployment. Equity risk premium is the excess return that an individual stock or the overall stock market provides over a risk-free rate. The risk-free rate represents the interest an investor would expect from an absolutely risk-free investment over a specified period of time.

Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material.



A business of Morgan Stanley

Cal Poly Pomona Foundation



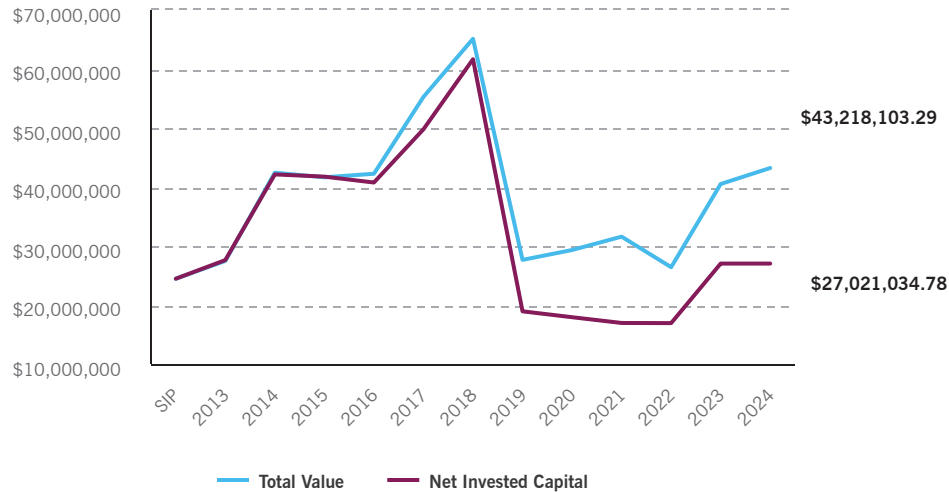
Andrew B. Price, CIMA® (310) 788-2043
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andrew.price@msgraystone.com

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Senior Vice President, Wealth Management
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Portfolio Review As of June 30, 2024

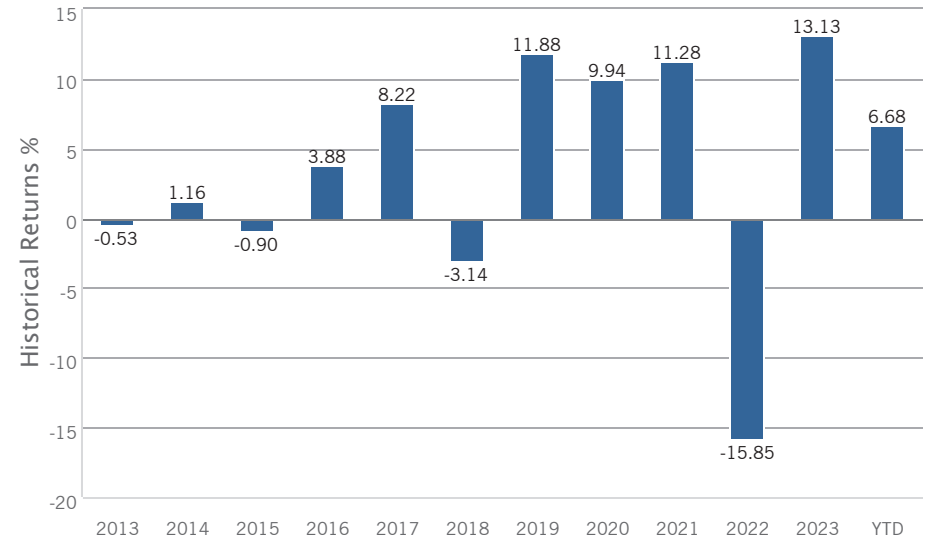
1999 Avenue of the Stars, Suite 2400
Los Angeles, CA 90067

TOTAL VALUE VS. NET INVESTED CAPITAL



Does not include Performance Ineligible Assets.

DOLLAR-WEIGHTED PERIOD RETURN % (NET OF FEES)

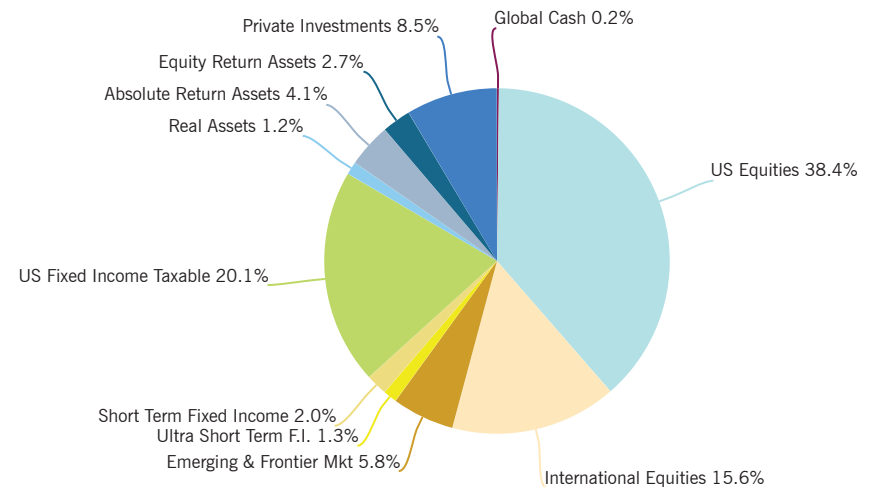


Does not include Performance Ineligible Assets.

DOLLAR-WEIGHTED RETURN % (NET OF FEES)

	Quarter to Date (\$) 03/31/24-06/30/24	Year to Date (\$) 12/31/23-06/30/24	Performance Inception Month End (\$) 03/31/13-06/30/24
Beginning Total Value	42,560,235	40,510,179	24,506,769
Net Contributions/Withdrawals	113	113	2,569,165
Investment Earnings	657,755	2,707,811	16,142,170
Ending Total Value	43,218,103	43,218,103	43,218,103
DOLLAR WEIGHTED RATE OF RETURN (%) (Annualized for periods over 12 months)			
Return % (Net of Fees)	1.55	6.68	3.49

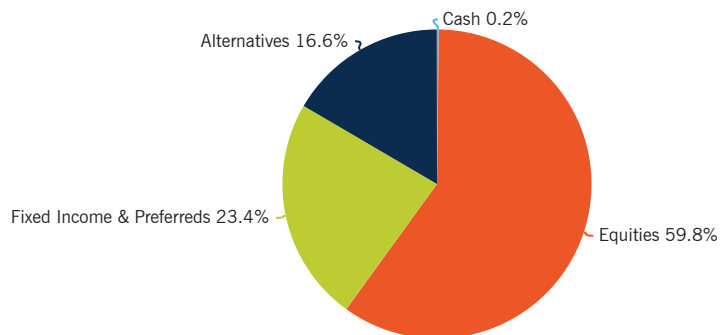
ASSET ALLOCATION



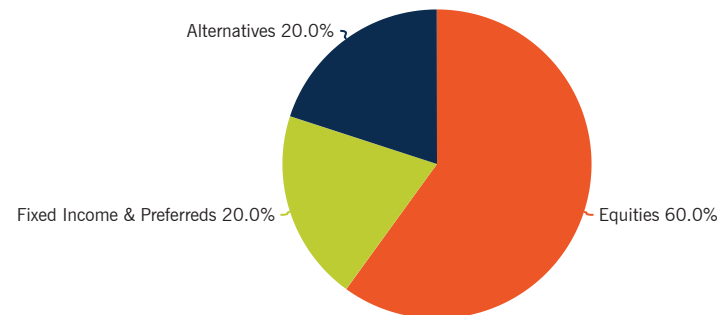
The investment returns shown on this page are dollar-weighted measurements which are affected by the timing and amount of your contributions and withdrawals.

ACTUAL VS. TARGET

Actual

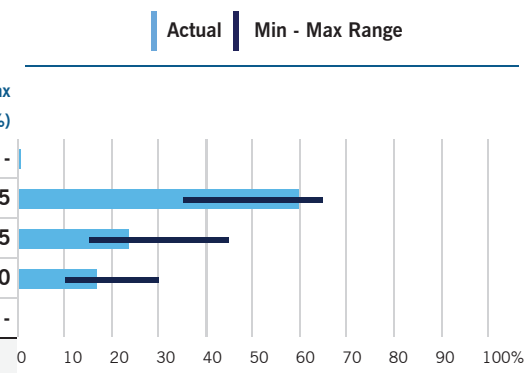


Target



ASSET ALLOCATION: ACTUAL VS. TARGET WITH MIN-MAX RANGE

Asset Class	Actual 06/30/2024		Target		Difference		Min-Max Range (%)
	(\$)	(%)	(\$)	(%)	(\$)	(%)	
Cash	78,146.76	0.18	0.00	0.00	78,146.76	0.18	-
Equities	25,816,138.66	59.82	25,894,978.57	60.00	-78,839.91	-0.18	35 - 65
Fixed Income & Preferreds	10,110,414.30	23.43	8,631,659.52	20.00	1,478,754.78	3.43	15 - 45
Alternatives	7,153,597.89	16.58	8,631,659.52	20.00	-1,478,061.63	-3.43	10 - 30
Other	0.00	0.00	0.00	0.00	0.00	0.00	-
Total Assets	43,158,297.61	100.00	43,158,297.61	100.00			



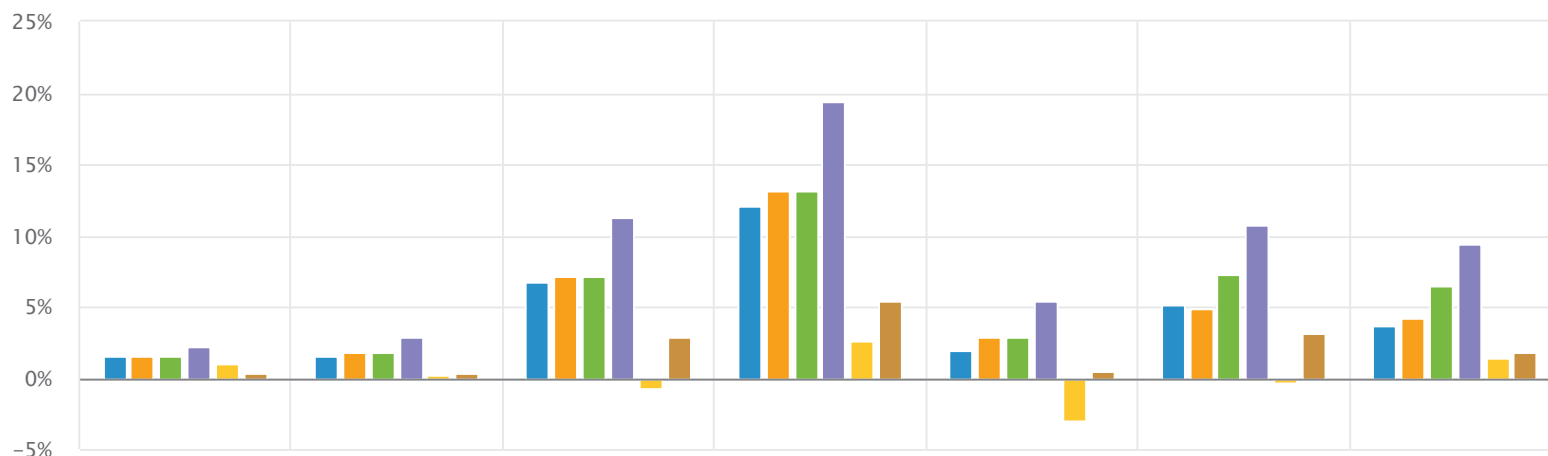
Target Allocation as determined by you and your Financial Advisor for this account only.
Total Value and % of Portfolio are based on US Dollar values.

TIME WEIGHTED PERFORMANCE SUMMARY

OCIO - Cal Poly Pomona Foundation

As of June 30, 2024 | Reporting Currency: USD

RETURN % (GROSS AND NET OF FEES) VS. BENCHMARKS (ANNUALIZED)



	Month to Date 05/31/24 - 06/30/24	Quarter to Date 03/31/24 - 06/30/24	Year to Date 12/31/23 - 06/30/24	Last 12 Months 06/30/23 - 06/30/24	Last 3 Years 06/30/21 - 06/30/24	Last 5 Years 06/30/19 - 06/30/24	Performance Inception Month End 03/31/13 - 06/30/24
Beginning Total Value (\$)	42,584,970.60	42,560,235.03	40,510,179.14	31,845,271.37	30,561,867.95	63,151,172.30	24,506,768.54
Net Contributions/Withdrawals (\$)	0.00	113.32	113.32	6,758,608.18	9,644,543.85	-28,633,429.70	2,569,165.12
Investment Earnings (\$)	633,132.69	657,754.94	2,707,810.83	4,614,223.74	3,011,691.49	8,700,360.68	16,142,169.63
Ending Total Value (\$)	43,218,103.29	43,218,103.29	43,218,103.29	43,218,103.29	43,218,103.29	43,218,103.29	43,218,103.29
Return % (Gross of Fees)	1.49	1.61	6.81	12.35	2.22	5.46	3.88
Return % (Net of Fees)	1.49	1.55	6.68	12.08	1.95	5.19	3.62
Cal Poly Pomona - Blended Benchmark (%)	1.59	1.82	7.15	13.15	2.92	4.91	4.19
Cal Poly Pomona Policy BM (%)	1.59	1.82	7.15	13.15	2.92	7.23	6.42
MSCI AC World Net (%)	2.23	2.87	11.30	19.38	5.44	10.77	9.42
Bloomberg US Aggregate (%)	0.95	0.07	-0.71	2.63	-3.03	-0.23	1.37
HFRX Global Hedge Fund (%)	0.31	0.37	2.89	5.42	0.44	3.19	1.82

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

Private Programs Investment Report

Cal Poly Pomona Foundation

All Accounts

April 1, 2024 - June 30, 2024



commonfund

All Accounts

April 1, 2024 - June 30, 2024

ACCOUNT SUMMARY AS OF 6/30/2024

	Vintage Year	Capital Committed	Capital Called	Remaining Capital to be Called	Capital Distributions	Capital Balance	Multiple	IRR	Value Date
General Fund - 06									
Commonfund Real Estate									
Realty Investors 2004-12 (Tranche)	2005	\$1,500,000	\$1,500,000	\$0	(\$283,096)		0.2	-26.2%	
Total Commonfund Real Estate		\$1,500,000	\$1,500,000	\$0	(\$283,096)		0.2	-26.2%	
US Private Equity									
Private Equity Partners VII	2007	\$750,000	\$701,250	\$48,750	(\$1,448,733)	\$152,136	2.2	13.8%	3/31/2024
Total US Private Equity		\$750,000	\$701,250	\$48,750	(\$1,448,733)	\$152,136	2.2	13.8%	3/31/2024
Multi-Asset									
Capital Partners IV	2007	\$250,000	\$236,250	\$13,750	(\$405,850)	\$48,016	1.9	9.9%	3/31/2024
Total Multi-Asset		\$250,000	\$236,250	\$13,750	(\$405,850)	\$48,016	1.9	9.9%	3/31/2024
Total General Fund - 06		\$2,500,000	\$2,437,500	\$62,500	(\$2,137,679)	\$200,152	0.9	-0.6%	3/31/2024
Grand Total		\$2,500,000	\$2,437,500	\$62,500	(\$2,137,679)	\$200,152	0.9	-0.6%	3/31/2024

Explanatory Notes:

- Performance data is net of all fees and carried interest. Transaction flows and capital for these funds are included in the appropriate totals.

Fund performance is depicted net of fees. Manager and strategy performance is net of sub-advisor management fees and gross of other Commonfund Fund expenses. Past performance is not indicative of future performance.

All Accounts

April 1, 2024 - June 30, 2024

- Multiple, also referred to as TVPI, total value to invested capital net of the general partners and special limited partners (Capital Distributions + Capital Balance/Capital Distributions).
- Each partnership's net IRR (Internal Rate of Return) should be evaluated in light of information on such partnership's investment program, the risks associated therewith, and partnership performance as disclosed in the respective Offering Memorandum and Annual and Quarterly Reports. Return information calculated on a dollar-weighted (e.g., internal rate of return), since inception basis, which is standard for the private capital industry, rather than the time-weighted (e.g., annual or other period rate of return) basis. Comparison of returns calculated on a net IRR basis with returns on a time-weighted basis is not appropriate. There can be no assurance that unrealized investments ultimately will be realized at the valuations used in calculating net IRRs or Net Multiples or that the calculated net IRRs will be obtained. Actual realized returns will depend on, among other factors, future operating results, the value of assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale.
- Capital Called and Capital Distributions are since inception through the report End Date.

NON-MARKETABLE INVESTMENTS ROLL FORWARD FROM VALUE DATE TO 6/30/2024

Non-Marketable Fund	Incep. Date	Commitment	Valuation Date	Most Recent Valuation	Capital Calls since Valuation Date	Distributions since Valuation Date	Adjusted Market Value
Private Equity Partners VII	9/30/2007	\$750,000.00	12/31/2023	\$161,328.00	\$750.00	(\$40,868.00)	\$121,210.00
Capital Partners IV	9/30/2007	\$250,000.00	12/31/2023	\$52,786.00	\$0.00	(\$4,684.00)	\$48,102.00
Total Core Funds		\$1,000,000.00	12/31/2023	\$214,114.00	\$750.00	(\$45,552.00)	\$169,312.00
Non-Marketable Total		\$1,000,000.00	12/31/2023	\$214,114.00	\$750.00	(\$45,552.00)	\$169,312.00

Fund performance is depicted net of fees. Manager and strategy performance is net of sub-advisor management fees and gross of other Commonfund Fund expenses. Past performance is not indicative of future performance.

Memorandum



Date: September 17, 2024

To: Board of Directors

From: Dr. Phyllis Nelson, Personnel Committee Chair
Shari Benson, Chief Human Resources Officer

Subject: **Holiday Schedule for 2025**

Attachment: Holiday Calendar 2025

Each year, the Cal Poly Pomona Foundation's holiday calendar closely mirrors that of the university. This method has proven effective as the demand for most of our services is reliant upon campus foot traffic. One minor variation on the schedule involves continuing the practice of designating a Cal Poly Pomona Foundation Holiday in place of the (possible) day granted by the Governor and CPP President to state-side employees.

This resolution calls for approval of the 2025 holiday calendar.

PROPOSED ACTION:

Management and the Personnel Committee recommend the following resolution for approval:

BE IT RESOLVED, that the Board of Directors accepts the Personnel Committee's recommendation and approves the Holiday Calendar 2025, as presented, and authorizes and directs the Chief Executive Officer and Chief Human Resources Officer to take any and all action as may be necessary to effectuate this Resolution.

PASSED AND ADOPTED THIS 17th DAY OF SEPTEMBER 2024.

John McGuthry, Secretary/Treasurer
Board of Directors

HOLIDAY CALENDAR 2025

MONTH	DATE	HOLIDAY
January	01	New Year's Day 2025
January	20	Martin Luther King, Jr. Day
March	31	Cesar Chavez Day
May	26	Memorial Day
June	19	Juneteenth
July	04	Independence Day
September	01	Labor Day
November	11	Veteran's Day
November	27	Thanksgiving Day
November	28	Foundation Holiday
December	24	Foundation Holiday
December	25	Christmas Day
December	26	Foundation Holiday
December	29	Foundation Holiday
December	30	Foundation Holiday
December	31	Campus Closed (Use Personal Holiday or Vacation Hours)
January	01	New Year's Day 2026

Memorandum



Date: September 17, 2024
To: Board of Directors
From: Dr. Phyllis Nelson, Personnel Committee Chair
Shari Benson, Chief Human Resources Officer
Attached: 2025 Proposed Benefits Structure
Subject: HEALTHCARE 2025 BENEFITS RENEWAL

The overall benefit renewal rate for the 2025 calendar year is 7% for Kaiser and 6.3% for United Healthcare. Due to the rising costs of medical insurance, this increase was anticipated and came in under the budget of a 10% overall increase.

RATE INFORMATION:

	Kaiser 2024	Kaiser 2025	UHC 2024	UHC 2025
Employee Only	\$703.00	\$752.00	\$644.00	\$685.00
Employee +1	\$1,406.00	\$1,504.00	\$1,289.00	\$1,371.00
Family	\$1,989.00	\$2,128.00	\$1,825.00	\$1,938.00

Note: The PPO rates are same as the HMO rates shown, PPO is a “buy-up” plan, employees pay the difference between the HMO and PPO.

PROPOSED ACTION:

The Personnel Committee and Management recommends the following resolution for approval:

BE IT RESOLVED that the Board of Directors approves the 2025 Healthcare Benefits Renewal and associated updates to the rate structure and that upon approval of this resolution by the Board of Directors, the Chief Human Resources Officer and Human Resources Manager are authorized and directed to take any and all action as may be necessary to effectuate this resolution.

PASSED AND ADOPTED THIS 17th DAY OF SEPTEMBER 2024.

John McGuthry, Secretary/Treasurer
Board of Directors

Memorandum



Date: September 17, 2024

To: Board of Directors

From: Dr. Phyllis Nelson, Personnel Committee Chair
Shari Benson – Chief Human Resources Officer

Subject: **Minimum Wage Adjustment Proposal Effective December 22, 2024**

Attachment: Salary Grade Ranges (Current)
Salary Grade Ranges (Proposed @ \$16.50)
Salary Grade Ranges (Proposed @ \$17.00)
Salary Grade Ranges (Proposed @ \$18.00)

Each year, management reviews its compensation policies and practices. An essential tool used in compensation administration is a current, relevant, and accurate salary scale.

Effective on or before January 1, 2025, the minimum wage for hourly employees will increase. This impacts our payroll period beginning December 22, 2024 (or earlier). Proposition 32 will be voted on in November, which would raise the minimum wage to \$17/hr. for the remainder of 2024 and \$18.00/hr. starting in 2025. If the bill fails, the minimum wage will increase formulaically to \$16.50/hr. in 2025. Due to uncertainty around the bill's passage, three options are being presented. These options are based on \$16.50, \$17, and \$18 per hour, respectively. California law also calls for minimum exempt position pay of two times the minimum hourly wage. Management is requesting updates to the salary scale by increasing all grades to account for these new minimums based on the final legislation. These changes are necessary to help ensure our salaries are consistent with current wage orders and aligned with the market while mitigating the long-term effects of salary compression. These updates also support the Foundation's requirement to meet comparability standards with the university.

This information will be updated on the CalPERS position list and posted on our company website, meeting California Government Code transparency regulations via a publicly available pay schedule.

PROPOSED ACTION:

The Personnel Committee and Management recommends the following resolution for approval:

BE IT RESOLVED that the Board of Directors approves the revised salary range options that correspond with the upcoming California minimum wage scenarios, effective December 22, 2024, or earlier based on California law and that upon approval of this resolution the Chief Human Resources Officer is authorized and directed to take any and all action as may be necessary to effectuate this resolution.

PASSED AND ADOPTED THIS 17th DAY OF SEPTEMBER 2024.

John McGuthry, Secretary/Treasurer
Board of Directors

SALARY GRADE RANGES EFFECTIVE APRIL 1, 2024

Current

GRADE	HOURLY RANGE SPREAD			BI-WEEKLY PAY PERIOD			ANNUAL RANGE SPREAD		
	MIN	MID	MAX	MIN	MID	MAX	MIN	MID	MAX
#									
16				\$6,370	\$8,600	\$10,829	\$165,623	\$223,590	\$281,558
15				\$5,308	\$7,166	\$9,024	\$138,019	\$186,325	\$234,632
14				\$4,424	\$5,972	\$7,520	\$115,016	\$155,271	\$195,527
13				\$3,686	\$4,977	\$6,267	\$95,846	\$129,393	\$162,939
12				\$3,072	\$4,147	\$5,222	\$79,872	\$107,827	\$135,782
11				\$2,560	\$3,456	\$4,352	\$66,560	\$89,856	\$113,152
10-Salary				\$2,560	\$2,912	\$3,667	\$66,560	\$75,711	\$95,340
10-Hourly	\$26.96	\$36.40	\$45.84	\$2,157	\$2,912	\$3,667	\$56,082	\$75,711	\$95,340
9	\$22.66	\$30.59	\$38.52	\$1,813	\$2,447	\$3,081	\$47,128	\$63,623	\$80,117
8	\$19.04	\$25.70	\$32.37	\$1,523	\$2,056	\$2,589	\$39,603	\$53,464	\$67,325
7	\$16.00	\$21.60	\$27.20	\$1,280	\$1,728	\$2,176	\$33,280	\$44,928	\$56,576

CAMPUS PROGRAMS/GRANTS - EXEMPT POSITIONS									
GRADE									
G4				\$4,424	\$5,972	\$7,520	\$115,016	\$155,271	\$195,527
G3				\$3,686	\$4,977	\$6,267	\$95,846	\$129,393	\$162,939
G2				\$3,072	\$4,147	\$5,222	\$79,872	\$107,827	\$135,782
G1				\$2,560	\$3,456	\$4,352	\$66,560	\$89,856	\$113,152

PROPOSED SALARY GRADE RANGES EFFECTIVE DECEMBER 22, 2024

\$16.50/HR MINIMUM WAGE

GRADE	HOURLY RANGE SPREAD			BI-WEEKLY PAY PERIOD			ANNUAL RANGE SPREAD		
	MIN	MID	MAX	MIN	MID	MAX	MIN	MID	MAX
#									
16				\$6,569	\$8,868	\$11,168	\$170,798	\$230,578	\$290,357
15				\$5,474	\$7,390	\$9,306	\$142,332	\$192,148	\$241,964
14				\$4,562	\$6,159	\$7,755	\$118,610	\$160,123	\$201,637
13				\$3,802	\$5,132	\$6,463	\$98,842	\$133,436	\$168,031
12				\$3,168	\$4,277	\$5,386	\$82,368	\$111,197	\$140,026
11				\$2,640	\$3,564	\$4,488	\$68,640	\$92,664	\$116,688
10-Salary				\$2,640	\$3,003	\$3,781	\$68,640	\$78,077	\$93,319
10 - Hourly	\$27.81	\$37.54	\$47.27	\$2,224	\$3,003	\$3,781	\$57,835	\$78,077	\$98,319
9	\$23.37	\$31.54	\$39.72	\$1,869	\$2,523	\$3,178	\$48,601	\$65,611	\$82,621
8	\$19.64	\$26.51	\$33.38	\$1,571	\$2,121	\$2,670	\$40,841	\$55,135	\$69,429
7	\$16.50	\$22.28	\$28.05	\$1,320	\$1,782	\$2,244	\$34,320	\$46,332	\$58,344

GRANTS - EXEMPT POSITIONS									
GRADE									
G4				\$4,562	\$6,159	\$7,755	\$118,610	\$160,123	\$201,637
G3				\$3,802	\$5,132	\$6,463	\$98,842	\$133,436	\$168,031
G2				\$3,168	\$4,277	\$5,386	\$82,368	\$111,197	\$140,026
G1				\$2,640	\$3,564	\$4,488	\$68,640	\$92,664	\$116,688

PROPOSED SALARY GRADE RANGES EFFECTIVE NOVEMBER 10, 2024

\$17.00/HR MINIMUM WAGE

GRADE	HOURLY RANGE SPREAD			BI-WEEKLY PAY PERIOD			ANNUAL RANGE SPREAD		
	MIN	MID	MAX	MIN	MID	MAX	MIN	MID	MAX
#									
16				\$6,768	\$9,137	\$11,506	\$175,974	\$237,565	\$299,156
15				\$5,640	\$7,614	\$9,588	\$146,645	\$197,971	\$249,296
14				\$4,700	\$6,345	\$7,990	\$122,204	\$164,976	\$207,747
13				\$3,917	\$5,288	\$6,659	\$101,837	\$137,480	\$173,123
12				\$3,264	\$4,406	\$5,549	\$84,864	\$114,566	\$144,269
11				\$2,720	\$3,672	\$4,624	\$70,720	\$95,472	\$120,224
10-Salary				\$2,720	\$3,094	\$3,896	\$70,720	\$80,443	\$101,298
10 - Hourly	\$28.65	\$38.67	\$48.70	\$2,292	\$3,094	\$3,896	\$59,587	\$80,443	\$101,298
9	\$24.07	\$32.50	\$40.93	\$1,926	\$2,600	\$3,274	\$50,073	\$67,599	\$85,125
8	\$20.23	\$27.31	\$34.39	\$1,618	\$2,185	\$2,751	\$42,078	\$56,806	\$71,533
7	\$17.00	\$22.95	\$28.90	\$1,360	\$1,836	\$2,312	\$35,360	\$47,736	\$60,112

CAMPUS PROGRAMS/GRANTS - EXEMPT POSITIONS									
GRADE									
G4				\$4,700	\$6,345	\$7,990	\$122,204	\$164,976	\$207,747
G3				\$3,917	\$5,288	\$6,659	\$101,837	\$137,480	\$173,123
G2				\$3,264	\$4,406	\$5,549	\$84,864	\$114,566	\$144,269
G1				\$2,720	\$3,672	\$4,624	\$70,720	\$95,472	\$120,224

PROPOSED SALARY GRADE RANGES EFFECTIVE DECEMBER 22, 2024

\$18.00/HR MINIMUM WAGE

GRADE	HOURLY RANGE SPREAD			BI-WEEKLY PAY PERIOD			ANNUAL RANGE SPREAD		
	MIN	MID	MAX	MIN	MID	MAX	MIN	MID	MAX
#									
16				\$7,166	\$9,675	\$12,183	\$186,325	\$251,539	\$316,753
15				\$5,972	\$8,062	\$10,152	\$155,271	\$209,616	\$263,961
14				\$4,977	\$6,718	\$8,460	\$129,393	\$174,680	\$219,967
13				\$4,147	\$5,599	\$7,050	\$107,827	\$145,567	\$183,306
12				\$3,456	\$4,666	\$5,875	\$89,856	\$121,306	\$152,755
11				\$2,880	\$3,888	\$4,896	\$74,880	\$101,088	\$127,296
10-Salary				\$2,880	\$3,276	\$4,125	\$74,880	\$85,175	\$107,257
10 - Hourly	\$30.33	\$40.95	\$51.57	\$2,427	\$3,276	\$4,125	\$63,092	\$85,175	\$107,257
9	\$25.49	\$34.41	\$43.33	\$2,039	\$2,753	\$3,467	\$53,019	\$71,575	\$90,132
8	\$21.42	\$28.92	\$36.41	\$1,714	\$2,313	\$2,913	\$44,554	\$60,147	\$75,741
7	\$18.00	\$24.30	\$30.60	\$1,440	\$1,944	\$2,448	\$37,440	\$50,544	\$63,648

CAMPUS PROGRAMS/GRANTS - EXEMPT POSITIONS									
GRADE									
G4				\$4,977	\$6,718	\$8,460	\$129,393	\$174,680	\$219,967
G3				\$4,147	\$5,599	\$7,050	\$107,827	\$145,567	\$183,306
G2				\$3,456	\$4,666	\$5,875	\$89,856	\$121,306	\$152,755
G1				\$2,880	\$3,888	\$4,896	\$74,880	\$101,088	\$127,296

2024-2025

Board of Directors Meetings

Board members:

1. Ysabel Trinidad, Chair
2. Christina Marie Gonzales, Vice Chair
3. Dr. Soraya Coley
4. Frances Teves
5. Dr. Terri Gomez
6. Dr. Rita Kumar
7. Meghan Shadrack
8. Dr. Phyllis Nelson
9. Dr. Homeyra Sadaghiani
10. April Jimenez-Valadez
11. Cynthia Nelson
12. Dr. David Speak
13. Dr. Alison Baski
14. Erica Frausto-Aguado
15. Ruby Suchecki
16. Dr. Maryann Tolano-Leveque
17. Mayra Brown
18. Kris Zoleta
19. Cade Wheeler
20. John McGuthry
21. Stephanie Pastor
22. Lowell Overton
23. Oliver Santos
24. Anissa Patel

<p>Board Meeting Tuesday, September 17, 2024 2 pm – 4 pm KW Valley Vista & Zoom</p>
<p>Board Meeting Tuesday, December 17, 2024 2 pm – 4 pm KW Valley Vista & Zoom</p>
<p>Board Meeting Friday, February 21, 2025 2 pm – 4 pm KW Valley Vista & Zoom</p>
<p>Board Meeting Tuesday, May 13, 2025 2 pm – 4 pm KW Valley Vista & Zoom</p>

Reserves	Purpose	Authorized Signers	Sample Past Expenditures	Planned Future expenditure	Balance as of June 30, 2024
Capital/Real Estate & Deferred Maintenance Policy # 172	Established to provide fiscal viability on maintaining appropriate debt service coverage and Real Estate deferred maintenance	Board of Directors, CEO, CFO	April 2016 - KW Conference center \$18,535; KW Hotel \$1,450,920; July 2018 - Support for Lanterman \$500,000	Innovation Village Development - Faculty/Staff Housing and mixed-use	\$ 7,206,659
Operating/Working Capital Reserve Policy # 172	Established to provide fiscal viability on maintaining appropriate Operating/Working Capital	Board of Directors, CEO, CFO	No activity	Available for working capital in times of scarcity	620,037
Venture Capital Reserve Fund Policy # 172	Established to provide fiscal viability for future operations.	Board of Directors, CEO, CFO			3,668,175
Residential Board Meal Program & Residence Student Program Trust Fund Policy # 171	Established for the distribution of Residential Board Meal Program Surplus to enhance the residential dining experience. This can include equipment, furniture, facility upgrades, and more.	CEO, CFO, Director of Dining	June 2011 - Capital improvement to Los Olivos \$319,819; May 2022 - CenterPointe Dishroom upgrade \$33,725	New equipment, furniture replacement, and capital improvements at Centerpointe	5,565,623
Insurance Policy # 174	Established to provide adequate insurance reserves to pay for the deductible amount greater than \$10,000 versus the actual deductible on CPPE's insurance policies. This Reserve policy excludes flood and earthquake insurance policies.	CEO, CFO	No activity	Available for insurance claims that exceed thresholds	286,496
University Village Development Policy # 176	Established for the development (capital and operating) of the CPPE's University Village including facilities renewals, replacement of equipment, infrastructure upgrades or expansion.	Chair of Finance Committee, CEO, CFO	New Reserve. No activity.	Innovation Village Development; deferred maintenance at University Village	1,321,735
AG State Share Reserve Policy # 170	Capital and operating expenditures for Ag after consideration of Pine Tree Ranch.	Board of Directors, Dean College Of Ag, CEO	November 2018 - Onion shed roof repair \$33,500	Upkeep of Agricultural assets for academic and commercial purposes	485,336
Office of research & Sponsored Prog. Policy # 175	Establish to provide assistance for the bringing intellectual property to the public market place by funding services regarding patent, trademark and copyright applications.	Board of Directors, Provost , VP of Research and Graduate Studies	No activity		120,217
Pine Tree Policy # 170	Capital outlays for the Pine Tree Ranch.	Board of Directors, Dean College Of Ag, CEO	No activity	Upkeep of Agricultural assets at Pine Tree Ranch	75,000
<u>Other Reserves</u>					
Innovation Village Demo Reserve (Contractual)	In response to Section 13 in Ground Lease agreements. Established at 0.99% of annual income.	CEO, CFO, Director of Real Estate	No activity	Eventual demolition/replacement of IV buildings	158,845
Grants Indirect cost for disallowable expense	Establish to reserve for Grant's disallowable expenses.	CEO, CFO, Director of Real Estate	No activity		309,940
Bookstore IA Scholarship	Establish to reserve for bookstore Scholarship	CEO, CFO, Bookstore Director	No activity		100,000
Total Reserves					\$ 19,918,062

CAL POLY POMONA
ENTERPRISES

CEO's Report

September 17, 2024

Board of Directors

Agenda

- ▶ Heat, Pipes & HVAC
- ▶ UV Occupancy + Freshman
- ▶ Schools First FCU Open
- ▶ IT Recognition
- ▶ NACUFS Survey Results Preview
- ▶ Prop 32 Impact
- ▶ Philanthropic Audit
- ▶ The Patio
- ▶ External Partner Events - CACS & CSULB

Memorandum



Date: September 17, 2024
To: Board of Directors
From: Jared Ceja, Chief Executive Officer
Attached: (1) 2024-2025 Board of Directors Membership
(2) Committee Roles for 2024-2025
Subject: **Election of new Board Members**

Serving as a member of the Cal Poly Pomona Foundation Board of Directors is impactful and rewarding, but also comes with serious responsibility. As a board member, decisions you make affect the lives of students, faculty and staff at the California State Polytechnic University, Pomona now and in the future.

Per Article V of the Bylaws, the maximum authorized number of voting Directors of the Board shall be twenty-four (24).

There are nine (9) Designated Directors appointed by virtue of the position they hold at the University as follows:

- University President, Vice President for Academic Affairs, Vice President for Student Affairs, Vice President for Advancement, Vice President for Administrative Affairs, Vice President for Instructional & Information Technology, Chair of the Academic Senate, Chair of Staff Council and President of Associated Students, Inc.

There are fifteen (15) elected Directors with terms and nominations as follows:

- a) one (1) Dean Director – three (3) year term (nominated by the Deans Action Council);
- b) two (2) Faculty Directors – three (3) year term (nominated by the Academic Senate);
- c) five (5) At Large Directors – two (2) year term (nominated by the University President);
- d) three (3) Community Directors – three (3) year term (nominated by the University President);
- e) two (2) Staff Directors – three (3) year term (nominated by the Staff Council); and
- f) two (2) Student Directors – two (2) year term (nominated by the Associated Students Senate).

Today we have one (1) new Student Director nominee for the Foundation Board of Directors, Magan Shadrick. Her name has been included on the presented attachment.

BE IT RESOLVED that the Board of Directors approves the election of Megan Shadrick as the Student Director for a two (2) year term covering academic years 24/25 and 25/26.

BE IT FURTHER RESOLVED that the Board of Directors approves the updated 2024-2025 Board of Directors Membership and Committee Roles for 2024-2025 documents which now include Megan Shadrick and other updates to Board/Committee membership as determined at the July 13, 2024, Board Retreat.

PASSED AND ADOPTED THIS 17th DAY OF SEPTEMBER 2024.

By: _____
John McGuthry, Secretary/Treasurer
Board of Directors

2024-2025 Committee Assignments

Nominating Committee

1. **Dr. Terri Gomez, Chair
2. **Stephanie Pastor
3. **Dr. Homeyra Sadaghiani

Audit Committee (September & February)

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

Executive Committee

1. Dr. Soraya Coley
2. Ysabel Trinidad, Chair
3. Chritina Gonzales, Vice Chair
4. Rita Kumar
5. Cade Wheeler
6. *Ruby Suchecki
7. Stephanie Pastor

Personnel Committee (September, December & February)

1. Dr. Phyllis Nelson, Chair
2. Cynthia Nelson
3. April Jimenez-Valadez
4. Mayra Brown
5. Megan Shadrick
6. ***Kimberly G. Allain

Program Committee (September & February)

1. Christina Gonzales, Chair
2. Erica Frausto
3. Maryann Tolano-Leveque
4. Dr. Rita Kumar
5. Dr. Phyllis Nelson
6. Kris Zoleta
7. Mayra Brown
8. Cade Wheeler
9. Frances Teves
10. Dr. David Speak
11. *** Craig Lamunyon

Finance/Investment Committee (Every quarter)

1. **Ysabel Trinidad, Chair
2. Alison Baski
3. Dr. Rita Kumar
4. Kris Zoleta
5. Ruby Suchecki
6. Cynthia Nelson
7. Anissa Patel
8. ***Carol Lee
9. ***Michelle Cardona

*Positions appointed by the President

**Positions appointed by the Board Chair

***Non-Board committee members

Memorandum



Date: September 17, 2024

To: Board of Directors

From: Dr. David Speak, Audit Chair
Tariq Marji, Chief Finance Officer
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: **2023-2024 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, 2024. This is the second 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:

- 2023-2024 Financial Audit
- 2023-2024 Single Audit Reports

PROPOSED ACTION:

Management and the Audit Committee recommend the review and approval of CohnReznick LLP's unmodified opinion of the Enterprises' Financial and Single Audit Reports for the fiscal year ended June 30, 2024.

BE IT RESOLVED that the Board of Directors accepts the recommendation of the Audit Committee, with any additional changes as reviewed in this meeting, and approves CohnReznick LLP'S unmodified opinion of the Enterprises' Financial and Single Audit Reports as presented.

Passed and adopted this 17th day of September 2024.

By: _____
John McGuthry, Secretary/Treasurer
Board of Directors

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, 2024, 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 July 24, 2024, 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 through 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 2024. 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:

- Lease receivables
- Lease liabilities
- Pension benefits
- Postretirement benefits

In connection with our audit of the financial statements for the year ended June 30, 2024, 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, 2024

Preliminary Draft -
for discussion purposes only

Cal Poly Pomona Foundation, Inc.

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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, 2024, 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, 2024, 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 raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 51, the Schedule of Foundation Contributions on page 52, and the Schedule of Changes in Net OPEB Liability and Related Ratios on page 53 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 55 to 69 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 55 to 69 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 55 to 69 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

Preliminary Draft -
for discussion purposes only

**Management's Discussion and Analysis ("MD&A")
Year Ended June 30, 2024**

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, 2024.

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.

Cal Poly Pomona Foundation, Inc.

Management's Discussion and Analysis ("MD&A")
Year Ended June 30, 2024

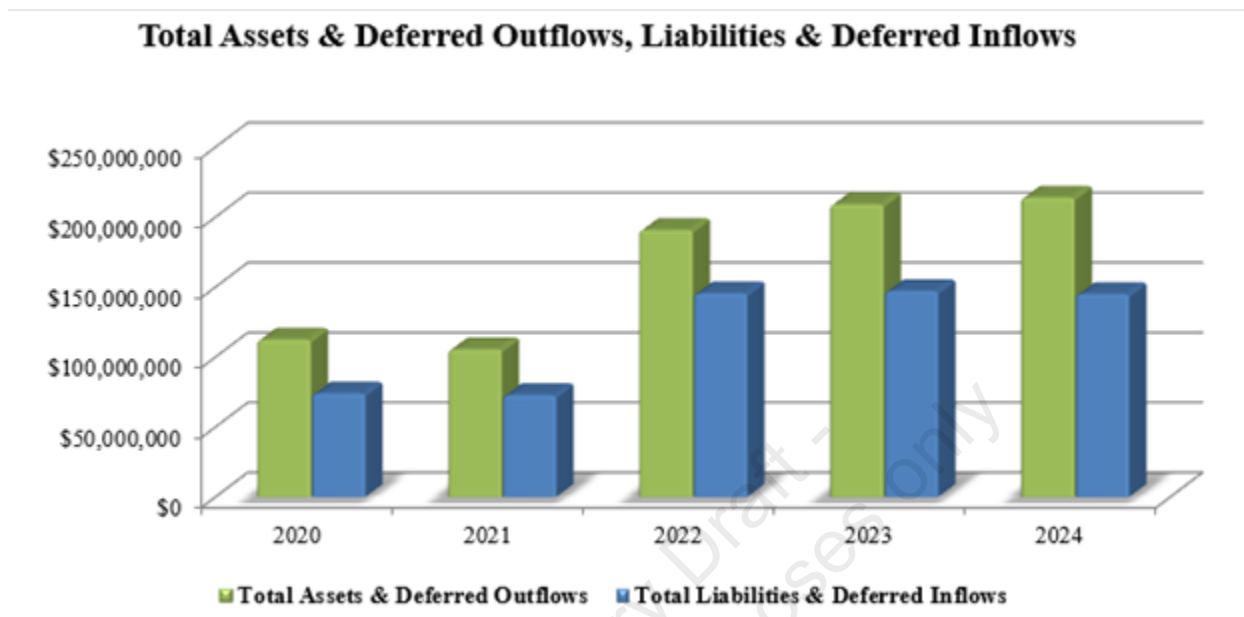
These statements are supported by notes to the basic financial statements, required supplementary information, as appropriate, and this section. All sections must be considered together to obtain a complete understanding of the financial status of the Foundation.

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

	2024 (in thousands)	2023 (in thousands)
Assets		
Current assets	\$ 73,342	\$ 63,449
Noncurrent assets		
Restricted cash and cash equivalents	20	5
Accounts receivable, net of current portion	2,312	2,313
Lease receivables, net of current portion	92,578	93,067
Long-term investments	1,515	1,433
Capital assets, net	37,096	39,004
Total noncurrent assets	<u>133,521</u>	<u>135,822</u>
Total assets	<u>206,863</u>	<u>199,271</u>
Deferred outflows of resources		
Net pension liability	6,617	6,750
Net OPEB liability	843	3,042
Total deferred outflows of resources	<u>7,460</u>	<u>9,792</u>
Liabilities		
Current liabilities	14,205	12,131
Noncurrent liabilities	34,249	39,362
Total liabilities	<u>48,454</u>	<u>51,493</u>
Deferred inflows of resources		
Net pension liability	4,324	3,404
Leases	89,127	91,018
Net OPEB liability	2,480	493
Split interest agreements	899	715
Total deferred inflows of resources	<u>96,830</u>	<u>95,630</u>
Net position		
Net investment in capital assets	19,442	20,984
Restricted unvested grant assets	344	222
Unrestricted	49,253	40,734
Total net position	<u>\$ 69,039</u>	<u>\$ 61,940</u>

**Management's Discussion and Analysis ("MD&A")
Year Ended June 30, 2024**

Total assets and deferred outflows were \$214.3 million and \$209.1 million for fiscal years 2024 and 2023, respectively. The increase between 2024 and 2023 of \$5.2 million or 2.5% is attributed to the increase in current assets of \$9.9 million and a decrease of \$2.3 million in pension and OPEB liabilities, and \$1.9 million in net capital assets.



Total liabilities and deferred inflows were \$145.3 million and \$147.1 million for the fiscal years 2024 and 2023, respectively. The net decrease of \$1.8 million is mainly due to a decrease of \$3.0 million in total liabilities and an increase of \$1.2 million in deferred inflows.

Net Position

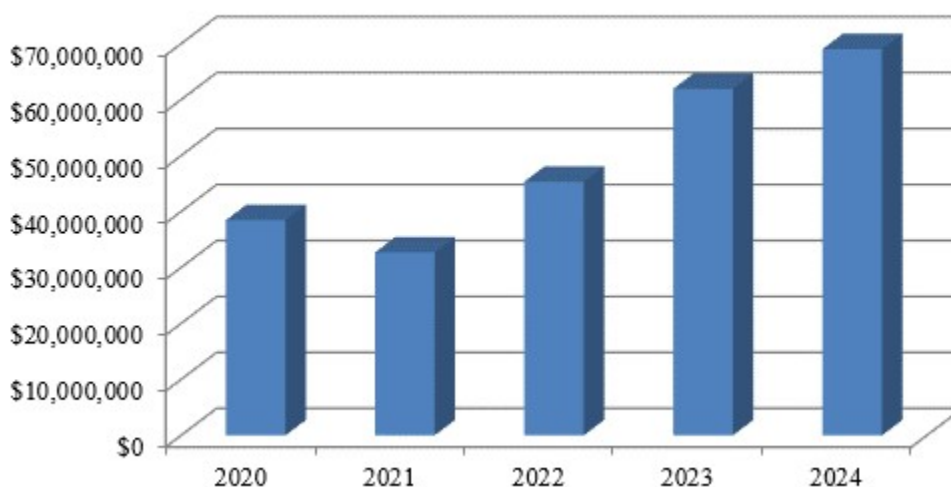
Net position represents the residual interest in the Foundation's assets after liabilities are deducted. The Foundation's net position is as follows:

	2024 (in thousands)	2023 (in thousands)
Net investment in capital assets	\$ 19,442	\$ 20,984
Restricted		
Expendable	344	222
Unrestricted	49,253	40,734
Net position	\$ 69,039	\$ 61,940

Net position increased by 11.5% or \$7.1 million primarily in unrestricted entrepreneurial activities of the Foundation as well as program activities. Net investment in capital assets decreased by \$1.5 million or 7.3%.

Management's Discussion and Analysis ("MD&A")
Year Ended June 30, 2024

Net Position



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:

	2024 (in thousands)	2023 (in thousands)
Operating revenues		
Educational activities	\$ 9,377	\$ 19,232
Enterprise activities	54,012	49,901
Grants and contracts	22,077	19,093
Admin and real estate activities	11,638	10,465
Total operating revenues	<u>97,104</u>	<u>98,691</u>
Operating expenses	<u>93,660</u>	<u>83,093</u>
Operating income	<u>3,444</u>	<u>15,598</u>
Nonoperating revenues (expenses)		
Gain on PPP loan forgiveness	-	3,795
Investment income, net	4,984	2,137
Interest expense	(1,229)	(1,294)
Other nonoperating expenses	(100)	(3,628)
Net nonoperating revenues (expenses)	<u>3,655</u>	<u>1,010</u>
Change in net position	7,099	16,608
Net position		
Net position, beginning of year	61,940	45,332
Net position, end of year	<u>\$ 69,039</u>	<u>\$ 61,940</u>

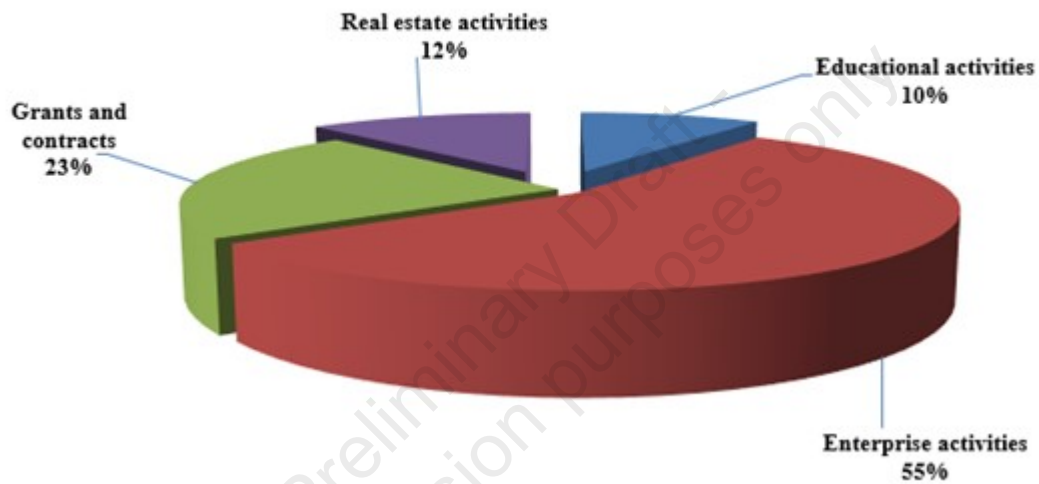
Management's Discussion and Analysis ("MD&A")
Year Ended June 30, 2024

During the fiscal year 2024, total operating revenues decreased 1.6% or \$1.6 million as educational activities decreased by \$9.9 million but all other areas increased by \$8.3 million in total. Operating expenses increased 12.7% or \$10.6 million because of the increase in enterprise and grant and contracts activities.

The net nonoperating revenues were approximately \$3.7 million. Net investment gain for the year was approximately \$5.0 million as the market continued to produce positive gains.

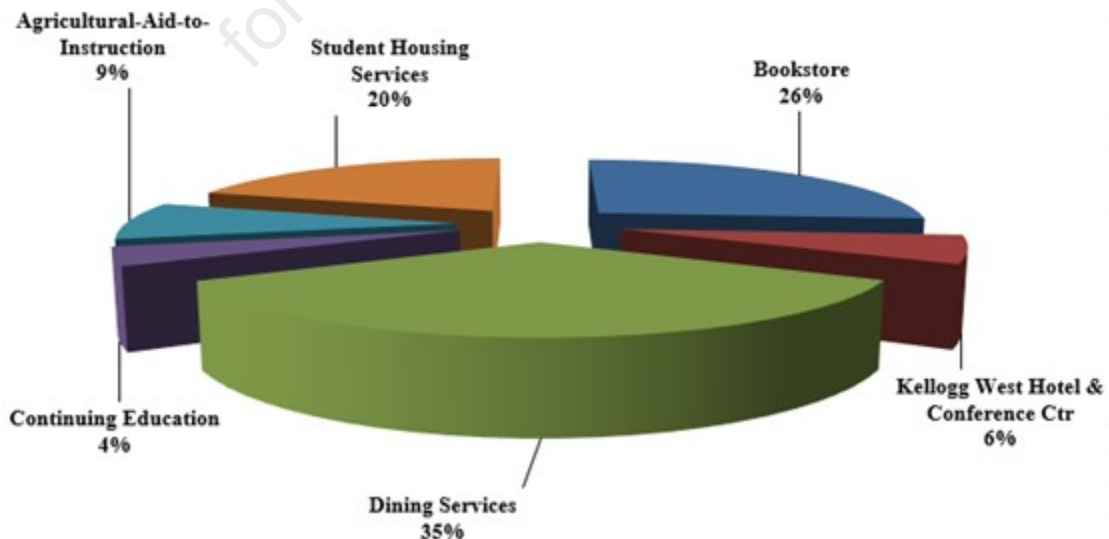
Operating revenues also include grants and contracts awarded by governmental and private institutions. Amounts administered by the Foundation are recorded as revenue and expense in the financial statements.

Operating Revenues



Auxiliary enterprise operating revenues consist of the following programs:

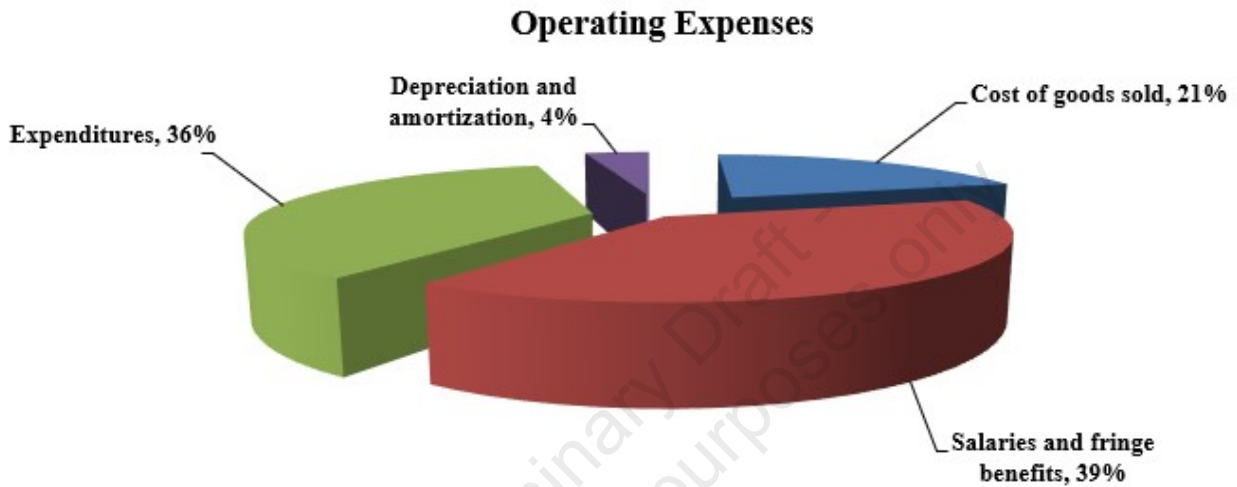
Enterprise Revenues



**Management’s Discussion and Analysis (“MD&A”)
Year Ended June 30, 2024**

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.

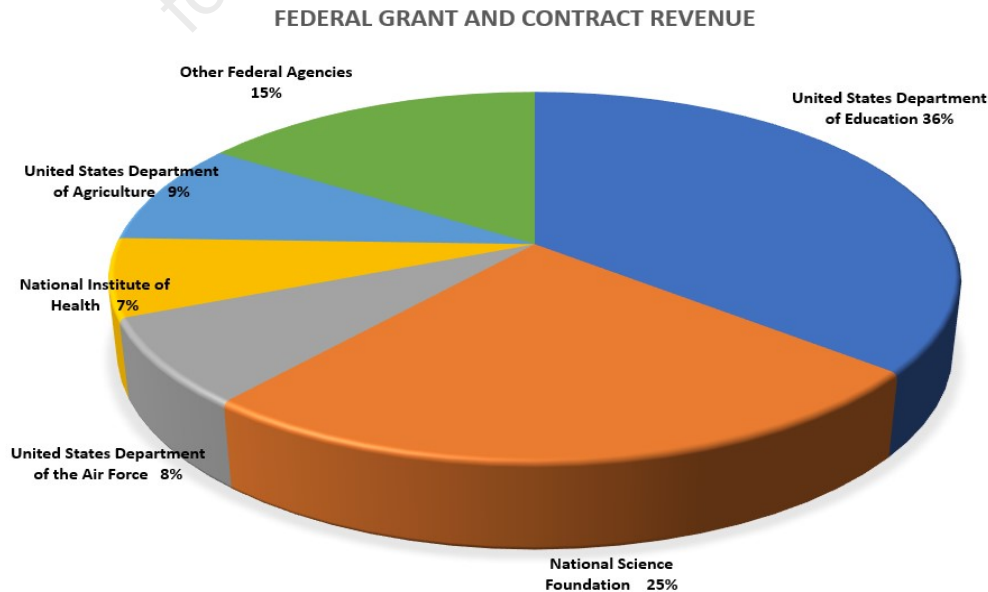
In fiscal year 2024, operating expenses consist of cost of goods sold of \$19.3 million, salaries and fringe benefits of \$36.4 million, payments to vendors of \$34.1 million, and depreciation and amortization of \$3.9 million.



Grants and Contracts

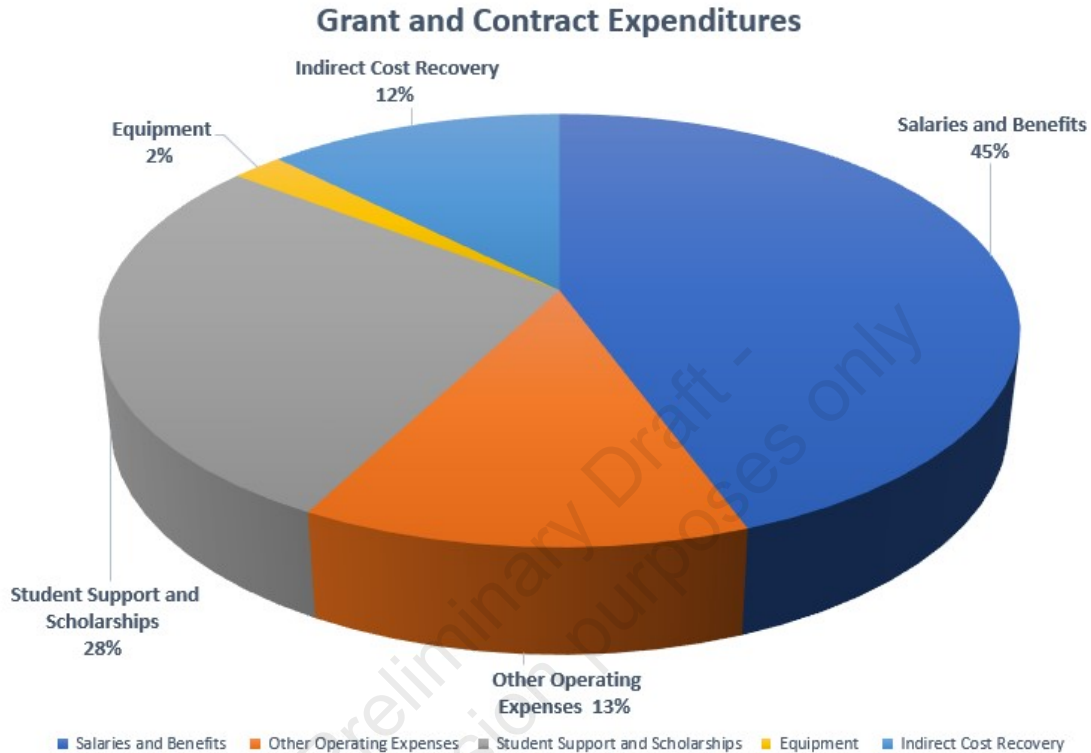
The Foundation is the recipient of all externally-funded sponsored projects awarded on behalf of California State Polytechnic University, Pomona. For the fiscal year 2023-24, University faculty and staff have secured over \$23.3 million in external funds representing 153 projects.

Federal grant and contract awards received represents 71% of the sponsored program activity and includes support from a variety of agencies including:



Management's Discussion and Analysis ("MD&A")
Year Ended June 30, 2024

During the last two fiscal years, grants and contracts expenditures totaled \$41.4 million consisting of federal grants and contracts of \$29.2 million, state grants and contracts of \$8.0 million, and non-governmental grants and contracts of \$4.2 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 \$5.2 million in fiscal year 2023-24 and 2022-23. 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

Preliminary Draft -
for discussion purposes only

Cal Poly Pomona Foundation, Inc.

Statement of Net Position
June 30, 2024

Assets

Current assets

Cash and cash equivalents	\$ 4,310,666
Short-term investments	42,858,571
Accounts receivable, current portion, net	9,685,780
Accounts receivable from related parties	13,878,438
Lease receivables, current portion	866,568
Inventories	1,521,301
Prepaid expenses and other assets	<u>220,790</u>

Total current assets 73,342,114

Noncurrent assets

Restricted cash and cash equivalents	19,780
Accounts receivable, net of current portion	2,312,129
Lease receivables, net of current portion	92,578,446
Long-term investments	1,514,561
Capital assets, net	<u>37,096,092</u>

Total noncurrent assets 133,521,008

Total assets 206,863,122

Deferred outflows of resources

Net pension liability	6,616,841
Net OPEB liability	<u>842,602</u>

Total deferred outflows of resources \$ 7,459,443

Cal Poly Pomona Foundation, Inc.

Statement of Net Position
June 30, 2024

Liabilities	
Current liabilities	
Accounts payable	\$ 4,242,730
Accounts payable to related parties	1,826,344
Accrued salaries and benefits payable	843,514
Accrued compensated absences	824,266
Unearned revenue	1,771,244
Lease liabilities, current portion	1,329,452
Other liabilities	3,366,792
	<hr/>
Total current liabilities	14,204,342
	<hr/>
Noncurrent liabilities	
Lease liabilities, net of current portion	16,325,029
Net pension liability	14,847,664
Net OPEB liability	2,437,917
Unitrust liability	638,399
	<hr/>
Total noncurrent liabilities	34,249,009
	<hr/>
Total liabilities	48,453,351
	<hr/>
Deferred inflows of resources	
Net pension liability	4,324,348
Leases	89,126,861
Net OPEB liability	2,479,664
Split interest agreements	899,309
	<hr/>
Total deferred inflows of resources	96,830,182
	<hr/>
Net position	
Net investment in capital assets	19,441,611
Restricted unvested grant assets	344,248
Unrestricted	49,253,173
	<hr/>
Total net position	\$ 69,039,032
	<hr/>

See Notes to Financial Statements.

Cal Poly Pomona Foundation, Inc.

Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2024

Operating revenues	
Educational activities	\$ 9,376,953
Enterprise activities	54,011,524
Grants and contracts	22,077,519
Administrative and real estate activities	<u>11,638,090</u>
Total operating revenues	<u>97,104,086</u>
Operating expenses	
Educational activities	8,038,698
Enterprise activities	44,650,664
Grants and contracts	21,647,053
Administrative and real estate activities	15,464,825
Depreciation and amortization	<u>3,858,400</u>
Total operating expenses	<u>93,659,640</u>
Operating income	<u>3,444,446</u>
Nonoperating revenues (expenses)	
Investment income	4,983,792
Interest expense	(1,228,757)
Other nonoperating expenses	<u>(100,433)</u>
Net nonoperating revenues	<u>3,654,602</u>
Change in net position	7,099,048
Net position, beginning of year	<u>61,939,984</u>
Net position, end of year	<u>\$ 69,039,032</u>

See Notes to Financial Statements.

Cal Poly Pomona Foundation, Inc.

**Statement of Cash Flows
Year Ended June 30, 2024**

Cash flows from operating activities	
Receipts from federal grants and contracts	\$ 16,910,029
Receipts from state and local grants and contracts	3,256,373
Receipts from nongovernmental grants and contracts	1,911,117
Payments to suppliers	(47,876,940)
Payments to employees	(26,974,277)
Payments for benefits	(7,870,543)
Sales and services of educational activities	9,376,953
Sales and services of enterprise activities	43,067,076
Other receipts	<u>8,722,814</u>
Net cash provided by operating activities	<u>522,602</u>
Cash flows from noncapital financing activities	
Other noncapital financing activities	<u>(100,433)</u>
Net cash used in noncapital financing activities	<u>(100,433)</u>
Cash flows from capital and related financing activities	
Acquisitions of capital assets	(1,971,897)
Principal paid on capital debt and lease	(1,345,801)
Interest paid on capital debt and lease	(1,228,757)
Principal collections on lease receivable	938,169
Deferred inflow of leases	<u>(1,891,583)</u>
Net cash used in capital and related financing activities	<u>(5,499,869)</u>
Cash flows from investing activities	
Proceeds from sales and maturities of investments	13,431,408
Purchases of investments	(20,460,857)
Investment income	<u>617,746</u>
Net cash used in investing activities	<u>(6,411,703)</u>
Net decrease in cash and cash equivalents	(11,489,403)
Cash and cash equivalents, beginning	<u>15,819,849</u>
Cash and cash equivalents, end	<u><u>\$ 4,330,446</u></u>
Breakdown of ending cash balance	
Cash and cash equivalents	\$ 4,310,666
Restricted cash and cash equivalents	<u>19,780</u>
	<u><u>\$ 4,330,446</u></u>

Cal Poly Pomona Foundation, Inc.

Statement of Cash Flows
Year Ended June 30, 2024

Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 3,444,446
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization	3,858,400
Lease receivable additions	(435,964)
Loss on disposal of assets	21,551
Change in assets and liabilities	
Accounts receivable, net	(10,745,532)
Prepaid expenses and other assets	648,149
Deferred outflows of resources	2,332,736
Accounts payable and accounts payable to related parties	2,209,446
Accrued salaries and benefits payable	(28,369)
Accrued compensated absences	61,832
Unearned revenue	(198,916)
Net other postemployment benefits liability	(5,166,111)
Net pension liability	1,470,851
Other liabilities	(40,989)
Deferred inflows of resources	<u>3,091,072</u>
Net cash provided by operating activities	<u>\$ 522,602</u>

See Notes to Financial Statements.

Cal Poly Pomona Foundation, Inc.

Statement of Fiduciary Net Position
June 30, 2024

	<u>Bronco Bucks</u>
Assets	
Current assets	
Cash	<u>\$ 449,840</u>
Total assets	<u>449,840</u>
Net position	
Restricted:	
Funds held for others	<u>449,840</u>
Total net position	<u><u>\$ 449,840</u></u>

Preliminary Draft -
for discussion purposes only

Cal Poly Pomona Foundation, Inc.

Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2024

	<u>Bronco Bucks</u>
Additions	
Program income	<u>\$ 449,840</u>
Total additions	<u>449,840</u>
Deductions	
Distributions	<u>429,553</u>
Total deductions	<u>429,553</u>
Change in fiduciary net position	20,287
Fiduciary net position, beginning of year	<u>429,553</u>
Fiduciary net position, end of year	<u><u>\$ 449,840</u></u>

Preliminary Draft -
for discussion purposes only

Cal Poly Pomona Foundation, Inc.

Notes to Financial Statements June 30, 2024

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.

Cal Poly Pomona Foundation, Inc.

Notes to Financial Statements June 30, 2024

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 position 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

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.

Cal Poly Pomona Foundation, Inc.

Notes to Financial Statements June 30, 2024

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").

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.

Cal Poly Pomona Foundation, Inc.

Notes to Financial Statements

June 30, 2024

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 projected and actual earnings on pension and OPEB plan investments. In addition, deferred inflows related to the net pension liability include changes in its proportionate share of the net pension liability and difference between contributions and proportionate share of contributions.

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.

Cal Poly Pomona Foundation, Inc.

Notes to Financial Statements June 30, 2024

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 [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.

Cal Poly Pomona Foundation, Inc.

**Notes to Financial Statements
June 30, 2024**

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, 2024, 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, 2024:

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

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 diversify risk.

As of June 30, 2024, all mutual funds invested in fixed income securities, with total fair value of \$200,717, have a duration between one and four years, and were included in general investments.

Cal Poly Pomona Foundation, Inc.

**Notes to Financial Statements
June 30, 2024**

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:

<u>Investment type</u>	<u>Rating (S&P/Moody's)</u>	<u>Fair value</u>
Fixed income mutual funds	AA- through AA+	\$ 200,717
Corporate bonds	BB- through BB+	9,973,202
US treasury securities	AAA	-

At June 30, 2024, the Foundation's fixed income securities have the following maturities:

	<u>1 year</u>	<u>1 - 5 years</u>	<u>5 - 10 years</u>	<u>Over 10 years</u>	<u>Total</u>
Fixed income mutual funds	\$ -	\$ 200,717	\$ -	\$ -	\$ 200,717
Corporate bonds	9,751,519	-	-	221,683	9,973,202
	<u>\$ 9,751,519</u>	<u>\$ 200,717</u>	<u>\$ -</u>	<u>\$ 221,683</u>	<u>\$ 10,173,919</u>

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.

Cal Poly Pomona Foundation, Inc.

**Notes to Financial Statements
June 30, 2024**

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, 2024, 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, 2024, are composed of the following:

Cash on hand	\$ 2,494
Cash in bank	998,791
Cash and cash equivalents	3,309,381
Restricted cash and cash equivalents	19,780
	\$ 4,330,446

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, 2024, cash held by financial institutions for the Foundation of \$4,308,172 was insured and collateralized as described above. At June 30, 2024 the book balance for the Foundation was \$998,791, cash and cash equivalents was \$3,309,381 and restricted cash and cash equivalents was \$19,780.

Cal Poly Pomona Foundation, Inc.

Notes to Financial Statements June 30, 2024

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, 2024, the Foundation's bank deposits exceeded the balance insured by the FDIC by \$748,791. 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, 2024, investments consist of the following:

Common stocks	\$ 26,631,688
Corporate bonds	9,973,202
Indexed annuity	238,330
Fixed income mutual funds	200,717
Local agency investment fund	104,266
Alternative investments	7,224,929
	<hr/>
Total investments	44,373,132
	<hr/>
Less short-term investments	42,858,571
	<hr/>
Long-term investments	\$ 1,514,561
	<hr/>

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, 2024 due to the relative short maturities of these instruments.

Cal Poly Pomona Foundation, Inc.

**Notes to Financial Statements
June 30, 2024**

At June 30, 2024, 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	\$ 26,631,688	\$ -	\$ -	\$ -	\$ 26,631,688
Corporate bonds	-	9,973,202	-	-	9,973,202
Indexed annuity	238,330	-	-	-	238,330
Fixed income mutual funds	200,717	-	-	-	200,717
Local agency investment fund	-	-	-	104,266	104,266
Alternative investments	-	-	-	7,224,929	7,224,929
Total	\$ 27,070,735	\$ 9,973,202	\$ -	\$ 7,329,195	\$ 44,373,132

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 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, 2024, 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				
Atalaya Sof TE IX	\$ 56,499	\$ 193,501	None	None
Fortress Lending IV A (FO)	7,500	242,500	None	None
Fortress Lending IV A (FO) CPV	17,500	-	None	None
Premier LCP X Offshore	122,314	278,285	None	None
Premier LCP X Offshore CPV	40,190	-	None	None
Hamilton Lane	2,712,082	616,666	None	None
Blue Owl	58,372	273,115	None	None
Hedge Funds				
Coatue Offshore	294,560	-	Quarterly	45 Calendar Days
Hudson Bay Ltd - Advisory	870,355	-	Quarterly	60 Days
Schonfeld Ltd	911,261	-	Quarterly	45 Calendar Days
Seg Partners Offsh Class I	299,892	-	Quarterly	60 Days
Third Point	263,752	-	Quarterly	60 Days
Hedge Funds - Shares				
Blackstone BCRED	261,024	-	Monthly	3 Days
BREIT CL I	521,266	-	Monthly	3 Days
HP/Starboard Value Ltd	304,045	-	Quarterly	90 Calendar Days
Partners Group Pe - I	484,317	-	Quarterly	Tender Window
	<u>\$ 7,224,929</u>	<u>\$ 1,604,067</u>		

Investment earnings

Net investment income was \$4,983,792 for the year ended June 30, 2024, 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.

Cal Poly Pomona Foundation, Inc.

**Notes to Financial Statements
June 30, 2024**

Note 6 - Accounts receivable

The following is a summary of accounts receivable at June 30, 2024:

Real estate	\$	2,855,218
Enterprise activities		3,251,318
Grants and contracts		4,710,537
Educational activities		1,354,217
Less allowance for uncollectible amounts		<u>(173,381)</u>
Subtotal accounts receivable		<u>11,997,909</u>
Due from related parties		<u>13,878,438</u>
Total accounts receivable		<u>25,876,347</u>
Less due from related parties		13,878,438
Less current accounts receivable		<u>9,685,780</u>
Noncurrent accounts receivable	\$	<u><u>2,312,129</u></u>

Note 7 - Capital assets

The capital assets balance at June 30, 2024, consists of the following activity:

	Balance July 1, 2023	Increases	Decreases	Transfers	Balance June 30, 2024
Capital assets, not being depreciated					
Land	\$ 7,102,910	\$ -	\$ -	\$ -	\$ 7,102,910
Construction in progress	564,814	1,243,154	-	(1,069,885)	738,083
Total capital assets not being depreciated	<u>7,667,724</u>	<u>1,243,154</u>	<u>-</u>	<u>(1,069,885)</u>	<u>7,840,993</u>
Capital assets being depreciated					
Buildings and building improvements	37,099,620	-	1,267,547	774,017	36,606,090
Orchards	143,638	-	-	-	143,638
Infrastructure	8,651,467	-	-	-	8,651,467
Equipment, furniture and vehicles	13,095,061	728,743	124,464	295,868	13,995,208
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	<u>80,431,425</u>	<u>728,743</u>	<u>1,392,011</u>	<u>1,069,885</u>	<u>80,838,042</u>
Total capital assets	<u>88,099,149</u>	<u>1,971,897</u>	<u>1,392,011</u>	<u>-</u>	<u>88,679,035</u>
Less accumulated depreciation/amortization for					
Buildings and building improvements	30,903,251	1,230,243	1,267,547	-	30,865,947
Orchards	134,896	1,177	-	-	136,073
Infrastructure	3,224,962	216,255	-	-	3,441,217
Equipment, furniture and vehicles	11,409,951	697,613	102,913	-	12,004,651
Right-of-use leases					-
Land and building	3,406,411	1,703,597	-	-	5,110,008
Equipment, furniture and vehicles	15,532	9,515	-	-	25,047
Total accumulated depreciation	<u>49,095,003</u>	<u>3,858,400</u>	<u>1,370,460</u>	<u>-</u>	<u>51,582,943</u>
Depreciable assets, net	<u>31,336,422</u>	<u>(3,129,657)</u>	<u>21,551</u>	<u>1,069,885</u>	<u>29,255,099</u>
Total capital assets - net	<u>\$ 39,004,146</u>	<u>\$ (1,886,503)</u>	<u>\$ 21,551</u>	<u>\$ -</u>	<u>\$ 37,096,092</u>

Cal Poly Pomona Foundation, Inc.

**Notes to Financial Statements
June 30, 2024**

For the year ended June 30, 2024 depreciation expense was \$2,145,288 and amortization expense was \$1,713,112.

Note 8 - Lease receivables

Lease receivable income was \$2,052,074 for the year ended June 30, 2024, which is comprised of \$938,169 of principal payments and \$1,175,495 of interest payments.

Lease receivables consists of the following as of June 30, 2024:

Name	Balance June 30, 2023	Additions	Principal payments	Balance June 30, 2024
Acroscience	\$ 34,105	\$ -	\$ 15,948	\$ 18,157
American National Red Cross	18,850,588	-	186,683	18,663,905
Biomedix	352,453	-	65,736	286,717
Biomedix	158,397	-	45,672	112,725
Blair, Church & Flynn Consulting Engineers	21,850	65,738	21,850	65,738
Circle Wood	104,343	-	104,343	-
Mesa	540,106	-	263,482	276,624
Titan Oil Recovery I, Inc.	98,317	-	73,267	25,050
Titan Oil Recovery II, Inc.	-	370,226	36,709	333,517
Southern California Edison III	18,861,230	-	28,941	18,832,289
Southern California Edison IV	22,483,468	-	79,643	22,403,825
Southern California Edison V	32,442,362	-	15,895	32,426,467
	<u>\$ 93,947,219</u>	<u>\$ 435,964</u>	<u>\$ 938,169</u>	<u>\$ 93,445,014</u>

Cal Poly Pomona Foundation, Inc.

**Notes to Financial Statements
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Lease agreements where the Foundation is the lessor are summarized as follows:

<u>Tenant</u>	<u>Address</u>	<u>Unit/Suite#</u>	<u>Lease Start Date</u>	<u>Lease End Date</u>	<u>Lease term (months)</u>	<u>Discount Rate</u>	<u>Base monthly rent</u>	<u>Increase % per year</u>	<u>Current payment per month</u>
Acroscience	3670 West Temple Ave., Pomona, CA 91768	135	8/1/2022	7/31/2025	36	1.86%	\$ 1,133	3% - 2nd yr 3% - 3rd yr	\$ 1,374
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 3% - 2nd yr 3% - 3rd yr 4% - 4th yr 4% - 5th yr	\$ 44,596
Biomedix	3670 West Temple Ave., Pomona, CA 91768	277	10/1/2021	9/30/2026	60	1.86%	\$ 3,816	3% - 2nd yr 3% - 3rd yr 4% - 4th yr 4% - 5th yr	\$ 4,048
Biomedix	3670 West Temple Ave., Pomona, CA 91768	195 & 196	4/1/2023	3/31/2028	60	1.86%	\$ 5,904	Based on CPI rate	\$ 6,199
Blair, Church & Flynn Consulting Engineers	3670 West Temple Ave., Pomona, CA 91768	110	6/15/2021	6/30/2027	72	5.35%	\$ 1,915	3% - 2nd yr 3% - 3rd yr	\$ 1,839
Circle Wood	3670 West Temple Ave., Pomona, CA 91768	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	\$ 8,783
Mesa	3670 West Temple Ave., Pomona, CA 91768	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	\$ 22,606
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	\$ 33,190
Titan Oil Recovery I, Inc.	3670 West Temple Ave., Pomona, CA 91768	270	11/1/2021	10/31/2024	36	5.35%	\$ 5,869	3% - 2nd yr 3% - 3rd yr	\$ 6,287
Titan Oil Recovery II, Inc.	3670 West Temple Ave., Pomona, CA 91768	240 & 271	12/1/2023	11/30/2028	60	5.12%	\$ 6,529	3% - 2nd yr 3% - 3rd yr	\$ 6,529

Cal Poly Pomona Foundation, Inc.

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

Fiscal year	Principal	Interest	Principal and interest
2025	\$ 866,568	\$ 1,175,495	\$ 2,042,063
2026	595,530	1,160,145	1,755,675
2027	595,281	1,147,204	1,742,485
2028	584,333	1,134,505	1,718,838
2029	502,890	1,123,449	1,626,339
2030-2034	2,996,885	5,491,716	8,488,601
2035-2039	4,122,302	5,230,561	9,352,863
2040-2044	5,422,627	4,882,609	10,305,236
2045-2049	6,920,283	4,434,226	11,354,509
2050-2054	8,640,792	3,869,971	12,510,763
2055-2059	9,356,795	3,184,957	12,541,752
2060-2064	6,805,523	2,706,921	9,512,444
2065-2069	8,170,707	2,298,053	10,468,760
2070-2074	9,712,313	1,809,084	11,521,397
2075-2079	11,449,767	1,229,682	12,679,449
2080-2084	10,920,067	578,823	11,498,890
2085-2089	5,782,351	155,029	5,937,380
	<u>\$ 93,445,014</u>	<u>\$ 41,612,430</u>	<u>\$ 135,057,444</u>

Note 9 - Lease liabilities

Lease liabilities consists of the following as of June 30, 2024:

Name	Balance June 30, 2023	Additions	Principal payments	Balance June 30, 2024
Ricoh Copier/Printer	\$ 7,356	\$ -	\$ 2,322	\$ 5,034
Ricoh Copier/Printer	1,231	-	1,231	-
Ricoh Copier/Printer	3,797	-	3,792	5
Ricoh Copier/Printer	3,156	-	2,228	928
CTTI - Tech Park Ground	583,902	-	288,252	295,650
University Village (Phase III) Ground	18,400,840	-	1,047,976	17,352,864
	<u>\$ 19,000,282</u>	<u>\$ -</u>	<u>\$ 1,345,801</u>	<u>\$ 17,654,481</u>

Cal Poly Pomona Foundation, Inc.

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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	\$ 194
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, III) 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
2025	\$ 1,329,452	\$ 329,113	\$ 1,658,565
2026	1,386,462	303,717	1,690,179
2027	1,408,699	275,358	1,684,057
2028	1,392,014	244,088	1,636,102
2029	1,414,034	216,924	1,630,958
2030 - 2034	7,514,537	666,824	8,181,361
2035 - 2039	3,209,283	61,192	3,270,475
	<u>\$ 17,654,481</u>	<u>\$ 2,097,216</u>	<u>\$ 19,751,697</u>

Cal Poly Pomona Foundation, Inc.

**Notes to Financial Statements
June 30, 2024**

Note 10 - Long-term liabilities

A schedule of changes in long-term liabilities for the year ended June 30, 2024 is shown below:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Amount due within one year
Lease liability	\$ 19,000,282	\$ -	\$ 1,345,801	\$ 17,654,481	\$ 1,329,452
Compensated absences	762,434	512,076	450,244	824,266	824,266
Net pension liability	13,376,813	1,470,851	-	14,847,664	-
Unitrust liability	725,271	-	86,872	638,399	-
Net OPEB liability	7,604,028	-	5,166,111	2,437,917	-
	<u>\$ 41,468,828</u>	<u>\$ 1,982,927</u>	<u>\$ 7,049,028</u>	<u>\$ 36,402,727</u>	<u>\$ 2,153,718</u>

Note 11 - 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, 2024, receivables from other activities and due from the University are \$13,093,348. Accounts payable include \$1,445,740 due to the University at June 30, 2024.

The Foundation made payments of \$11,597,525 to the University during the current fiscal year based on the agreements. Amounts paid to the Foundation during fiscal year 2023-24 totaled \$21,813,503.

During fiscal year 2023-24, the Foundation transferred assets totaling \$224,273 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 2023-24 totaled \$497,562. Amounts paid to the Foundation during fiscal year 2023-24 totaled \$2,997,262.

At June 30, 2024, accounts payable due to the Philanthropic Foundation totaled \$4,206. Accounts receivable due from the Philanthropic Foundation totaled \$576,420.

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 2023-24 totaled \$945,833. Amounts paid to the Foundation during fiscal year 2023-24 totaled \$267,440.

At June 30, 2024, receivables from other activities and due from ASI are \$208,670. Accounts payable due from the Foundation to ASI at June 30, 2024 totaled \$376,398.

Note 12 - 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

Cal Poly Pomona Foundation, Inc.

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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, 2024, 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%	7.75%
Required employer contribution rate:	13.84%	10.10%	7.68%

Cal Poly Pomona Foundation, Inc.

**Notes to Financial Statements
June 30, 2024**

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 are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2024 are presented above and the total Foundation contributions were \$2,126,518.

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

As of June 30, 2024, the Foundation reported net pension liabilities for its proportionate share of the Miscellaneous Risk Pool net pension liability totaling \$14,847,664. The net pension liability was measured as of June 30, 2023. 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, 2023, the Foundation's proportion was 0.00332849, which decreased from 0.0033741 in the prior year.

For the year ended June 30, 2024, the Foundation recognized pension expense of \$4,651,637. At June 30, 2024, 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	\$ 2,126,518	\$ -
Differences between expected and actual experience	-	-
Net difference between projected and actual earnings on pension plan investments	2,659,496	2,139,330
Effect of change in proportion	-	2,054,849
Difference between contributions and proportionate share of contributions	839,122	130,169
Changes of assumptions	991,705	-
	\$ 6,616,841	\$ 4,324,348

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, 2025.

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.

Cal Poly Pomona Foundation, Inc.

**Notes to Financial Statements
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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, 2023 measurement date is 3.8 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 3.8 years.

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

<u>Years Ending June 30</u>	Deferred Outflows (Inflows) of Resources
2025	\$ (1,140)
2026	(1,140)
2027	38,214
2028	130,041
	<u>\$ 165,975</u>

During the fiscal year ended June 30, 2024, the Foundation made contributions to the pension plan after the measurement date of \$2,126,518, 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 pension liability to be recognized in future periods in a systematic and rational manner in accordance with GASB 68.

Changes in benefit terms

In 2022, SB 1168 increased the standard retiree lump sum death benefit from \$500 to \$2,000 for any death occurring on or after July 1, 2023. For pooled plans this is a Class 3 benefit and there is no normal cost surcharge. The impact on the unfunded liability is included in the pool’s differences between expected and actual experience.

Changes in assumptions

Amounts reported for the measurement period ended June 30, 2023 reflect no changes.

Actuarial methods and assumptions

For the measurement period ended June 30, 2023, the total pension liability was determined by rolling forward the June 30, 2022 actuarial accounting valuation. The June 30, 2023 total pension liability was based on the following actuarial methods and assumptions:

Cal Poly Pomona Foundation, Inc.

**Notes to Financial Statements
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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
and review of actuarial assumptions	Based on December 2017
Post Retirement benefits increase	2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

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 80% of Scale MP 2020 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 rates and that contributions from employers will be made at statutory contribution rates, actuarially 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.

Cal Poly Pomona Foundation, Inc.

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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:

<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease (5.9%)	\$ 23,960,916
Current discount rate (6.9%)	14,847,664
1% increase (7.9%)	7,346,675

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 13 - 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.

Cal Poly Pomona Foundation, Inc.

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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

<u>Total OPEB Liability</u>	
Service cost	\$ 96,989
Interest	1,094,051
Differences between expected and actual experience	(3,817,550)
Change of assumptions	(151,479)
Benefit payments, including refunds of employee contributions	<u>(577,533)</u>
Net change in Total OPEB Liability	(3,355,522)
Total OPEB Liability - beginning <a>	<u>17,023,330</u>
Total OPEB Liability - ending 	<u><u>\$ 13,667,808</u></u>
 <u>Plan Fiduciary Net Position</u>	
Contribution - employer	\$ 1,577,533
Net investment income	854,446
Benefit payments, including refunds of employee contributions	(577,533)
Administrative expense	<u>(43,857)</u>
Net change in Plan Fiduciary Net Position	1,810,589
Plan Fiduciary Net Position - beginning <c>	<u>9,419,302</u>
Plan Fiduciary Net Position - ending <d>	<u>11,229,891</u>
Net OPEB Liability - beginning <a> - <c>	<u>7,604,028</u>
Net OPEB Liability - ending - <d>	<u><u>\$ 2,437,917</u></u>

Cal Poly Pomona Foundation, Inc.

**Notes to Financial Statements
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The total OPEB liability was determined by an actuarial valuation as of June 30, 2023 with a measurement date of June 30, 2023 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, 2023 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	2.50% annual inflation.
Payroll increases	3.25% annual increases.
Baseline cost	\$665.73 Pre 65 Retiree & Spouse \$312.52 Post 65 Retiree & Spouse
Administrative expenses	\$43,857 for the measurement period ending June 30, 2023.
Health plan participant	100% of eligible participants will participate.

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

<u>Year beginning</u>	<u>Increase in premium rates</u>	
	<u>Pre-65</u>	<u>Post-65</u>
2023	Actual	Actual
2024	7.56%	4.85%
2025	7.31%	5.00%
2026	7.06%	5.00%
2027	6.71%	5.00%
2028	6.36%	5.00%
2029	6.02%	5.00%
2030	5.67%	5.00%
2031	5.32%	5.00%
2032-2033	5.00%	5.00%
2034-2051	4.75%	4.75%
2052-+	4.50%	4.50%

Cal Poly Pomona Foundation, Inc.

**Notes to Financial Statements
June 30, 2024**

Mortality rates used in this valuation are those described in the 2021 CalPERS experience study.

Pre-Retirement: CalPERS 2021 Mortality

Post-Retirement: CalPERS 2021 Mortality

Age	Sample Mortality Rates			
	Active Employees		Retired Employees	
	Male	Female	Male	Female
55	0.20%	0.12%	0.39%	0.33%
60	0.29%	0.18%	0.58%	0.46%
65	0.40%	0.25%	0.86%	0.61%
70	0.59%	0.40%	1.33%	1.00%
75	0.93%	0.69%	2.39%	1.78%
80	1.52%	1.15%	4.37%	3.40%
85	0.00%	0.00%	8.27%	6.12%
90	0.00%	0.00%	14.54%	11.09%

Long-term expected rate of return

As of June 30, 2023, 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%	4.61%
Fixed Income	38.00%	6.56%
REITs/TIPS	8.00%	6.85%
	<u>100.00%</u>	

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 2.50% 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, 2023 (Bond Buyer 20-Bond General Obligation index as of June 30, 2022) was matched with cash flows not covered by plan assets to measure the reasonableness of the choice in discount rate.

Cal Poly Pomona Foundation, Inc.

**Notes to Financial Statements
June 30, 2024**

Below are the discount rates used and the Bond Buyer 20-Bond GO Index as of measurement dates of June 30, 2023 and 2022:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Discount Rate	6.50%	6.50%
Long-term Rate of Return	6.50%	6.50%
Fidelity 20yr GO Bond Index	3.86%	3.69%

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:

<u>Discount rate</u>	<u>Net OPEB Liability</u>	<u>\$ Change</u>	<u>% Change</u>
+1%	\$ 1,088,519	\$ (1,349,399)	-55%
Base	2,437,918	-	0%
-1%	4,542,363	2,104,445	86%

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

<u>Trend Rate</u>	<u>Net OPEB Liability</u>	<u>\$Change</u>	<u>%Change</u>
+1%	\$ 4,478,430	\$ 2,040,512	84%
Base	2,437,918	-	0%
-1%	1,114,064	(1,323,854)	-54%

Annual OPEB expense and net OPEB liability

At June 30, 2024, the Foundation reported \$2,437,917 for the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2023. 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, 2023 and the total OPEB liability was determined based upon the actuarial valuation as of June 30, 2023. As of June 30, 2023, the Plan Fiduciary Net Position was \$11,229,891.

For the year ended June 30, 2024, the Foundation recognized OPEB income of \$1,167,109. 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, 2024, the measurement of the Total OPEB Liability, plan membership included thirty-seven (37) active plan members and one hundred twenty-one (121) retired members and beneficiaries receiving benefit for a grand total one hundred fifty-eight (158) plan participants.

Cal Poly Pomona Foundation, Inc.

**Notes to Financial Statements
June 30, 2024**

Deferred outflows/inflows of resources

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between expected and actual experience in the measurement of the total OPEB liability	\$ -	\$ 2,387,126
Changes in assumptions	-	92,538
Net difference between projected and actual earnings on OPEB plan investments	842,602	-
Contributions to OPEB plan after measurement date	-	-
	<hr/>	<hr/>
Total	<u>\$ 842,602</u>	<u>\$ 2,479,664</u>

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

<u>Fiscal year ended June 30:</u>	<u>Deferred outflows/(inflows) of resources</u>
2025	\$ (1,416,113)
2026	(746,099)
2027	567,374
2028	(42,224)
2029	-
Thereafter	-
	<hr/>
	<u>\$ (1,637,062)</u>

During the fiscal year ended June 30, 2024, the Foundation made contributions to the OPEB plan after the measurement date of \$0, 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 14 - Commitments and contingencies

Litigation

The Foundation is subject to certain claims that arise out of the normal operations of the Foundation. In the opinion of management, the Foundation has sufficient liability insurance to cover any such claims, and these matters will not have a material effect on the financial position of the Foundation if disposed of unfavorably.

Required Supplementary Information

Preliminary Draft -
for discussion purposes only

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, 2024

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Foundation's proportion of the collective net pension liability	0.00286%	0.12669%	0.24413%	0.22170%	0.21743%	0.24325%	0.21200%	0.07771%	0.07957%
Foundation's proportionate share of the collective net pension liability (asset)	\$ 13,376,813	\$ 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	\$ 9,642,240	\$ 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 collective net pension liability (asset) as a percentage of its covered-employee payroll	138.7%	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	78.2%	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.

Preliminary Draft
for discussion purposes only

See Independent Auditor's Report.

Cal Poly Pomona Foundation, Inc.
California Public Employees Retirement Plan
Schedule of Foundation Contributions
Plan Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 2,126,518	\$ 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	<u>(2,126,518)</u>	<u>(2,015,253)</u>	<u>(1,697,759)</u>	<u>(1,495,924)</u>	<u>(1,731,723)</u>	<u>(2,159,281)</u>	<u>(2,331,544)</u>	<u>(1,786,168)</u>	<u>(1,010,277)</u>
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
Foundation's covered-employee payroll	\$ 8,141,971	\$ 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	26.1%	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.

Changes of Benefit Terms: The CalPERS Plan had no changes in benefit terms since the previous valuation.

Note: In 2022, SB 1168 increased the standard retiree lump sum death benefit from \$500 to \$2,000 for any death occurring on or after July 1, 2023. For pooled plans this is a Class 3 benefit and there is no normal cost surcharge. The impact on the unfunded liability is included in the pool's differences between expected and actual experience.

Changes in Assumptions: The CalPERS Plan had no assumption changes in 2023.

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, 2024

Plan Year Ended June 30	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service cost	\$ 96,989	\$ 92,370	\$ 197,238	\$ 187,854	\$ 182,673	\$ 142,277	\$ 148,176
Interest	1,094,051	1,077,426	1,141,658	1,104,006	1,051,769	894,698	1,051,372
Differences between expected and actual experience	(3,817,550)	(286,598)	79,980	(86,309)	(745,620)	1,014,722	1,680,006
Change of assumptions	(151,479)	-	(1,668,472)	14,502	985,763	890,259	(3,591,876)
Benefits payments, including refunds of employee contributions	(577,533)	(675,951)	(592,799)	(705,751)	(647,375)	(486,936)	(584,422)
Net change in Total OPEB Liability	(3,355,522)	207,247	(842,395)	514,302	827,210	2,455,020	(1,296,744)
Total OPEB Liability - beginning	17,023,330	16,816,083	17,658,478	17,144,176	16,316,966	13,861,946	15,158,690
Total OPEB Liability - ending	\$ 13,667,808	\$ 17,023,330	\$ 16,816,083	\$ 17,658,478	\$ 17,144,176	\$ 16,316,966	\$ 13,861,946
Plan Fiduciary Net Position							
Contributions - employer	\$ 1,577,533	\$ 397,371	\$ 436,315	\$ 1,705,751	\$ 1,647,375	\$ 1,000,000	\$ 1,111,120
Net investment income	854,446	(2,263,832)	2,841,138	420,836	449,772	567,209	743,578
Benefit payments, including refunds of employee contributions	(577,533)	(1,112,266)	(1,968,173)	(705,751)	(647,375)	(486,936)	(584,422)
Administrative expense	(43,857)	(34,920)	(36,221)	(34,779)	(49,278)	(39,162)	(33,384)
Net change in Fiduciary Net Position	1,810,589	(3,013,647)	1,273,059	1,386,057	1,400,494	1,041,111	1,236,892
Plan Fiduciary Net Position - beginning	9,419,302	12,432,949	11,159,890	9,773,833	8,373,339	7,332,228	6,095,336
Plan Fiduciary Net Position - ending	\$ 11,229,891	\$ 9,419,302	\$ 12,432,949	\$ 11,159,890	\$ 9,773,833	\$ 8,373,339	\$ 7,332,228
Net OPEB Liability - ending	\$ 2,437,917	\$ 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	82.16%	55.33%	73.93%	63.20%	57.01%	51.32%	52.89%
Covered employee payroll	\$ 2,428,800	\$ 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	100.38%	264.72%	162.35%	136.50%	183.76%	174.55%	143.48%

Notes to the OPEB Required Supplementary Information:

The actuarial methods and assumptions used to calculate the total OPEB liability are described in Note 15 to the financial statements.

The net OPEB liability amount presented for each fiscal year was determined as of the fiscal year-end.

The schedules are intended to present ten years of data. Additional years of data will be presented as they become available.

The Foundation has not presented a Schedule of Foundation Contributions since an actuarially determined contribution has not been calculated and there is no statutorily determined contribution applicable to the Foundation.

See Independent Auditor's Report.

Supplementary Information

Preliminary Draft -
for discussion purposes only

Cal Poly Pomona Foundation, Inc.

**Schedule of Net Position
June 30, 2024
(For Inclusion in the California State University)**

Assets:

Current assets:

Cash and cash equivalents	\$	4,310,666
Short-term investments		42,858,571
Accounts receivable, net		23,564,218
Lease receivable, current portion		866,568
P3 receivable, current portion		-
Notes receivable, current portion		-
Pledges receivable, net		-
Prepaid expenses and other current assets		1,742,091

Total current assets		73,342,114
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Noncurrent assets:

Restricted cash and cash equivalents		19,780
Accounts receivable, net		2,312,129
Lease receivable, net of current portion		92,578,446
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		1,514,561
Capital assets, net		37,096,092
Other assets		-

Total noncurrent assets		133,521,008
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Total assets		206,863,122
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Deferred outflows of resources:

Unamortized loss on debt refunding		-
Net pension liability		6,616,841
Net OPEB liability		842,602
Leases		-
P3		-
Others		-

Total deferred outflows of resources		7,459,443
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Cal Poly Pomona Foundation, Inc.

**Schedule of Net Position
June 30, 2024
(For Inclusion in the California State University)**

Liabilities:

Current liabilities:

Accounts payable	6,069,074
Accrued salaries and benefits	843,514
Accrued compensated absences, current portion	824,266
Unearned revenues	1,771,244
Lease liabilities, current portion	1,329,452
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	3,366,792
	<hr/>
Total current liabilities	14,204,342

Noncurrent liabilities:

Accrued compensated absences, net of current portion	-
Unearned revenues	-
Grants refundable	-
Lease liabilities, net of current portion	16,325,029
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	2,437,917
Net pension liability	14,847,664
Other liabilities	638,399
	<hr/>
Total noncurrent liabilities	34,249,009
	<hr/>
Total liabilities	48,453,351

Deferred inflows of resources:

P3 service concession arrangements	-
Net pension liability	4,324,348
Net OPEB liability	2,479,664
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Lease	89,126,861
P3	-
Others	899,309
	<hr/>
Total deferred inflows of resources	96,830,182

Net position:

Net investment in capital assets	19,441,611
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	344,248
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	49,253,173
	<hr/>
Total net position	\$ 69,039,032

Cal Poly Pomona Foundation, Inc.

**Schedule of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2024
(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		16,910,029
State		3,256,373
Local		-
Nongovernmental		1,911,117
Sales and services of educational activities		9,376,953
Sales and services of auxiliary enterprises, gross		54,011,524
Scholarship allowances (enter as negative)		-
Other operating revenues		11,638,090
Total operating revenues		<u>97,104,086</u>

Expenses:

Operating expenses:

Instruction		10,638,484
Research		12,301,929
Public service		23,714
Academic support		5,488,089
Student services		579,266
Institutional support		612,069
Operation and maintenance of plant		42,188
Student grants and scholarships		-
Auxiliary enterprise expenses		60,115,489
Depreciation and amortization		3,858,400
Total operating expenses		<u>93,659,628</u>
Operating income (loss)		<u>3,444,458</u>

Cal Poly Pomona Foundation, Inc.

**Schedule of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2024
(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	4,983,792
Endowment income (loss), net	-
Interest expense	(1,228,757)
Other nonoperating revenues (expenses)	(100,433)
Net nonoperating revenues (expenses)	3,654,602
Income (loss) before other revenues (expenses)	7,099,060

State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	7,099,060
Net position:	
Net position at beginning of year, as previously reported	61,939,972
Restatements	-
Net position at beginning of year, as restated	61,939,972
Net position at end of year	\$ 69,039,032

Cal Poly Pomona Foundation, Inc.

Other Information
June 30, 2024
(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		19,780
Noncurrent restricted cash and cash equivalents		19,780
Current cash and cash equivalents		4,310,666
Total	\$	4,330,446

2.1 Composition of investments:

Investment Type	Current	Noncurrent	Total
Money market funds	\$ -	\$ -	\$ -
Repurchase agreements	-	-	-
Certificates of deposit	-	-	-
U.S. agency securities	-	-	-
U.S. treasury securities	-	-	-
Municipal bonds	-	-	-
Corporate bonds	9,973,202	-	9,973,202
Asset-backed securities	-	-	-
Mortgage-backed securities	-	-	-
Commercial paper	-	-	-
Supranational	-	-	-
Mutual funds	200,717	-	200,717
Exchange-traded funds	-	-	-
Equity securities	25,117,127	1,514,561	26,631,688
Alternative investments:			
Private equity (including limited partnerships)	3,014,457	-	3,014,457
Hedge funds	4,210,472	-	4,210,472
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)	104,266	-	104,266
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Other investments:			
Indexed annuity	238,330	-	238,330
	-	-	-
	-	-	-
	-	-	-
	-	-	-
Total other investments	238,330	-	238,330
Total investments	42,858,571	1,514,561	44,373,132
Less endowment investments (enter as negative number)	-	-	-
Total investments, net of endowments	\$ 42,858,571	\$ 1,514,561	\$ 44,373,132

Cal Poly Pomona Foundation, Inc.

Other Information June 30, 2024 (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	-	-	-	-	-
Municipal bonds	-	-	-	-	-
Corporate bonds	9,973,202	-	9,973,202	-	-
Asset-backed securities	-	-	-	-	-
Mortgage-backed securities	-	-	-	-	-
Commercial paper	-	-	-	-	-
Supranational	-	-	-	-	-
Mutual funds	200,717	200,717	-	-	-
Exchange-traded funds	-	-	-	-	-
Equity securities	26,631,688	26,631,688	-	-	-
Alternative investments:					
Private equity (including limited partnerships)	3,014,457	-	-	-	3,014,457
Hedge funds	4,210,472	-	-	-	4,210,472
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)	104,266	-	-	-	104,266
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments:					
Indexed annuity	238,330	238,330	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Total other investments	238,330	238,330	-	-	-
Total investments	\$ 44,373,132	\$ 27,070,735	\$ 9,973,202	\$ -	\$ 7,329,195

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, 2024
 (For Inclusion in the California State University)

3.1 Capital Assets, excluding ROU assets:

Composition of capital assets, excluding ROU assets:	Balance June 30, 2023	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2023 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2024
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)	564,814	-	-	-	564,814	1,243,154	-	(1,069,885)	738,083
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	7,667,724	-	-	-	7,667,724	1,243,154	-	(1,069,885)	7,840,993
Depreciable/Amortizable capital assets:									
Buildings and building improvements	37,099,620	(158,994)	-	-	36,940,626	69,417	(1,267,547)	863,594	36,606,090
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	13,095,061	158,994	-	-	13,254,055	659,326	(124,464)	206,291	13,995,208
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	58,989,786	-	-	-	58,989,786	728,743	(1,392,011)	1,069,885	59,396,403
Total capital assets	66,657,510	-	-	-	66,657,510	1,971,897	(1,392,011)	-	67,237,396
Less accumulated depreciation/amortization:									
Buildings and building improvements	(30,903,251)	-	-	-	(30,903,251)	(1,230,243)	1,267,547	-	(30,865,947)
Improvements, other than buildings	(134,896)	-	-	-	(134,896)	(1,177)	-	-	(136,073)
Infrastructure	(3,224,962)	-	-	-	(3,224,962)	(216,255)	-	-	(3,441,217)
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	(11,409,951)	-	-	-	(11,409,951)	(697,613)	102,913	-	(12,004,651)
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	(45,673,060)	-	-	-	(45,673,060)	(2,145,288)	1,370,460	-	(46,447,888)
Total capital assets, net excluding ROU assets	\$ 20,984,450	\$ -	\$ -	\$ -	\$ 20,984,450	\$ (173,391)	\$ (21,551)	\$ -	\$ 20,789,508

Cal Poly Pomona Foundation, Inc.

**Other Information
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Capital Assets, Right of Use

<u>Composition of capital assets - Lease ROU, net:</u>	Balance June 30, 2023	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2023 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2024
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	(3,406,411)	-	-	-	(3,406,411)	(1,703,597)	-	-	(5,110,008)
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	(15,532)	-	-	-	(15,532)	(9,515)	-	-	(25,047)
Total accumulated depreciation/amortization	(3,421,943)	-	-	-	(3,421,943)	(1,713,112)	-	-	(5,135,055)
Total capital assets - lease ROU, net	\$ 18,019,696	\$ -	\$ -	\$ -	\$ 18,019,696	\$ (1,713,112)	\$ -	\$ -	\$ 16,306,584

<u>Composition of capital assets - SBITA ROU, net</u>	Balance June 30, 2023	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2023 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2024
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, 2024
(For Inclusion in the California State University)**

<u>Composition of capital assets - P3 ROU, net:</u>	Balance June 30, 2023	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2023 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2024
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

\$ 37,096,092

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense - capital assets, excluding ROU assets	\$ 2,145,288
Amortization expense - Leases ROU	1,713,112
Amortization expense - SBITA ROU	-
Amortization expense - P3 ROU	-
Depreciation and Amortization expense - Others	-
Total depreciation and amortization	\$ 3,858,400

Cal Poly Pomona Foundation, Inc.

**Other Information
June 30, 2024
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4 Long-term liabilities:

	Balance June 30, 2023	Prior Period Adjustments/Reclassifications	Balance June 30, 2023 (Restated)	Additions	Reductions	Balance June 30, 2024	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 762,434	\$ -	\$ 762,434	\$ 512,075	\$ (450,243)	\$ 824,266	\$ 824,266	\$ -
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:	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total others	-	-	-	-	-	-	-	-
Sub-total long-term debt	-	-	-	-	-	-	-	-
4.6 Unamortized net bond premium/(discount)	-	-	-	-	-	-	-	-
Total long-term debt obligations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

5. Lease, SBITA, P3 liabilities:

	Balance June 30, 2023	Prior Period Adjustments/Reclassifications	Additions	Remeasurements	Reductions	Balance June 30, 2024	Current Portion	Noncurrent Portion
Lease liabilities	\$ 19,000,282	\$ -	\$ -	\$ -	\$ (1,345,801)	\$ 17,654,481	\$ 1,329,452	\$ 16,325,029
SBITA liabilities	-	-	-	-	-	-	-	-
P3 liabilities - SCA	-	-	-	-	-	-	-	-
P3 liabilities - non-SCA	-	-	-	-	-	-	-	-
Sub-total P3 liabilities	-	-	-	-	-	-	-	-
Total Lease, SBITA, P3 liabilities	\$ 19,000,282	\$ -	\$ -	\$ -	\$ (1,345,801)	\$ 17,654,481	\$ 1,329,452	\$ 16,325,029
Total long-term liabilities						\$ 18,478,747	\$ 2,153,718	\$ 16,325,029

Cal Poly Pomona Foundation, Inc.

**Other Information
June 30, 2024
(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:												
2025	\$ 1,329,452	\$ 329,113	\$ 1,658,565	-	-	\$ -	-	-	\$ -	\$ 1,329,452	\$ 329,113	\$ 1,658,565
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	1,414,034	216,924	1,630,958	-	-	-	-	-	-	1,414,034	216,924	1,630,958
2030 - 2034	7,514,537	666,824	8,181,361	-	-	-	-	-	-	7,514,537	666,824	8,181,361
2035 - 2039	3,209,283	61,192	3,270,475	-	-	-	-	-	-	3,209,283	61,192	3,270,475
2040 - 2044	-	-	-	-	-	-	-	-	-	-	-	-
2045 - 2049	-	-	-	-	-	-	-	-	-	-	-	-
2050 - 2054	-	-	-	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-	-	-	-
Total minimum payments	\$ 17,654,481	\$ 2,097,216	\$ 19,751,697	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,654,481	\$ 2,097,216	\$ 19,751,697
Less: amounts representing interest												(2,097,216)
Present value of future minimum payments												17,654,481
Total Leases, SBITA, P3 liabilities												17,654,481
Less: current portion												(1,329,452)
Leases, SBITA, P3 liabilities, net of current portion												\$ 16,325,029

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:									
2025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2026	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-
2030 - 2034	-	-	-	-	-	-	-	-	-
2035 - 2039	-	-	-	-	-	-	-	-	-
2040 - 2044	-	-	-	-	-	-	-	-	-
2045 - 2049	-	-	-	-	-	-	-	-	-
2050 - 2054	-	-	-	-	-	-	-	-	-
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	\$ 1,716,473
Payments to University for other than salaries of University personnel	9,881,052
Payments received from University for services, space, and programs	21,813,503
Gifts-in-kind to the University from discretely presented component units	-
Gifts (cash or assets) to the University from discretely presented component units	224,273
Accounts payable to University	(1,445,740)
Other amounts payable to University	-
Accounts receivable from University	13,093,348
Other amounts receivable from University	-

8 Restatements

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

Cal Poly Pomona Foundation, Inc.

Other Information
 June 30, 2024
 (For Inclusion in the California State University)

Description	DPCU - Fiduciary Funds Net Position					Total
	Pension trust funds	Other employee benefit trust funds	Investment trust funds	Private-purpose trust funds	Custodial funds	
	Net Position 992	Net Position 993	Net Position 994	Net Position 995	Net Position 996	
Assets						
Current assets:						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 449,840	\$ 449,840
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	-	-	-	-	449,840	449,840
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	-	-	-	-	449,840	449,840
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, 2024

(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	-	-	-	-	-	-
Total ending net position	\$	-	\$	-	\$	-
					449,840	\$
						449,840

Cal Poly Pomona Foundation, Inc.

Other Information
 June 30, 2024
 (For Inclusion in the California State University)

		DPCU - Fiduciary Funds Net Position						
GAAP Account	Description	Other employee benefit		Investment trust funds	Private-purpose trust funds		Custodial funds	Total
		Pension trust funds Net Position 992	trust funds Net Position 993		Net Position 994	Net Position 995		
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	-	-	-	-	449,840	-	449,840
Additions		-	-	-	-	-	-	-
Additions		-	-	-	-	-	-	-
Additions		-	-	-	-	-	-	-
Additions		-	-	-	-	-	-	-
Additions		-	-	-	-	-	-	-
Additions		-	-	-	-	-	-	-
Additions		-	-	-	-	-	-	-
Additions		-	-	-	-	-	-	-
Total Additions		-	-	-	-	449,840	-	449,840
Deductions	Benefit payments to plan members	-	-	-	-	-	-	-
Deductions	Total administrative expenses	-	-	-	-	-	-	-
Deductions	Benefit payments	-	-	-	-	-	-	-
Deductions	Redemptions	-	-	-	-	-	-	-
Deductions	Distributions	-	-	-	-	429,553	-	429,553
Deductions		-	-	-	-	-	-	-
Deductions		-	-	-	-	-	-	-
Deductions		-	-	-	-	-	-	-
Deductions		-	-	-	-	-	-	-
Deductions		-	-	-	-	-	-	-
Deductions		-	-	-	-	-	-	-
Deductions		-	-	-	-	-	-	-
Deductions		-	-	-	-	-	-	-
Deductions		-	-	-	-	-	-	-
Total Deductions		-	-	-	-	429,553	-	429,553
Increase (decrease) in net position		-	-	-	-	20,287	-	20,287
Net position at beginning of year, as previously reported		-	-	-	-	429,553	-	429,553
Restatements		-	-	-	-	-	-	-
Net position at beginning of year, as restated		-	-	-	-	429,553	-	429,553
Net position at end of year		\$ -	\$ -	\$ -	\$ -	\$ 449,840	\$ -	\$ 449,840

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"), as of and for the year ended June 30, 2024, 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 opinions 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

Preliminary Draft -
for discussion purposes only

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, 2024

Preliminary Draft
for discussion purposes only

Cal Poly Pomona Foundation, Inc.

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Preliminary Draft -
for discussion purposes only

Cal Poly Pomona Foundation, Inc.

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Research and Development Cluster				
<u>Department of Agriculture</u>				
Pass-through from California Department of Food and Agriculture				
Specialty Crop Block Grant Program - Farm Bill	10.170	21-001-037-SF	\$ -	\$ 125,302
Higher Education - Institution Challenge Grants Program	10.217		-	16,410
Pass-through from Cal Poly Corporation				
Higher Education - Institution Challenge Grants Program	10.217	2022-1-53734	-	5,739
Pass-through from Washington State University				
Higher Education - Institution Challenge Grants Program	10.217	140674 SPC003974	-	33,944
Total Higher-Education - Institution Challenge Grants Program			-	56,093
Hispanic Serving Institutions Education Grants	10.223		19,456	591,368
Pass-through from The Regents of the University of California, Davis				
Organic Agriculture Research and Extension Initiative	10.307	2020-51300-32275	-	48,892
Specialty Crop Research Initiative	10.309	A22-0776-S001	-	109,491
Agriculture and Food Research Initiative (AFRI)	10.310		-	103,174
Pass-through from the University of Connecticut				
Agriculture and Food Research Initiative (AFRI)	10.310	146018302	-	6,532
Pass-through from the Board of Trustees of the University of Arkansas				
Agriculture and Food Research Initiative (AFRI)	10.310	2022-69015-36720	-	45,443
Pass-through from Tufts College				
Agriculture and Food Research Initiative (AFRI)	10.310	POEPO232827	-	873
Total Agriculture and Food Research Initiative (AFRI)			-	156,022
Capacity Building for Non-Land Grant Colleges of Agriculture	10.326		-	1,454
Pass-through from Oregon State University				
Food Safety Outreach Program	10.328	C0595B-E	-	4,059
Soil and Water Conservation	10.902		-	46,604
Total Department of Agriculture			19,456	1,139,285

Cal Poly Pomona Foundation, Inc.

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>Department of Defense</u>				
Pass-through from Office of Naval Research				
Basic and Applied Scientific Research	12.300	N00014-21-1-2751	-	289,607
Pass-through from Office of Naval Research				
Basic and Applied Scientific Research	12.300	N001742310002	-	17,839
Total Basic and Applied Scientific Research			-	307,446
Pass-through from the American Foundry Society, Inc				
Cost-Effective Fast Response and Sustainability for Critical Casting	12.XXX	2024310	-	28,161
Total Department of Defense			-	335,607
<u>Department of the Interior</u>				
Pass-through from University of California Santa Cruz				
Bureau of Ocean Energy Management Environmental Studies	15.423	A 19-0882-S004	-	70,273
Pass-through from The Southern California Marine Institute				
Bureau of Ocean Energy Management Environmental Studies	15.423	M21AC00021-00	-	38,653
Total Bureau of Ocean Energy Management Environmental Studies			-	108,926
Water Desalination Research and Development	15.506		-	(5,994)
Total Department of Interior			-	102,932
<u>Department of Transportation</u>				
Pass-through from the State of California - Office of Traffic Safety				
National Priority Safety Programs	20.616	TR23005	-	68,584
National Priority Safety Programs	20.616	TR24009	-	72,907
Total National Priority Safety Programs			-	141,491
Pass-through from University of Texas at Austin				
University Transportation Centers Program	20.701	UTAUS SUB00001166	-	46,847
Total Department of Transportation			-	188,338
<u>National Aeronautical and Space Administration</u>				
Pass-through from NASA				
Science	43.001		-	38,374

Cal Poly Pomona Foundation, Inc.

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Pass-through from Space Telescope Science Institute Science	43.001	HST-GO-16769.001-A	-	42
Pass-through from California Institute of Technology, JPL Science	43.001	1698385	-	50,000
Pass-through from Jet Propulsion Laboratory Science	43.001	1692662	-	1,939
Pass-through from SETI Institute Science	43.001	SC3929	-	27,767
Total Science			-	118,122
Space Technology	43.012		-	16,142
Total National Aeronautical and Space Administration			-	134,264
<u>National Science Foundation</u>				
Engineering	47.041		-	238,579
Mathematical and Physical Sciences	47.049		-	234,736
Pass-through from The Regents of the University of California, Berkely Mathematical and Physical Sciences	47.049	00010000	-	120,333
Total Mathematical and Physical Sciences			-	355,069
Computer and Information Science and Engineering	47.070		-	554,609
Pass-through from Kettering University Computer and Information Science and Engineering	47.070	531130A	-	29,433
Total Computer and Information Science and Engineering			-	584,042
Biological Sciences	47.074		-	49,625
Social, Behavior, and Economic Sciences	47.075		-	21,710
Pass-through from Portland State University Social, Behavior, and Economic Sciences	47.075	100258	-	31,256
Total Social, Behavior, and Economic Sciences			-	52,966
STEM Education	47.076		199,046	3,379,848
Pass-through from University Enterprises Inc. STEM Education	47.076	532965	-	7,000
STEM Education	47.076	532966-A6	-	24,000

Cal Poly Pomona Foundation, Inc.

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
Pass-through from CSU Long Beach Research Foundation				
STEM Education	47.076	SG225019100-CPP	-	19,099
Total STEM Education			199,046	3,429,947
Office of International Science and Engineering	47.079		-	46,545
Pass-through from San Diego State University Research Foundation				
Office of International Science and Engineering	47.079	1827251	-	2,533
Total Office of International Science and Engineering			-	49,078
Total National Science Foundation			199,046	4,759,306
<u>Environmental Protection Agency (EPA)</u>				
Pass-through from Portland State University				
Science to Achieve Results (STAR) Research Program	66.509	100278	-	2,014
Total Environmental Protection Agency			-	2,014
<u>Department of Energy</u>				
Office of Science Financial Assistance Program	81.049		-	134,566
Pass-through from The Regents of the University of California				
Office of Science Financial Assistance Program	81.049	2022-1819	-	37,457
Pass-through from QuesTek Innovations LLC				
Office of Science Financial Assistance Program	81.049	DE-SC0020605	-	85,381
Total Office of Science Financial Assistance Program			-	257,404
Pass-through from University of Cincinnati				
Nuclear Energy Research, Development and Demonstration	81.121	013271-002	-	16,211
Pass-through from The Regents of the University of California, Berkely - LBNL				
Nuclear Energy Research, Development and Demonstration	81.RD	7722635	-	34,052
Total Department of Energy			-	307,667
<u>Department of Education</u>				
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013		118,134	869,592
Higher Education Institutional Aid	84.031		-	641,787
Higher Education Institutional Aid	84.031		-	435,634
Total Higher Education Institutional Aid			118,134	1,077,421

Cal Poly Pomona Foundation, Inc.

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Child Care Access Means Parents in School	84.335		-	235,304
Pass-through from Austin State University at Nacogdoches Texas				
English Language Acquisition State Grants	84.365	T365Z220050	-	21,002
Total Department of Education			<u>118,134</u>	<u>2,203,319</u>
Department of Health and Human Services				
Pass-through from the University of Texas at Arlington				
Maternal and Child Health Federal Consolidated Programs	93.110	2023GC1718	-	38,489
Pass-through from California Institute of Technology				
Mental Health Research Grants	93.242	S586859	-	160,579
Mental Health Research Grants	93.242	S616255	-	85,480
Total Mental Health Research Grants			<u>-</u>	<u>246,059</u>
Pass-through from the University of Texas at Arlington				
Minority Health and Health Disparities Research	93.307	2022GC0779	-	29,706
Pass-through from National Institutes of Health				
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	1R15DK13273601A1	-	113,716
Biomedical Research and Research Training	93.859		<u>646</u>	<u>906,107</u>
Total Department of Health and Human Services			<u>646</u>	<u>1,334,077</u>
Total Research and Development Cluster			<u>337,282</u>	<u>10,506,809</u>
Other Programs				
Department of Agriculture				
From Learning to Leading: Cultivating the Next Generation of Diverse Food and Agriculture Professionals	10.237		-	660,551
Pass-through from The Regents of the University of California Davis				
Food Safety Outreach Program	10.328	2020-70020-32263	-	16,146
Pass-through from California Department of Education				
Child and Adult Care Food Program (CACFP)	10.558	05310-CACFP-19-NP-IC	-	31,130
Pass-through from California Department of Education				
Summer Food Service Program for Children	10.559	05310-SFSP-19	-	8,296
Total Child Nutrition Cluster			<u>-</u>	<u>8,296</u>
Pass-through from CSU Chico				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	A22-0055-S011	-	55,111
Total SNAP Cluster			<u>-</u>	<u>55,111</u>

Cal Poly Pomona Foundation, Inc.

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024**

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
Soil and Water Conservation	10.902		-	38,014
Total Department of Agriculture			-	809,248
 <u>Department of Interior</u>				
Pass-through from the University of Colorado at Boulder				
Water Desalination Research and Development	15.506	R23AC00437-00	-	9,846
Total Department of Interior			-	9,846
 <u>Department of Transportation</u>				
Highway Training and Education	20.215		-	26,897
Highway Training and Education	20.215		-	40,530
Total Department of Transportation			-	67,427
 <u>National Aeronautics and Space Administration</u>				
Pass-through from NASA				
Office of Stem Engagement (OSTEM)	43.008	80NSSC23M0223	-	58,247
Total National Aeronautics and Space Administration			-	58,247
 <u>Small Business Administration</u>				
Stea2m Innovation Hub Pomona	59.086		-	105,521
Total Small Business Administration			-	105,521
 <u>Department of Education</u>				
Pass through from California Department of Corrections and Rehabilitation				
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	C5609154	24,639	40,977
Higher Education Institutional Aid	84.031		-	146,189
Fund for the Improvement of Postsecondary Education	84.116		-	41,018

Cal Poly Pomona Foundation, Inc.

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Through to Subrecipients</u>	<u>Federal Expenditures</u>
TRIO Cluster				
TRIO-Student Support Services	84.042		-	800,555
TRIO-Talent Search	84.044		-	565,273
TRIO-Upward Bound	84.047		-	1,211,906
TRIO-Upward Bound Math and Science	84.047		-	976,209
Total TRIO-Upward Bound				<u>2,188,115</u>
TRIO-McNair Post-Baccalaureate Achievement	84.217		-	<u>152,830</u>
Total TRIO Cluster			-	<u>3,706,773</u>
Special Education: Personnel Development to Improve Services and Results for Children with Disabilities	84.325		-	38,622
Pass through from University of California, Office of the President				
Supporting Effective Instruction State Grants	84.367	ESSA23-CMP-POMONA	-	23,817
Total Department of Education			<u>24,639</u>	<u>3,997,396</u>
<u>Department of Health and Human Services</u>				
Pass-through from California Department of Education				
Child Care and Development Block Grant	93.575	CSPP3164		21,312
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	95.596	CCTR-3084	-	42,186
Total CCDF Cluster			<u>-</u>	<u>63,498</u>
Total Department of Health and Human Services			-	63,498
<u>Corporation for National and Community Service (CNCS)</u>				
Pass-through from Cal State L.A. University Auxiliary Services, Inc.				
AmeriCorps State and National	94.006	CCSFRF008	-	472,753
Total Corporation for National and Community Service (CNCS)			<u>-</u>	<u>472,753</u>
<u>United States Forest Service</u>				
Pass-through from National Fish and Wildlife Foundation				
Developing Precision-Restoration for Post-Fire Restoration	XX.XXX	0805.19.064303	-	72,891
Total United States Forest Services			<u>-</u>	<u>72,891</u>
Total Other Programs			<u>24,639</u>	<u>5,656,827</u>
Total Expenditures of Federal Awards			<u>\$ 361,921</u>	<u>\$ 16,163,636</u>

Cal Poly Pomona Foundation, Inc.

**Notes to Schedule of Expenditures of Federal Awards
June 30, 2024**

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, 2024. 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 reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years, 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 (*Government Auditing Standards*), the financial statements of the business-type activities and the aggregate remaining fund information of the Cal Poly Pomona Foundation, Inc. (the "Foundation"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Foundation's basic 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 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 opinions 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

[Date]

Preliminary Draft -
for discussion purposes only

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, Inc.'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, 2024. 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 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, 2024.

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 the 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 the 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 the 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 business-type activities and the aggregate remaining fund information of the Foundation as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements. We issued our report thereon dated [Date], which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions 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
[Date]

Cal Poly Pomona Foundation, Inc.

Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

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

Research and Development 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.



Cal Poly Pomona Foundation, Inc.
Statement of Activities
For Period Ending Jun 30, 2024

	REVENUES		EXPENSES - Payroll		EXPENSES - Other				EXPENSES - Total		SURPLUS/(DEFICIT)			Fund Balance
	FY 23-24 YE	FY 23-24 YE	FY 23-24 YE	FY 23-24 YE	FY 23-24 YE		FY 23-24 YE	FY 23-24 YE	FY 23-24 YE	FY 23-24 YE	FY 23-24 YE		6/302024	
	Actual	Budget	Actual	Budget	Admin Fees	Other Expense	Actual	Budget	Actual	Budget	Actual	Budget	\$ Variance	
Commercial Services														
Dining Services	20,385,623	21,148,012	7,392,039	7,404,456	1,305,574	11,573,444	12,879,018	12,841,528	20,271,057	20,245,984	114,566	902,028	(787,462)	
Bookstore	15,437,158	14,699,419	1,468,656	1,685,116	896,584	12,489,430	13,386,014	12,494,406	14,854,670	14,179,522	582,489	519,897	62,592	
Kellogg West	3,680,205	4,666,776	2,274,264	2,390,801	231,534	2,001,294	2,232,828	2,255,202	4,507,092	4,646,003	(826,886)	20,773	(847,659)	
University Village	11,766,692	11,511,952	2,366,999	2,417,331	764,811	6,026,968	6,791,779	6,825,617	9,158,779	9,242,948	2,607,913	2,269,004	338,909	
Real Estate/Rentals	8,266,907	8,151,690	479,656	497,504	381,754	4,914,732	5,296,486	5,297,242	5,776,142	5,794,746	2,490,765	2,356,944	133,821	
Total Commercial Services	59,536,585	60,177,849	13,981,613	14,395,208	3,580,257	37,005,868	40,586,125	39,713,995	54,567,738	54,109,203	4,968,847	6,068,646	(1,099,799)	
Other Activities														
Investments	5,102,783	1,050,000	0	0	0	98,235	98,235	102,000	98,235	102,000	5,004,548	948,000	4,056,548	
Administration	786,636	621,592	7,184,364	6,488,976	(4,907,670)	1,356,207	(3,551,463)	(2,879,717)	3,632,901	3,609,259	(2,846,265)	(2,987,667)	141,402	
Total Other Activities	5,889,419	1,671,592	7,184,364	6,488,976	(4,907,670)	1,454,442	(3,453,228)	(2,777,717)	3,731,136	3,711,259	2,158,283	(2,039,667)	4,197,950	
Total Commercial & Other	65,426,004	61,849,441	21,165,978	20,884,184	(1,327,413)	38,460,310	37,132,897	36,936,278	58,298,875	57,820,462	7,127,130	4,028,979	3,098,151	28,326,250
Designated Funds														
Annual Designated	45,617	0	26,663	0	0	715,875	715,875	1,850,000	742,538	1,850,000	(696,921)	(1,850,000)	1,153,079	
Total Designated Funds	45,617	0	26,663	0	0	715,875	715,875	1,850,000	742,538	1,850,000	(696,921)	(1,850,000)	1,153,079	
Support Activities														
Bronco One Card	441,795	475,205	226,631	252,724	35,927	179,237	215,164	222,477	441,795	475,201	0	4	(4)	
Research Office	2,628,932	1,673,004	137,249	301,192	956,215	1,485,809	2,442,023	1,321,812	2,579,272	1,623,004	49,660	50,000	(340)	(1,175,949)
Agriculture	4,990,341	4,963,810	1,717,286	1,686,443	197,424	3,694,029	3,891,453	2,910,503	5,608,739	4,596,946	(618,398)	366,864	(985,262)	(25,656)
College of P&GE	2,436,953	1,721,949	1,018,745	1,298,183	103,846	1,347,761	1,451,607	879,141	2,470,352	2,177,324	(33,399)	(455,375)	421,976	5,106,749
Support Programs	5,566,057	0	1,169,685	0	34,002	2,585,570	2,619,572	0	3,789,257	0	1,776,800	0	1,776,800	21,762,946
Total Support Activities	16,064,078	8,833,968	4,269,596	3,538,542	1,327,413	9,292,406	10,619,819	5,333,933	14,889,415	8,872,475	1,174,663	(38,507)	1,213,170	
Grants+Transfers														
Grants and Contracts	22,342,447	15,034,667	0	0	0	22,342,447	22,342,447	15,034,667	22,342,447	15,034,667	0	0	0	
Vesting Grant Assets	0	0	0	0	0	(122,661)	(122,661)	0	(122,661)	0	122,661	0	122,661	
Transfers	0	0	0	0	0	100,434	100,434	0	100,434	0	(100,434)	0	(100,434)	
Total Grants+Transfers	22,342,447	15,034,668	0	0	0	22,320,220	22,320,220	15,034,668	22,320,220	15,034,668	22,227	0	22,227	
Total Foundation Net	103,878,146	85,718,077	25,462,237	24,422,726	0	70,788,811	70,788,811	59,154,879	96,251,048	83,577,605	7,627,098	2,140,472	5,486,626	