CAL POLY POMONA FOUNDATION, INC.

Financial Statements and Supplementary Schedules

Year Ended June 30, 2022

Aldrich℠

CAL POLY POMONA FOUNDATION, INC.
Financial Statements and Supplementary Information
Year Ended June 30, 2022

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

INDEPENDENT AUDITOR'S REPORT

To the Audit Committee
Cal Poly Pomona Foundation, Inc.

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the major fund and aggregate remaining fund information of Cal Poly Pomona Foundation, Inc. (a nonprofit organization referred to as the Foundation), a component unit of Cal Poly Pomona, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Cal Poly Pomona Foundation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and aggregate remaining fund information of Cal Poly Pomona Foundation, Inc. as of June 30, 2022, and the respective changes in financial positive 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. 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.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, in 2022 the Foundation adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

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 Cal Poly Pomona Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. 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 generally accepted 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 generally accepted 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 Cal Poly Pomona Foundation, Inc.'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 Cal Poly Pomona Foundation, Inc.'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.

Report on Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 - 19, the schedule of Foundation's proportionate share of the net pension liability for the California Public Employees Retirement Plan on page 62, the schedule of Foundation contributions to the California Public Employees Retirement Pan on page 63, and the other postemployment benefits plan schedules on page 64 to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information for the California State University Chancellor's Office, beginning on page 65, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT, CONTINUED

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2022 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Aldrich CPAs + Advisors LLP

San Diego, California
October 19, 2022

CAL POLY POMONA FOUNDATION, INC.
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2022

Introduction

The Cal Poly Pomona Foundation, Inc. (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 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. The employment and training of students is also a priority of the Foundation.

The following discussion and analysis provide an overview of the financial position and activities of the Foundation for the year ended June 30, 2022. The Foundation has been recovering from the material operating losses experienced during the prior two pandemic-impacted years. This was primarily caused by the loss of on-campus foot traffic resulting from significantly increased remote instruction during the COVID-19 pandemic. As a result, many Foundation units have operated at limited capacity and were on a staggered reopening schedule.

The following discussion and analysis have been prepared by management in light of these circumstances and should be read in conjunction with the financial statements and notes thereto, which follow this section.

Introduction to the Financial Statements

This annual report consists of a series of financial statements prepared in accordance with the Governmental Accounting Standards Board (GASB) principles. Included in this report are the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, the Statement of Cash Flows, and Statement of Fiduciary Net Position, which will provide a comprehensive financial overview of the Foundation's business operations and performance.

Fiduciary funds are used to account for resources held for the benefit of parties outside the Foundation. The Foundation holds funds for the Bronco Bucks program (Bronco Bucks). The Foundation's fiduciary activities are reported in a separate Statement of 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 the Foundation's own programs.

The Foundation's net position (the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources), which is reported in the Statement of Net Position, is one indicator of the Foundation's financial health. Over time, increases or decreases in net position are one metric of the Foundation's financial condition, when considered in combination with other non-financial information.

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

The Statement of Cash Flows provides relevant information about the sources and uses of cash during the period. The information provided in this statement helps financial report users assess the Foundation's ability to generate future net cash flows, its ability to meet its obligations as they come due, and its need for external financing. It also provides insight into the reasons for differences between operating income and associated cash receipts and payments. 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.

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.

Statement of Net Position

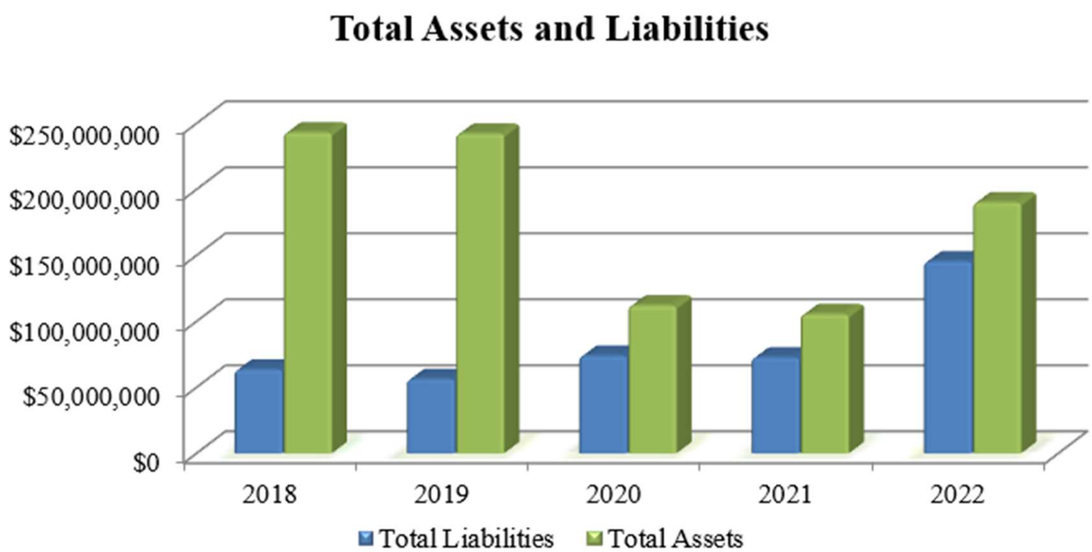
The Statement of Net Position presents the financial position of the Foundation at the end of the fiscal year and includes all assets, deferred outflows of resources, liabilities and deferred inflows of resources of the Foundation. The change in net position during the year, which is the difference between total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources, is an indicator of whether the overall financial condition has improved or not during the year. Assets and liabilities are generally measured using current values. Two notable exceptions are investments and capital assets, with investments measured at either fair value using quoted market prices or net asset value (NAV) and capital assets at historical costs less an allowance for depreciation. For the purpose of distinguishing between current and noncurrent assets and liabilities, current assets and liabilities are those that can be reasonably expected to either generate or use cash, as part of normal business operations, within one year of the Statement of Net Position date.

CAL POLY POMONA FOUNDATION, INC.
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2022

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

	2022 (in thousands)	2021 (in thousands)
Assets:		
Current assets	$ 47,480	$ 41,566
Noncurrent assets:		
Restricted cash and cash equivalents	74	81
Accounts receivable, net	2,313	2,927
Lease receivables, net of current portion	93,595	-
Long-term investments	1,334	1,645
Capital assets, net	43,088	55,475
Total noncurrent assets	140,404	60,128
Total Assets	187,884	101,694
Deferred outflows of resources:		
Unamortized loss on debt refunding	-	234
Net pension liability	2,427	2,859
Net OPEB liability	476	643
Total Deferred Outflows of Resources	2,903	3,736
Liabilities:		
Current liabilities	11,610	8,871
Noncurrent liabilities	29,945	61,344
Total Liabilities	41,555	70,215
Deferred inflows of resources:		
Net pension liability	7,825	1,336
Unamortized gain on debt refunding	-	36
Leases	92,897	-
Net OPEB liability	2,595	320
Split interest agreements	583	832
Total Deferred Inflows of Resources	103,900	2,524
Net Position:		
Net investment in capital assets	22,773	14,752
Restricted for:		
Unvested Grant Assets	2,402	-
Expendable:		
Unrestricted	20,157	17,939
Total Net Position	$ 45,332	$ 32,691

Total assets and deferred outflows were $190.8 million and $105.4 million for fiscal years 2021-22 and 2020-21, respectively. The increase between 2022 and 2021 of $85.4 million or 81% is mainly attributable to the addition of $94.4 million in lease receivables and a decrease of $12.4 million in net capital assets due to the implementation of GASB 87.



Total liabilities and deferred inflows were $145.5 million and $72.7 million for the fiscal years 2022 and 2021, respectively. This change is primarily due to the addition of $92.9 million in deferred inflows related to the implementation of GASB 87 leases, and a reduction in non-current lease obligations of $20.3 million due to the restatement of capital lease obligation related to the implementation of GASB 87.

The Foundation participates in the Auxiliaries Multiple Employer VEBA (Voluntary Employees' Beneficiary Association), a separate 501(c)(9) organization, to assist in funding postemployment benefits for recognized auxiliaries of the California State University System. As of June 30, 2021 (the most recent actuarial report), the total other postemployment benefit (OPEB) liability for benefits was $17.7 million and the net OPEB liability was $4.4 million and the actuarial plan's fiduciary net position was $12.4 million or 70% funded. The covered payroll (annual payroll of active employees covered by the plan) was $2.7 million, and the ratio of the net OPEB liability to covered payroll was 162%. The Foundation's current plan is to fund the OPEB liability up to the retirees' and surviving spouse actuarial obligation. Detailed information is presented in Note 13 of the financial statements.

The Foundation participates in a cost sharing multiple-employer defined benefit plan through the California Public Employees' Retirement System (CalPERS) which covers substantially all regular full-time employees of the Foundation. CalPERS acts as a common investment and administrative agent for participating public entities with the state of California and reports information to the Foundation in accordance with reporting standards established by GASB. The Public Agency Cost-Sharing Multiple-Employer Plan is comprised of a Miscellaneous Risk Pool and a Safety Risk Pool. The Foundation sponsors three Miscellaneous Risk Pool plans. The plans provide 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.

As of June 30, 2022, the Foundation reported a net pension liability for its proportionate share of the Miscellaneous Risk Pool totaling $2.4 million, pension expense of $1.2 million, deferred inflows of resources of $7.8 million and deferred outflows of resources of $2.4 million for the plan. The Foundation's proportion is 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. As of June 30, 2021, the measurement period applicable to these financial statements, the Foundation's proportion was 0.342%. Detailed information is presented in Note 12 of the financial statements.

Net Position

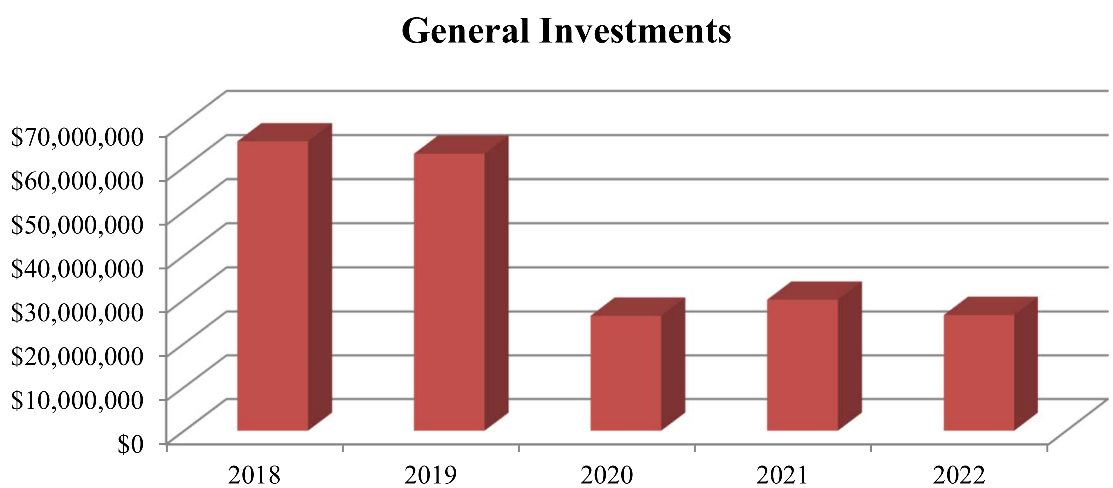
Net position represents the residual interest in the Foundation's assets after liabilities are deducted. The Foundation's net position is as follows:

	2022 (in thousands)	2021 (in thousands)
Net investment in capital assets	$ 22,773	$ 14,752
Restricted:		
Nonexpendable	2,402	-
Unrestricted	20,157	17,939
Net position	$ 45,332	$ 32,691

Net position increased 39% or $12.6 million primarily due to the addition of $6 million in net capital assets as a result of GASB 87 implementation as well as the recording of Grants vested assets of $2.4 million. Unrestricted net position includes the enterprise or entrepreneurial activities of the Foundation as well as program activities.

Investments

Investments included on the Statement of Net Position at June 30, 2022 consist of expendable funds that have been invested in the Foundation's general investment portfolio. The Foundation's general investment policy is designed to obtain the highest risk-mitigated yield available, while investments meet the criteria established for safety (preservation of capital), liquidity and yield. During fiscal year 2021-22, general investments decreased by $3 million, or 12.8%. Net investment losses for the year were approximately $3 million (net of fees) as a result of capital markets influencing asset values and over-performance to the benchmark. Investment returns, net of fees, consists of a change in the fair market value of general investments, including interest, dividends, and realized and unrealized gains and losses.



Capital Assets, Capitalized Lease Obligations and Net Investment

The Foundation's investment in capital assets, net of related debt increased by $8.0 million primarily due to GASB 87 implementation: $20.6 million increase mostly due to releasing CenterPointe Dining's lease obligation, and partially offset by a $12.4 million decrease mostly due to the net impact of releasing fixed assets (Centerpointe Dining, CTTI CEU, and University Village – Phase III). A summary of capital assets, net of accumulated depreciation and capitalized lease obligations is as follows:

	2022 (in thousands)	2021 (in thousands)
Building and improvements	$ 36,721	$ 87,818
Equipment, furniture and fixtures	15,287	12,215
Infrastructure	8,651	8,651
Land	7,103	7,103
Construction work in progress	22	28
Orchards	144	144
Right-to-Use Leases:		
Land and Building	21,410	–
Equipment, furniture, and vehicles	31	–
	89,369	115,959
Less: Accumulated depreciation and amortization	(46,281)	(60,484)
Unamortized gain on refunding	–	(36)
Plus: Unamortized loss on refunding	–	234
	43,088	55,673
Less: Lease obligations	(20,315)	(40,921)
Invested in capital assets	$ 22,773	$ 14,752

The Foundation implemented GASB Statement No. 87 during the fiscal year for multiple leases, both receivable and payable. Total leases receivable at the end of the year were $94.4 million and total leases payable were $20.3 million.

As mentioned previously, the Foundation completed the collaborative project with the University that included the planning, construction and financing for a $24 million replacement dining commons (CenterPointe) that opened in January 2020. The University and Foundation entered into a facility lease agreement and an operating agreement to operate Centerpointe and repay the financing under the same terms and conditions as the dining portion of the System Revenue Bonds, Series 2017A & 2017B. The Foundation contributed $4 million to the project. Subsequent to the implementation of GASB Statement No. 87, the bonds were refunded.

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:

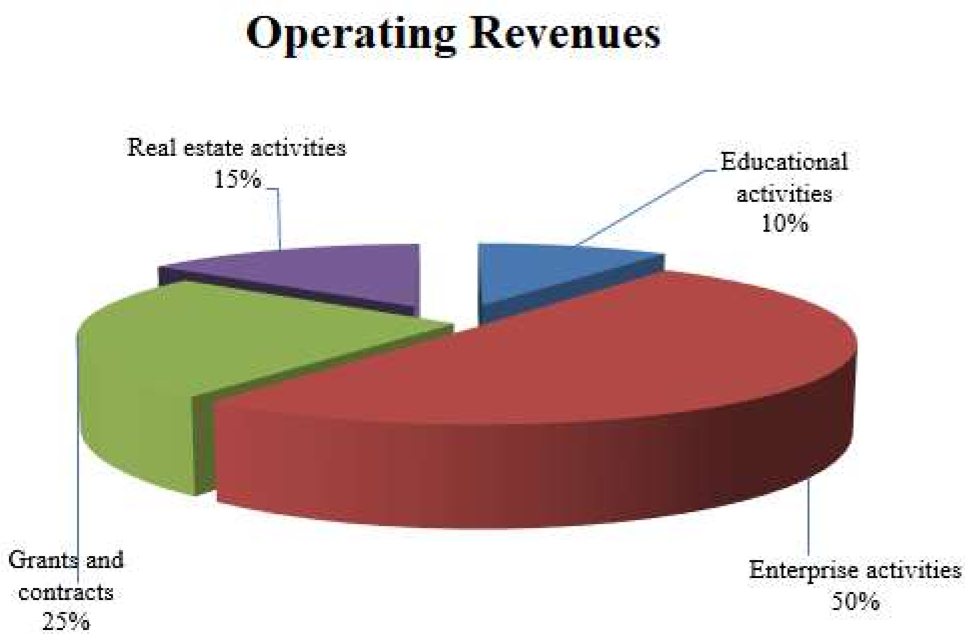
	2022 (in thousands)	2021 (in thousands)
Operating revenues:		
Educational activities	$ 7,442	$ 4,818
Enterprise activities	37,247	14,763
Grants and contracts	18,436	13,928
Admin / Real estate activities	11,271	6,709
Total operating revenues	74,396	40,218
Operating expenses	64,143	48,317
Operating income	10,253	(8,099)
Nonoperating revenues (expenses):		
Investment income, net	(2,982)	4,448
Interest expenses	(1,133)	(1,832)
Other nonoperating revenues (expenses), net	(1,019)	(282)
Total nonoperating revenues, net	(5,134)	2,334
Increase (decrease) in net position	5,119	(5,765)
Net position:		
Net position at beginning of year	32,691	38,456
Restatement of beginning net position	7,522	-
Net position at end of year	$ 45,332	$ 32,691

CAL POLY POMONA FOUNDATION, INC.
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2022

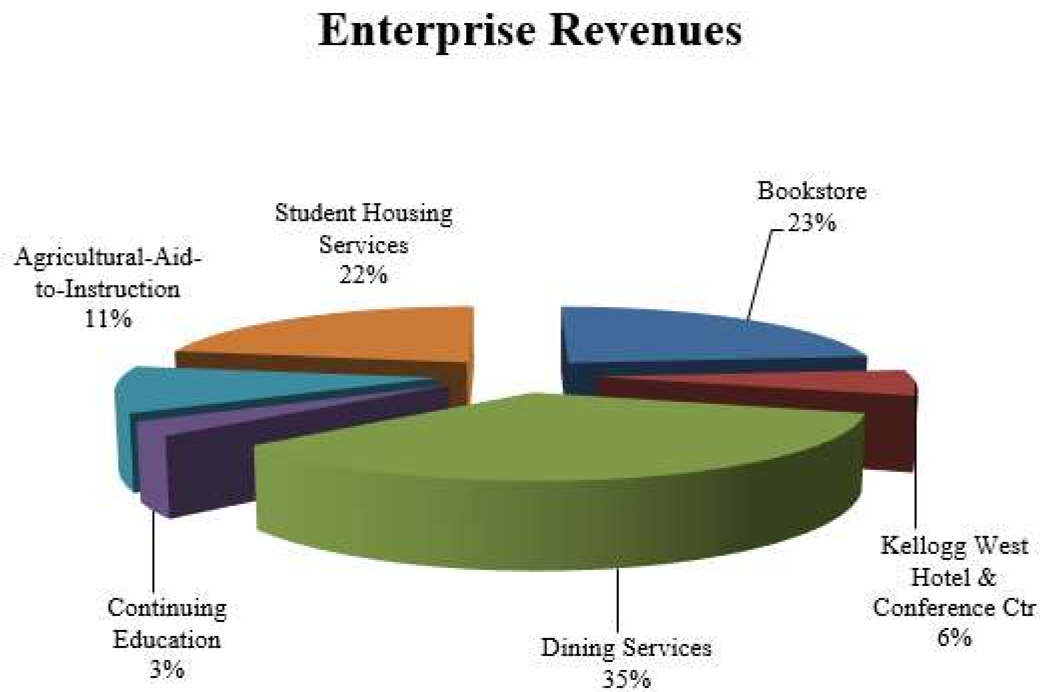
During the fiscal year 2021-22, total operating revenues increased 85.0% or $34.2 million due to having a higher student population on campus than the previous year which was heavily impacted by the COVID-19 pandemic. The bookstore, housing, and dining revenue experienced significant increases as the Foundation reopened more dining locations, increased the student housing occupancy, and expanded the bookstore business hours. Operating expenses increased 32.8% or $15.8 million because of the increase in enterprise activities.

The net non-operating expenses were approximately $5.1 million. Net investment loss for the year was approximately $3.0 million as a result of an overall reduction in the market value of investments in the second half of the fiscal year.

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



Auxiliary enterprise operating revenues consist of the following programs:



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

In fiscal year 2021-22, operating expenses consist of cost of goods sold of $12.7 million, salaries and fringe benefits of $21.2 million, payments to vendors of $26.3 million, and depreciation and amortization of $3.9 million.

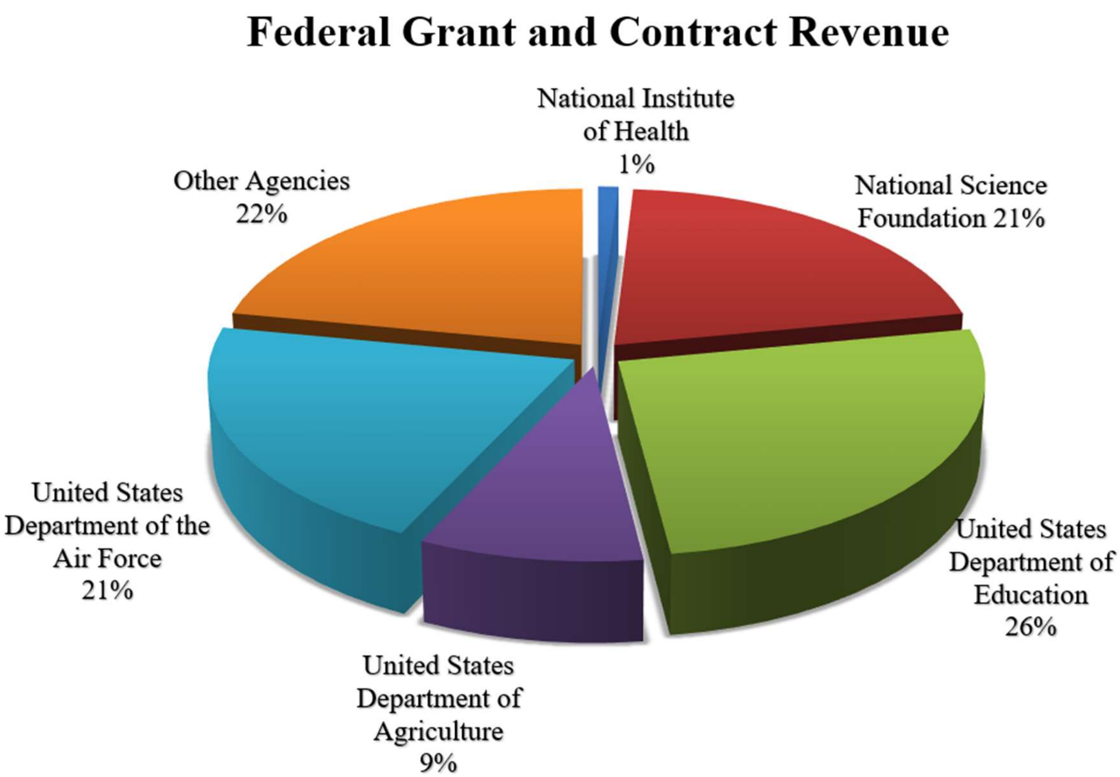
In addition to their natural classifications, it is also informative to review operating expenses by function. A summary of the Foundation's expenses by functional classification for the fiscal years ended is as follows:

	2022 (in thousands)	2021 (in thousands)
Operating:		
Instruction	$ 7,052	$ 8,886
Research	8,521	6,670
Public service	(19)	87
Academic support	4,026	3,439
Student services	276	258
Institutional support	400	112
Operation and maintenance of plant	1	2
Administrative and real estate activities	9,763	10,482
Enterprise expenses	30,230	14,716
Depreciation and amortization	3,893	3,665
Total operating expenses	$ 64,143	$ 48,317

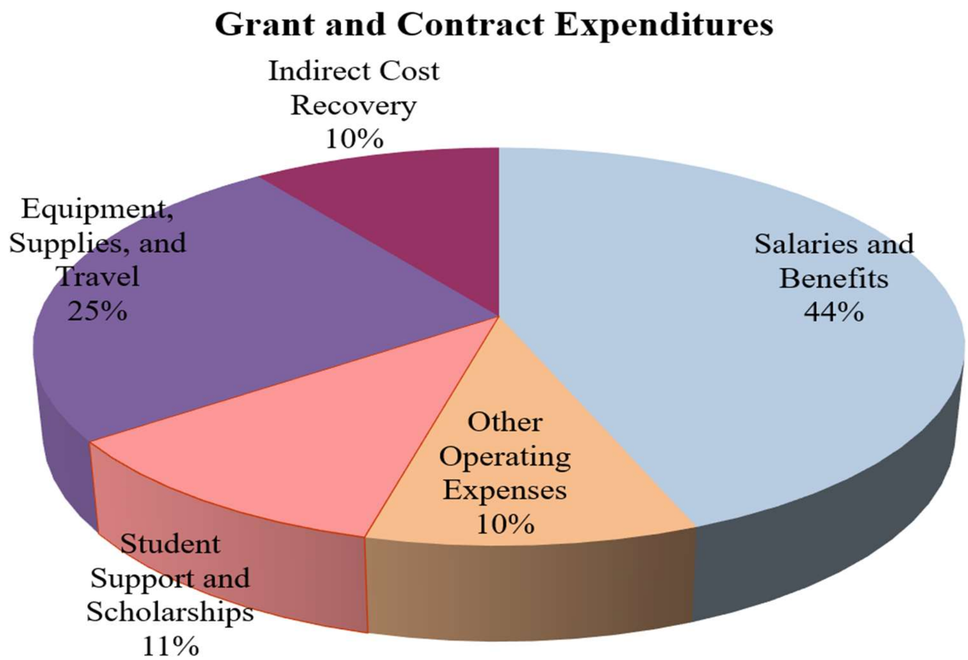
During fiscal year 2021-22, enterprise expenses increased due to the increased business hours, employee hires and return to work, and the additional opening of dining locations that were previously closed due to the impact of the pandemic.

The Foundation is the recipient of all externally-funded sponsored projects awarded on behalf of California State Polytechnic University, Pomona. For the last two years, University faculty and staff have secured over $29.2 million in external funds representing 316 projects.

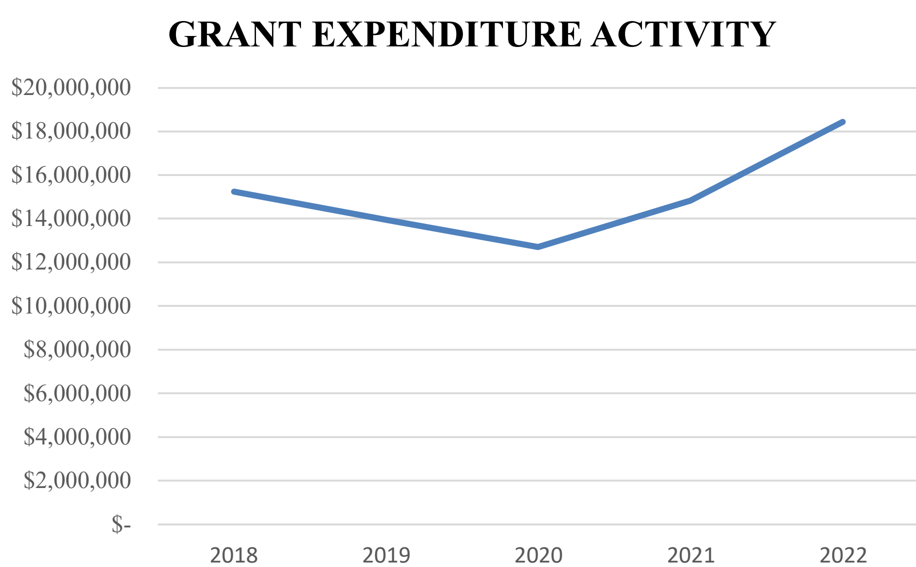
Federal grant and contract awards received represents 82% of the sponsored program activity and includes support from a variety of agencies including:



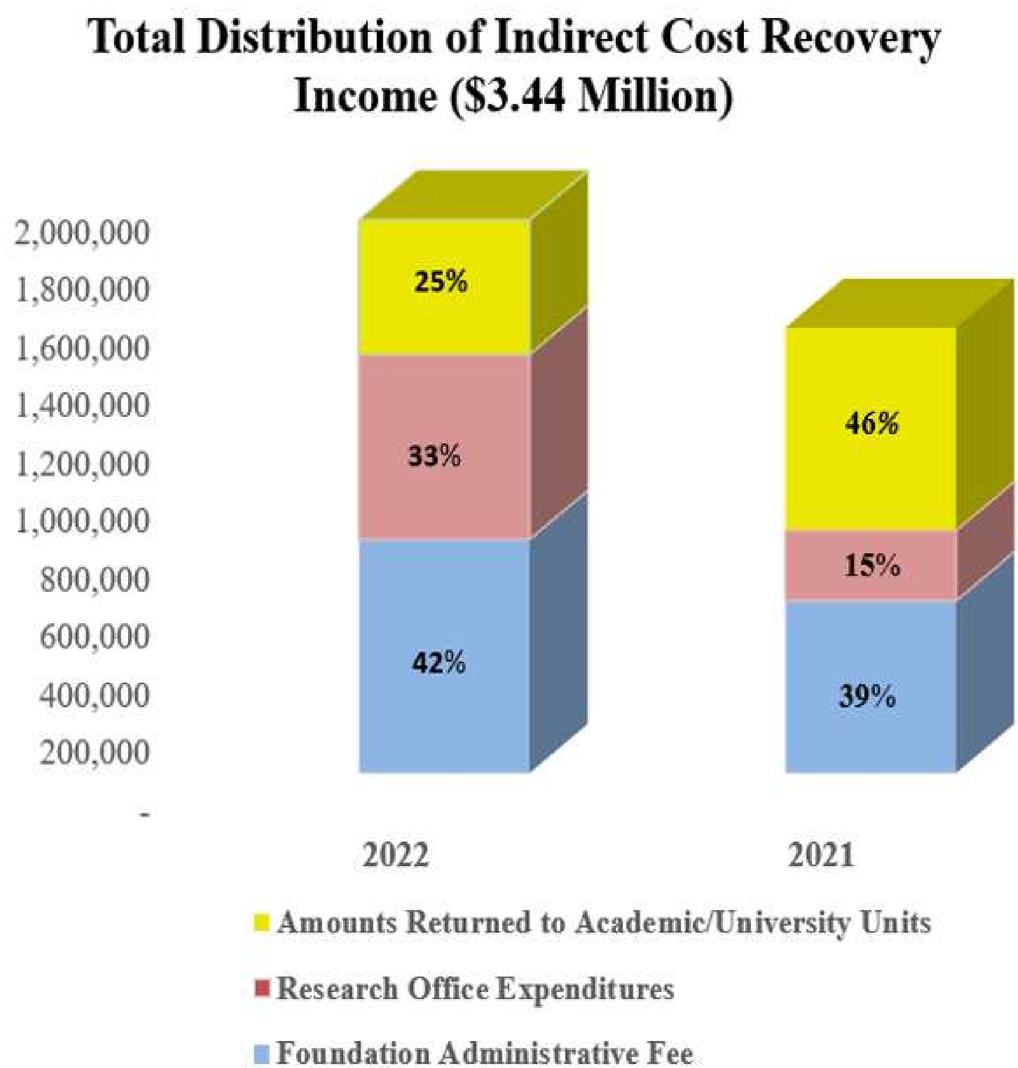
During the last two fiscal years, grants and contracts expenditures totaled $33.3 million consisting of federal grants and contracts of $19.1 million, state grants and contracts of $3.8 million, and non-governmental grants and contracts of $5.9 million. Expenditures relating to grant and contract projects consisted of the following items:



Over the past five years, the grant expenditure totals have ranged between $12.7 million and $18.4 million dollars.



The total amount of indirect cost recovery income collected from grant and contract projects totaled $3.4 million in fiscal year 2021-22 and 2020-21. 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 ongoing pandemic had created instability within the higher education industry. It has also brought broad economic uncertainty. The pandemic has continued to disrupt Foundation operations, capital projects, and cash flows during the year making it challenging to measure the impact on future periods. Management continues to monitor and adjust to on-campus enrollment, the ability to engage in events/activities, housing capacity limitations, and other pandemic-related factors that impact operations.

Considering these circumstances, the Foundation's fiscal year 2022-2023 proposed budgeted projections include the following Board-approved assumptions:

- Enrollment is budgeted at a decrease of 3% compared to the prior year
- University Housing Services occupancy is budgeted at 98% of total capacity
- On-campus foot traffic is budgeted at 80% of enrollment
- Consideration has been made for events that were cancelled due to COVID-19 in the past that may be held again
- Overall inflation for general expenses is proposed to increase an average of 4.0%
- Limited conference travel budgets
- Overall inflation for general expenses is proposed to increase an average of 4.0%
- No discretionary contribution will be made to the 2%@55 Plan to further reduce the net pension liability based on the 10-year amortization model, no additional contributions to the 2%@60 Plan or the 2%@62 Plan
- The California minimum wage increased from $14.00 per hour to $15.00 per hour, effective January 1, 2022
- Reimagined staffing in all areas. Greater focus on student employment (entry level, leads, and first-level supervision). Vary staffing levels between fall, spring, and summer, based on need

CAL POLY POMONA FOUNDATION, INC.
Statement of Net Position
June 30, 2022

Assets:		
Current assets:		
Cash and cash equivalents	$	3,552,987
Short-term investments		26,438,906
Accounts receivable, net		7,812,157
Accounts receivable from the related parties		6,264,865
Lease receivables, current portion		813,950
Inventories		1,937,763
Assets held for sale		353,533
Prepaid expenses and other assets		305,391
Total current assets		47,479,552
Noncurrent assets:		
Restricted cash and cash equivalents		73,560
Accounts receivable, net		2,313,446
Lease receivables, net of current portion		93,594,765
Long-term investments		1,334,471
Capital assets, net		43,088,221
Total noncurrent assets		140,404,463
Total assets		187,884,015
Deferred outflows of resources:		
Net pension liability		2,427,121
Net OPEB liability		476,040
Total deferred outflows of resources		2,903,161

See accompanying notes to financial statements.

CAL POLY POMONA FOUNDATION, INC.

Statement of Net Position

June 30, 2022

Liabilities:	
Current liabilities:	
Accounts payable	3,014,515
Accounts payable to related parties	1,294,692
Accrued salaries and benefits payable	858,216
Accrued compensated absences, current portion	375,679
Unearned revenue	1,729,024
Lease liabilities, current portion	1,316,211
Paycheck Protection Program loan, current portion	925,146
Other liabilities	2,096,333
Total current liabilities	11,609,816
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	459,163
Paycheck Protection Program loan	2,869,854
Lease liabilities, net of current portion	18,999,169
Net pension liability	2,405,616
Net OPEB liability	4,383,134
Unitrust liability	827,905
Total noncurrent liabilities	29,944,841
Total liabilities	41,554,657
Deferred inflows of resources:	
Net pension liability	7,825,042
Leases	92,897,456
Net OPEB liability	2,594,877
Split interest agreements	583,493
Total deferred inflows of resources	103,900,868
Net Position:	
Net investment in capital assets	22,772,841
Restricted for:	
Unvested Grant Assets	2,402,301
Expendable:	
Unrestricted	20,156,509
Total net position	$ 45,331,651

See accompanying notes to financial statements.

CAL POLY POMONA FOUNDATION, INC.

Statement of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2022

Revenues:		
Operating revenues:		
Educational activities	$	7,442,052
Enterprise activities		37,247,268
Grants and contracts		18,435,820
Real estate activities		11,270,824
Total operating revenues		74,395,964
Expenses:		
Operating expenses:		
Educational activities		5,530,550
Enterprise activities		30,229,741
Grants and contract		14,727,150
Administrative and real estate activities		9,763,129
Depreciation and amortization		3,892,878
Total operating expenses		64,143,448
Operating Surplus/(Deficit)		10,252,516
Nonoperating revenues (expenses):		
Investment income/(loss), net		(2,981,964)
Interest expense		(1,132,981)
Other nonoperating revenues/(expenses)		(1,018,850)
Net nonoperating revenues/(expenses)		(5,133,795)
Increase/(Decrease) in net position		5,118,721
Net position:		
Net position at beginning of year, restated		40,212,930
Net position at end of year	$	45,331,651

See accompanying notes to financial statements.

CAL POLY POMONA FOUNDATION

Statement of Cash Flows

Year Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from federal grants and contracts	$	11,319,020
Receipts from state and local grants and contracts		2,069,227
Receipts from nongovernmental grants and contracts		5,513,936
Payments to suppliers		(30,078,324)
Payments to employees		(19,114,722)
Payments for benefits		(7,023,272)
Sales and services of educational activities		8,282,944
Sales and services of enterprise activities		28,855,267
Other receipts		7,740,033
Net cash provided/(used) by operating activities		7,564,109
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Other noncapital financing activities		(1,018,850)
Net cash provided/(used) by noncapital financing activities		(1,018,850)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisitions of capital assets		(5,498,563)
Principal paid on capital debt and lease		(1,114,649)
Interest paid on capital debt and lease		(1,132,981)
Net cash provided/(used) by capital and related financing activities		(7,746,193)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments		23,797,263
Purchases of investments		(23,286,177)
Investment income		594,134
Net cash provided/(used) by investing activities		1,105,220
Net increase/(decrease) in cash and cash equivalents		(95,714)
Cash and cash equivalents at beginning of year		3,722,261
Cash and cash equivalents at end of year	$	3,626,547
Breakdown of ending cash balance:		
Cash and cash equivalents	$	3,552,987
Restricted cash and cash equivalents		73,560
	$	3,626,547

See accompanying notes to financial statements.

CAL POLY POMONA FOUNDATION

Statement of Cash Flows

Year Ended June 30, 2022

Reconciliation of operating gain to net cash provided by operating activities:

Operating income/(loss)	$	10,252,516
Adjustments to reconcile operating gain to net cash used by operating activities:		
Depreciation and amortization		3,892,878
Change in assets and liabilities:		
Accounts receivable, net		(6,946,593)
Prepaid expenses and other assets		(693,422)
Deferred outflows of resources		599,011
Accounts payable and amounts payable to the University		1,094,905
Accrued salaries and benefits		(103,725)
Accrued compensated absences		114,941
Unearned revenue		947,007
Net other postemployment benefits liability		(2,115,454)
Net pension liability		(7,892,007)
Other liabilities		(100,854)
Deferred inflows of resources		8,514,906
Net cash provided/(used) by operating activities	$	7,564,109

Supplemental schedule of noncash transactions:

Transfers of capital assets to the University	$	(1,292,713)

See accompanying notes to financial statements.

CAL POLY POMONA FOUNDATION

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2022

		Bronco Bucks
Assets:		
Current assets:		
Cash	$	387,499
Total current assets		387,499
Total assets		387,499
Liabilities:		
Current liabilities:		
Funds held for others		387,499
Total liabilities	$	387,499

See accompanying notes to financial statements.

Note (1) Organization

Cal Poly Pomona Foundation, Inc. (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

(a) 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 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.

Note (2) Summary of Significant Accounting Policies (continued)

(b) 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.

(c) Basis of Accounting

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

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

Note (2) Summary of Significant Accounting Policies (continued)

(d) 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 assets are considered to be current. All other assets and liabilities are considered to be noncurrent.

(e) 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.

(f) 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.

(g) 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.

(h) Leases Receivable

Lease 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.

(i) Inventories

Inventories are presented at the lower of cost and 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.

Note (2) Summary of Significant Accounting Policies (continued)

(j) Investments and Endowment Investments

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

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

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

(k) 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.

(l) Capital Assets

Capital assets are stated at cost or estimated historical cost if purchased or if donated, at estimated fair 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.

Note (2) Summary of Significant Accounting Policies (continued)

(m) 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, and differences between actual and expected 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.

(n) Unearned Revenue

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

(o) 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.

(p) 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.

Note (2) Summary of Significant Accounting Policies (continued)

(q) 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.

(r) 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.

(s) 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, and differences between the estimated and actual return on pension and OPEB plan investments. In addition, deferred inflows related to the net pension liability resulted in differences between actual and expected actuarial experience in measuring plan liabilities and changes in its proportionate share of the net pension liability.

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

Note (2) Summary of Significant Accounting Policies (continued)

(t) 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 attributable to the acquisition, construction, or improvement of those assets.

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

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

(u) 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.

(v) 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.

Note (2) Summary of Significant Accounting Policies (continued)

(w) 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, outflows, liabilities, inflows, revenues, and expenses in the accompanying basic financial statements. Actual results could differ from those estimates.

(x) Subsequent Events

The Foundation has evaluated subsequent events through October 19, 2022 which is the date the financial statements were available to be issued.

Note (3) Cash, Cash Equivalents, and Investments

Custodial Credit Risk

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

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

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Foundation will not be able to recover the value of its investments that are in the possession of the counterparty. As of June 30, 2022, all investments are in the name of the Foundation, and the Foundation is not exposed to custodial credit risk associated with its investments.

Note (3) Cash, Cash Equivalents, and Investments (continued)

Custodial Credit Risk (continued)

Following is a list of acceptable instruments to invest in as of June 30, 2022:

Description	General Portfolio	Endowment Portfolio
Money Market Funds	X	X
Certificate of Deposits	X	X
Common and Preferred Stocks		X
US Government or Agency Obligations	X	X
International Bonds	X	
Mortgage Backed Securities	X	X
Corporate Debt	X	X
Repurchase Agreements	X	X
Mutual Funds (Debt or Equity)	X	X
Real Estate Investment Trusts		X
Real Estate	X	
Real Assets	X	X
Alternative Investments	X	
Hedge Funds		X
Private Equity		X

Interest Rate Risk

This is the risk of loss due to the fair value of an investment falling due to rising interest rates. As a means of limiting its exposure to fair value losses from rising interest rates, in accordance with its investment policies, the Foundation authorizes 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, 2022, all mutual funds invested in fixed income securities, with total fair value of $4.3 million, and have a duration between one and four years, were included in general investments.

Credit Risk

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

Note (3) Cash, Cash Equivalents, and Investments (continued)

Credit Risk (continued)

The Foundation had the following investments subject to credit risk:

Investment Type	Rating (S&P/Moody's)	Fair Value
Fixed Income	High	$ 4,259,132
Corporate Debt	Non-Invesment Speculative	266,226
Government Securities	High	813,640

Concentration of Credit Risk

The Foundation's general and endowment investment policies allow for no more than 5% of the asset class to be invested in any single equity or fixed income issuer, with the exception of U.S. Treasury and Agency securities and exposure to any industry sector is generally limited to 20% of the asset class. This is the risk of loss attributed to the magnitude of an entity's investment in a single issuer.

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, 2022, the Foundation was not exposed to concentration of credit risk as there were no investments in a single issuer in excess of 5%.

Note (3) Cash, Cash Equivalents, and Investments (continued)

Fair Value Measurement

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.

The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels. Level 1 inputs are quoted prices (unadjusted) for identical investments in active markets at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an investment, either directly or indirectly. Level 3 inputs are unobservable inputs for an investment. The fair value hierarchy gives the highest priority to Level 1 inputs and 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, 2022 due to the relative short maturities of these instruments.

Note (3) Cash, Cash Equivalents, and Investments (continued)

Fair Value Measurement, continued

	Assets at Fair Value				
	Total	Level 1	Level 2	Level 3	NAV
Mutual Funds:					
Domestic Fixed Income	$ 694,860	$ 694,860	$ -	$ -	$ -
Global Fixed Income	2,408,475	2,408,475	-	-	-
Large Cap Equities	299,573	299,573	-	-	-
Small-Mid Cap Equities	139,865	139,865	-	-	-
Int'l & EM Equities	784,585	784,585	-	-	-
Treasury Securities	407,575	407,575	-	-	-
Federal Agency Obligations	52,194	52,194	-	-	-
Exchange Traded Funds:					
Large Cap Equities	2,810,982	2,810,982	-	-	-
International Equities	3,002,297	3,002,297	-	-	-
Domestic Fixed Income	1,155,797	1,155,797	-	-	-
Corporate Debt	266,226	266,226	-	-	-
Treasury Bond	406,065	406,065	-	-	-
REITs	10,655	10,655	-	-	-
Indexed Annuity	278,598	278,598	-	-	-
Alternative Investments:					
Private Equity	2,858,617	-	-	-	2,858,617
Hedge Funds	2,728,185	-	-	-	2,728,185
REITs	504,061	-	-	-	504,061
Private Credit	210,038	-	-	-	210,038
Equity Securities	8,754,729	8,754,729	-	-	-
	$ 27,773,377	$ 21,472,476	$ -	$ -	$ 6,300,901

Fair value measurements on the Statement of Net Position consist of the following:

Short-term investments	$ 26,438,906
Long-term investments	1,334,471
	$ 27,773,377

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

Note (3) Cash, Cash Equivalents, and Investments (continued)

Fair Value Measurement, continued

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2022.

a) Mutual funds are managed by separate investment management firms. These mutual funds are valued using quoted market prices for identical investments in active markets which approximate fair value.
b) Exchange traded funds are valued at the closing price reported on the active market on which the individual securities are traded.
c) Fixed income debt instruments are debt securities that are valued based on market prices in active markets.
d) Indexed annuities are long-term insurance products with guaranteed payments backed by the claims-paying ability of the issuing insurance company. Index annuity products are valued by the issuing insurance company.
e) Private Equities are master limited partnership multi-manager program investments valued using NAV per share.
f) Hedge funds are managed by four separate investment management firms in either pooled master limited partnerships or mutual funds. Hedge Funds are valued using NAV per share.
g) Local Agency Investment Fund (LAIF) is valued using NAV per share.
h) Equity securities are valued at quoted market prices in active markets.

Investments Measured at NAV

Commitments and redemption schedules for those investments value based on NAV are as follows:

Description	Fair value	Unfunded commitments	Redemption frequency	Redemption notice period
Private Equity Funds - Hamilton Lane	$ 2,858,617	$ 918,813	None	None
Hedge Funds				
Coatue Offshore	229,972	-	Quarterly	45 Calendar Days
Cooper Square Ltd - Class I	214,100	-	Quarterly	60 Days
Seg Partners Offsh Class	263,795	-	Quarterly	60 Days
Third Point	255,387	-	Quarterly	60 Days
Hudson Bay Ltd - Advisory	551,158	-	Quarterly	60 Days
Blackstone Reit	504,061	-	Monthly	3 days
Private Equity Funds - Commonfund	498,369	68,125	None	None
Hp/Starboard Value Ltd Esc	276,030	-	Quarterly	90 Calendar Days + 5 Business Days
Partners Group Pe - P Esc	439,374	-	Quarterly	Tender Window Announcements
BX Private Credit Fund Esc	210,038	-	Quarterly	90 days

Note (3) Cash, Cash Equivalents, and Investments (continued)

Investments Measured at NAV, continued

The Foundation has invested in the private equity funds, Commonfund, and contributed $931,875 against its commitment of $1.0 million in the general portfolio and received distributions of $1,598,236 (since inception September 2007) and the market value is $498,369 as of June 2022 (the latest valuation date).

The Foundation has invested in the private equity funds, Hamilton Lane, within the general investment portfolio. Since March 2017, the Foundation has contributed $2,316,036 against its commitment of $3,000,000 and has received distributions of $793,195. The market value of the investment is $2,858,615 as of June 30, 2022. The funds are managed by a general partnership and are not redeemable during the term of 12 years with a three year option to extend by the general partner.

Hedge Funds have historically provided a differentiated risk and rate-of-return profile than equities or fixed income and thus are expected to increase portfolio diversification and help smooth overall portfolio returns.

Investment Earnings

Net investment losses were $2,981,964 for the year ended June 30, 2022, which is comprised of interest, dividends, realized gains and losses, and unrealized gains and losses due to changes in the fair value of investments held at year-end, net of investment fees. Investment income or losses are distributed ratably to participating funds.

Note (4) Accounts Receivable

Accounts Receivables consisted of the following:

	2022
Real estate	$ 2,160,388
Enterprise activities	3,263,438
Grants and contracts	4,270,462
Educational activities	532,218
Less allowance for uncollectible contributions	(100,903)
Subtotal accounts receivable	10,125,603
Due from related parties	6,264,865
Total accounts receivable, net	16,390,468
Total Accounts Receivable	$ 16,390,468

Note (5) Capital Assets

The following provides a summary of changes in capital assets for the year ended June 30, 2022:

	Restated Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022
Capital assets not being depreciated:				
Land	$ 7,102,910	$ -	$ -	$ 7,102,910
Construction work in progress (CWIP)	27,563	1,766,136	1,771,790	21,909
Total capital assets not being depreciated	7,130,473	1,766,136	1,771,790	7,124,819
Capital assets being depreciated:				
Buildings and buildings improvements	36,710,011	10,546	-	36,720,557
Orchards	143,638	-	-	143,638
Infrastructure	8,651,467	-	-	8,651,467
Equipment, furniture, and vehicles	12,215,354	4,004,200	932,941	15,286,613
Right-to-Use Leases:				
Land and Building	21,410,300	-	-	21,410,300
Equipment, furniture, and vehicles	19,729	11,610	-	31,339
Total capital assets being depreciated	79,150,499	4,026,356	932,941	82,243,914
Total capital assets	86,280,972	5,792,492	2,704,731	89,368,733
Less accumulated depreciation/amortization for:				
Buildings and building improvements	29,416,702	791,505	-	30,208,207
Orchards	132,540	1,179	-	133,719
Infrastructure	2,792,456	216,253	-	3,008,709
Equipment	10,234,843	1,172,578	188,907	11,218,514
Right-to-Use Leases:				
Land and Building	-	1,703,597	-	1,703,597
Equipment, furniture, and vehicles	-	7,766	-	7,766
Total accumulated depreciation	42,576,541	3,892,878	188,907	46,280,512
Depreciable assets, net	36,573,958	133,478	744,034	35,963,402
Total capital assets, net	$ 43,704,431	$ 1,899,614	$ 2,515,824	$ 43,088,221

Note (6) Line of Credit

The Foundation has an unsecured revolving line of credit that has been extended through June 2023. The note is subordinate to all existing and future indebtedness of the Foundation with the Trustees of the California State University. The maximum principal sum of up to $6,000,000 may be advanced for operating purposes pursuant to the terms of the credit agreement. There was no outstanding principal at June 30, 2022. Each advance bears interest at either (i) a fluctuating rate per annum determined by the Bank to be the Applicable Margin above Daily Simple SOFR in effect from time to time, or (ii) a fixed rate per annum determined by the Bank to be the Applicable margin plus the SOFR margin adjustment above term SOFR in effect on the first day of the applicable interest period.

The Foundation may select interest periods of one, three, or six months for each advance. The Foundation shall maintain a zero balance on advances under the line of credit for a period of at least thirty (30) consecutive days during each 12-month period. The Foundation must maintain a minimum unrestricted liquidity of not less than $6,000,000 when extended at any time. For purposes of this note, minimum unrestricted liquidity is the sum of the total cash, cash equivalents, and investments less amounts listed on the Statement of Net Position that are Restricted for Nonexpendable and Expendable purposes.

Note (7) Paycheck Protection Program Loan

On May 19, 2021, the Foundation was granted a loan (the "Loan") from Newtek Small Business Finance, LLC in the aggregate amount of $3,795,000, pursuant to the Paycheck Protection Program (PPP) under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was enacted March 27, 2020. The Loan, which was in the form of a Note dated May 21, 2021 is set to mature on May 20, 2025, bearing interest at a rate of 1% per annum under the updated guidance of the CARES Act. The Note could have been prepaid by the Foundation at any time prior to maturity with no prepayment penalties. Funds from the Loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other qualified debt obligations over a 24-week period starting on the date of loan funding, May 19, 2021. Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

In September 2022, the Foundation applied for and received full forgiveness on the loan from the Small Business Administration.

Note (8) Lease Receivable

During the fiscal year ended June 30, 2022, the Foundation implemented GASB Statement No. 87. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources and outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. The statement affects the beginning net position of the Foundation as follows:

	Balances June 30, 2021 (as originally stated)	Balances June 30, 2021 (restated)	Change
Lease receivables	$ -	$ 95,119,351	$ (95,119,351)
Capital assets	55,474,967	43,704,432	11,770,535
Deferred outflows of resources - unamortized loss on debt refunding	234,115	-	234,115
Leases payable	-	(21,430,029)	21,430,029
Capital leases	(40,920,831)	-	(40,920,831)
Deferred inflows of resources - leases	-	(95,119,351)	95,119,351
Deferred inflows of resources - unamortized gain on debt refunding	(36,134)	-	(36,134)
Net position	(32,690,644)	(40,212,930)	7,522,286

The table below details the current year lease receivable activity.

Name	Original Amount	Outstanding June 30, 2021	Additions	Principal Payments	Outstanding June 30, 2022
Acroscience	$ 62,569	$ 62,569	$ -	$ (13,376)	$ 49,193
American National Red Cross	19,173,397	19,173,397	-	(149,946)	19,023,451
Biomedix	110,985	110,985	-	(62,166)	48,819
Biomedix	243,276	243,276	-	(41,438)	201,838
Blair, Church & Flynn Consulting Enginee	62,473	62,473	-	(19,811)	42,662
Circle Wood	298,335	298,335	-	(94,607)	203,728
Mesa	1,029,531	1,029,531	-	(238,610)	790,921
Titan Oil Recovery, Inc.	212,193	212,193	-	(44,567)	167,626
Southern California Edison III	18,893,264	18,893,264	-	(3,467)	18,889,797
Southern California Edison IV	22,580,670	22,580,670	-	(37,528)	22,543,142
Southern California Edison V	32,452,658	32,452,658	-	(5,120)	32,447,538
	$ 95,119,351	$ 95,119,351	$ -	$ (710,636)	$ 94,408,715

Note (8) Leases Receivable (continued)

The table below details the information on the tenants, lease period and rent amounts. Also detailed is the increase rate on an annual or multi-year basis as per the individual agreements. All leases are amortized on a straight-line basis.

Tenant	Address	Unit/Suite #	Lease Start Date	Lease End Date	Lease term (months)	Base monthly rent	Increase % per year	Current payment per month
Biomedix	3670 W. Temple Ave., Pomona, CA 91768	277	10/1/2021	9/30/2026	60	$ 3,816	3% - 2nd yr. 3% - 3rd yr. 4% - 4th yr. 4% - 5th yr.	$ 3,816
Biomedix	3670 W. Temple Ave., Pomona, CA 91768	195 & 196	4/1/2018	3/31/2023	60	$ 3,421	Based on CPI rate	$ 5,466
Blair, Church & Flynn Consulting Engineers	3660 W. Temple Ave., Pomona, CA 91768	110	6/15/2021	6/30/2024	36	$ 1,734	3% - 2nd yr. 3% - 3rd yr.	$ 1,734
Titan Oil Recovery, Inc.	3670 W. Temple Ave., Pomona, CA 91768	270	11/1/2021	10/31/2024	36	$ 5,869	3% - 2nd yr. 4% - 3rd yr.	$ 5,869
Acroscience	3660 W. Temple Ave., Pomona, CA 91768	135	8/1/2022	7/31/2025	36	$ 1,133	3% - 2nd yr. 3% - 3rd yr.	$ 1,202
Circle Wood	3670 W. Temple Ave., Pomona, CA 91768	273 & 275	7/1/2019	6/30/2024	60	$ 7,804	3% - 2nd yr. 3% - 3rd yr. 3% - 4th yr. 3% - 5th yr.	$ 8,279
Mesa	3670 W. Temple Ave., Pomona, CA 91768	150, 151, 152, 153, 154, 191, 192, 193, 194 & 279	7/1/2020	6/30/2025	60	$ 20,688	3% - Months 13-24 3% - Months 25-36 3% - Months 37-48 3% - Months 49-60	$ 21,309
American National Red Cross	Leased land within the Innovation Village Project	-	5/1/2003	4/30/2058	660	$ 29,948	2%-5% per year based on CPI	$ 42,864
Southern California Edison III	Leased land within the Innovation Village Project	-	4/14/2006	4/14/2081	900	$ 16,941	Based on CPI rate	$ 20,755
Southern California Edison IV	Leased land within the Innovation Village Project	-	1/15/2009	1/15/2084	900	$ 16,154	Based on CPI rate	$ 21,094
Southern California Edison V	Leased land within the Innovation Village Project	-	11/11/2014	4/1/2089	900	$ 26,461	Based on CPI rate	$ 30,173

Note (8) Leases Receivable (continued)

The table below details the future receivables on the leases by year. Details are shown on an annual basis until fiscal year 2026-2027 and then on a five year basis.

Future receivables are as follows:

Fiscal Year	Principal
2023	813,950
2024	814,591
2025	711,683
2026	428,140
2027	414,613
2028-2032	2,592,565
2033-2037	3,654,136
2038-2042	4,882,309
2043-2047	6,298,513
2048-2052	7,927,150
2053-2057	9,795,166
2058-2062	7,171,126
2063-2067	7,603,887
2068-2072	9,072,239
2073-2077	10,728,711
2078-2082	12,306,893
2083-2087	7,024,083
2088-2092	2,168,960
	$ 94,408,715

Note (9) Leases Payable

The table below details the information on the payables by item for the lease period as at June 30, 2022. Also detailed is the lease liability outstanding as of the end of the fiscal year. All leases are amortized on a straight-line basis

Name	Original Amount	Outstanding June 30, 2021	Additions	Principal Payments	Outstanding June 30, 2022
Ricoh Copier/Printer	$ -	$ -	$ 11,610	$ 1,933	$ 9,677
Ricoh Copier/Printer	2,965	2,965	-	867	2,098
Ricoh Copier/Printer	9,153	9,153	-	2,677	6,476
Ricoh Copier/Printer	7,610	7,610	-	2,227	5,383
CTTI - Tech Park Ground Lease	1,155,100	1,155,100	-	285,891	869,209
University Village (Phase III) Ground Lease	20,255,200	20,255,200	-	832,663	19,422,537
	$ 21,430,028	$ 21,430,028	$ 11,610	$ 1,126,258	$ 20,315,380

Note (9) Leases Payable (continued)

The table below details the information on leases with other parties, the lease periods and monthly lease payment amounts. All leases are amortized on a straight-line basis.

Description	Address	Lease Start Date	Lease End Date	Lease term (months)	Current payment per month
Ricoh Copier/Printer	Kellogg West 3801 W. Temple Ave., Bldg. 76, Pomona, CA 91768-2557	8/23/2021	8/31/2026	60	$ 193
Ricoh Copier/Printer	University Village 3801 W. Temple Ave., Pomona, CA 91768-2557	4/29/2021	8/31/2024	40	$ 72
Ricoh Copier/Printer	Research Office 3801 W. Temple, Bldg. 1, RM 224, Pomona, CA 91768-2557	8/14/2019	8/31/2024	60	$ 216
Ricoh Copier/Printer	Foundation 3801 W. Temple Ave., Bldg. 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		$ 23,824
University Village (Phase I, II, III) - Ground Lease	3400 Poly Vista, Pomona CA 91768	5/1/2003	11/30/2035		$ 69,389

Note (9) Leases Payable (continued)

The table below details the future payables on the leases by year. Details are shown on an annual basis until fiscal year 2026-2027 and then on a five-year basis.

Future maturities are as follows:

Fiscal Year	Principal	Interest
2023	$ 1,316,211	$ 366,279
2024	1,344,326	333,700
2025	1,329,814	329,113
2026	1,386,462	303,717
2027	1,408,699	275,358
2028-2032	7,228,090	946,890
2033-2037	6,301,778	242,138
	$ 20,315,380	**$ 2,797,195**

Note (10) Long Term Liabilities

A schedule of changes in long-term liabilities for the year ended June 30, 2022 is shown below:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Amount due in one year
Right to Use Lease Obligations	$ 21,435,218	$ 11,610	$ 1,131,448	$ 20,315,380	$ 1,316,211
PPP Loan	3,795,000	-	-	3,795,000	925,146
Compensated Absences	719,900	490,620	375,679	834,841	375,679
Net Pension Liability	10,297,623	-	7,892,007	2,405,616	-
Unitrust Liability	897,815	-	69,910	827,905	-
Net OPEB Liability	6,498,588	-	2,115,454	4,383,134	-
	$ 43,644,144	$ 502,230	$ 11,584,498	$ 32,561,876	$ 2,617,036

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, 2022, receivables from other activities and due from the University are $6,074,380. Accounts payable include $1,047,777 due to the University at June 30, 2022.

As per GASB Statement No. 87, the Foundation made payments of $12,072,530 to the University during the current fiscal year based on the agreements.

During fiscal year 2021-22, the Foundation transferred capital assets totaling $2,121,807 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 billed to the Philanthropic Foundation for fiscal and administrative services for the year ended June 30, 2022 totaled $440,000. Amounts paid by the Foundation during fiscal year 2021-22 totaled $490,280. Amounts paid to the Foundation during fiscal year 2021-22 totaled $2,367,197.

At June 30, 2022, accounts payable due to the Philanthropic Foundation totaled $0. Accounts receivable due from the Philanthropic Foundation totaled $171,042.

Note (11) Transactions with Related Parties (continued)

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 2021-2022 totaled $1,008,270. Amounts paid to the Foundation during fiscal year 2021-2022 totaled $600,115.

At June 30, 2022, receivables from other activities and due from ASI are $19,443. Accounts payable due from the Foundation to ASI at June 30, 2022 totaled $246,915.

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 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.

Note (12) Pension Plan – California Public Employees' Retirement System (CalPERS) (continued)

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 non-duty 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, 2022, 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	6.908%	6.918%	6.750%
Required employer contribution rate	12.484%	8.794%	7.732%

Note (12) Pension Plan – California Public Employees' Retirement System (CalPERS) (continued)

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, 2022 are presented above and the total Foundation contributions were $1,697,759.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

As of June 30, 2022, the Foundation reported net pension liabilities for its proportionate share of the Miscellaneous Risk Pool net pension liability totaling $2,405,616. The net pension liability was measured as of June 30, 2021. 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, 2021, the Foundation's proportion was 0.0034200, which increased from 0.0033967 in the prior year.

For the year ended June 30, 2022, the Foundation recognized pension expense of $725,731. At June 30, 2022, 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	$ 1,697,759	$ -
Difference between actual and expected experience	728,222	-
Net difference between projected and actual earnings on pension plan investments	-	5,668,836
Effect of change in proportion	-	1,035,247
Differences between contributions and proportionate share of contributions	1,140	1,120,959
	$ 2,427,121	$ 7,825,042

Note (12) Pension Plan – California Public Employees' Retirement System (CalPERS) (continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions, continued

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, 2023.

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

All other deferred inflows or 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, 2021 measurement date is 3.7 years.

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

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

Year Ending June 30:	Deferred Outflows (Inflows) of Resources
2022	$ 676,031
2023	(2,057,803)
2024	(2,092,246)
2025	(1,923,903)
	$ (5,397,921)

Note (12) Pension Plan – California Public Employees' Retirement System (CalPERS) (continued)

Actuarial Methods and Assumptions

For the measurement period ended June 30, 2021, the total pension liability was determined by rolling forward the June 30, 2020 actuarial accounting valuation. The June 30, 2021 total pension liability was based on the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB 68
Actuarial Assumptions	
Discount rate	7.15%
Consumer price inflation	2.50%
Salary increases	Varies by Entry Age and Service
Mortality rate table	Derived using CalPERS' Membership Data for all Funds
CalPERS experience study and review of actuarial assumptions	Based on December 2017
Post Retirement benefit increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power Applies.

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

In determining the long-term expected rate of return, CalPERS considered both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the Plan's asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for the Plan. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The target allocation and best estimates of long-term expected real rate of return by asset class are summarized in the following table:

Note (12) Pension Plan – California Public Employees' Retirement System (CalPERS) (continued)

Asset class[1]	Assumed Asset Allocation	Real Return Years 10 -[2,4]	Real Return Years 11 +[3,4]
Public equity	50.00%	4.80%	5.98%
Fixed income	28.00	1.00	2.62
Inflation assets	-	0.77	1.81
Private equity	8.00	6.30	7.23
Real assets	13.00	3.75	4.93
Liquidity	1.00	-	(0.92)

[1] In the System's Annual Comprehensive Financial Report (ACFR), Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
[2] An expected inflation of 2.00% used for this period.
[3] An expected inflation of 2.92% used for this period.
[4] Figures are based on previous ALM of 2017

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. 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 assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount Rate		Net Pension Liability
1% decrease (6.15%)	$	5,745,125
Current discount rate (7.15%)	$	2,405,616
1% increase (8.15%)		(355,108)

Note (12) Pension Plan – California Public Employees' Retirement System (CalPERS) (continued)

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 Benefits

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.

Note (13) Other Postretirement Benefits (continued)

Eligibility and Benefits

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

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

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

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

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

The Foundation's contribution to and withdrawal from the defined benefit healthcare plan is annually approved by the Board of Directors. During the fiscal year ended June 30, 2022, the Foundation chose not to make contributions. The Foundation paid $397,370 for retiree benefit expenses in the fiscal year ending June 30, 2022.

Note (13) Other Postretirement Benefits (continued)

The Foundation's annual OPEB cost (expense) is an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The actuarially determined contribution (ADC) is an amount actuarially determined by Actuarial Standards of Practice and applicable Federal and State laws. The ADC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

At June 30, 2022, the Foundation reported a net OPEB Liability of $4,383,134 per the GASB Actuarial Report. The net OPEB Liability was measured as of June 30, 2021 and the total OPEB Liability used to calculate the net OPEB Liability was determined by an actuarial valuation as of that date. The total Plan Fiduciary Net Position (assets) as a percentage of the Total OPEB Liability is 35% or $12,432,959 as of June 30, 2021.

At June 30, 2021, the measurement of the Total OPEB Liability, plan membership included thirty-two (32) active plan members and one hundred twenty-two (115) retired members and beneficiaries receiving benefit for a grand total one hundred forty-eight (147) plan participants.

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Measurement as of June 30, 2020	$ 17,658,478	$ 11,159,890	$ 6,498,588
Recognized Changes Resulting from:			
Service Cost	197,238	-	197,238
Interest	1,141,658	-	1,141,658
Difference Between Expected & Actual Experience	79,980	-	79,980
Changes of Assumptions	(1,668,472)	-	(1,668,472)
Net investment income	-	2,841,138	(2,841,138)
Benefit payments	(592,799)	(592,799)	-
Contribution - employer	-	436,315	(436,315)
Administrative expense	-	(36,221)	36,221
Retro benefit payment	-	(1,375,374)	1,375,374
Net Changes	$ (842,395)	$ 1,273,059	$ (2,115,454)
Measurement as of June 30, 2021	$ 16,816,083	$ 12,432,949	$ 4,383,134

Note (13) Other Postretirement Benefits (continued)

For the year ended June 30, 2022, the Foundation recognized OPEB expense of $1,162,551. At June 30, 2022, the employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience in the measurement of the TOL	$ 47,665	$ 49,885
Changes in assumptions	31,004	994,342
Net difference between projected and actual earnings of OPEB plan investments	-	1,550,650
Contributions to OPEB plan after measurement date	397,371	-
Total	$ 476,040	$ 2,594,877

Amounts reported as deferred outflows and inflows of resources related to OPEB resulting from employer contributions and withdrawals subsequent to the measurement date will be recognized as a net reduction of the net OPEB liability in the year ended June 30, 2021.

Note (13) Other Postretirement Benefits (continued)

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

Year ending June 30:	Deferred Outflows (Inflows) of Resources
2023	$ (635,656)
2024	(665,884)
2025	(384,115)
2026	(433,182)
	$ (2,118,837)

Actuarial Assumptions

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.26%
Healthcare cost trend rate (pre-65)	6.63% for 2022, decreasing .25% per year to an ultimate rate of 5.0% for 2031 and later years
Healthcare cost trend rate (post-65)	5.13%
Morbidity Factors	CalPERS 2017 Study
Mortality Rate	CalPERS 2017 Study
Discount Rate	6.5%

For disabled retirees, we did not value disability due to the anticipated low incidents.

The long-term expected investment rate of return assumption for each major investment class in the Plan's portfolio are summarized in the following table:

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.

Note (13) Other Postretirement Benefits (continued)

Investment Class	Target Allocation	Expected Real Rate of Return
Equity	54.00%	5.66%
REITS	8.00%	1.12%
Fixed Income	38.00%	5.08%

Sensitivity of the Net OPEB Liability to changes in the discount rate – The following presents the Foundation's Net OPEB Liability if it were calculated using a discount rate that is 1% point lower (5.50%) or 1% point higher (7.50%) than the current rate:

NOL Sensitivity Analysis

Discount Rate		Liability		$ Change	% Change
+1%	$	2,637,546	$	(1,745,588)	(40%)
Base	$	4,383,134	$	-	-
-1%	$	6,483,364	$	2,100,230	48%

Sensitivity of the Net OPEB Liability to changes in the Trend rate – The following presents the Foundation's Net OPEB Liability if it were calculated using a trend table that is 1% point lower or 1% point higher than the current rate:

NOL

Trend Rate		Liability		$ Change	% Change
+1%	$	6,390,002	$	2,006,868	46%
Base	$	4,383,134	$	-	-
-1%	$	2,603,258	$	(1,779,876)	(41%)

Assumption Change – The average per capita claims cost was updated to reflect actual 2021 and 2021 premiums. The health care cost trend rate was updated to reflect 2021 industry survey data and used the Getzen model to project long-term trend.

Note (14) Assets Held for Sale

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

At June 30, 2022, total assets held for sale include one faculty/staff house. Fair values of assets measured on a nonrecurring basis held for sale at June 30, 2022 were $353,533. Assets held for sale are recorded at cost which approximates fair value. Cost to sell and unrealized losses are immaterial and will not be recognized until the assets are sold.

Note (15) COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared a strain of coronavirus disease 2019 (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter-in-place orders. The Foundation experienced material operating losses during fiscal year 2019-20 of $6,669,786, largely resulting from the economic impact of the pandemic on the Foundation's operations, including the move to remote instruction and decreases in enterprise sales. As a cost-saving measure, the Foundation reduced discretionary spending and implemented a series of furloughs and layoffs across all employee types. This disruption proved to be temporary for the most part, and although there continues to remain uncertainty due to the impact of the pandemic, the Foundation has made significant positive strides in fiscal year 2021-2022.

REQUIRED SUPPLEMENTARY INFORMATION

CAL POLY POMONA FOUNDATION, INC.
California Public Employees Retirement Plan
Schedule of Foundation's Proportionate Share of the Net Pension Liability
Plan Year Ended June 30, 2021

	2021	2020	2019	2018	2017	2016	2015
Foundation's proportion of the net pension liability	0.12669%	0.22170%	0.21743%	0.24325%	0.21200%	0.07771%	0.07957%
Foundation's proportionate share of the net pension liability (asset)	$ 12,303,011	$ 8,877,822	$ 8,194,358	$ 9,589,146	$ 8,352,723	$ 5,338,104	$ 4,998,351
Foundation's covered-employee payroll	$ 9,741,322	$ 12,562,122	$ 11,541,499	$ 11,061,078	$ 11,198,164	$ 10,995,860	$ 10,862,791
Foundation's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	126.3%	70.7%	71.0%	86.7%	74.6%	48.5%	46.0%
Plan fiduciary net position as a percentage of the total pension liabi	81.5%	84.0%	85.6%	82.2%	86.1%	88.3%	89.1%

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

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

CAL POLY POMONA FOUNDATION, INC.

California Public Employees Retirement Plan
Schedule of Foundation Contributions
Year Ended June 30, 2022

	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 1,697,759	$ 1,495,924	$ 1,731,723	$ 2,159,281	$ 2,331,544	$ 1,786,168	$ 1,010,227
Contributions in relation to the contractually required contribution	(1,697,759)	(1,495,924)	(1,731,723)	(2,159,281)	(2,331,544)	(1,786,168)	(1,010,227)
Contribution deficiency (excess)	-	-	-	-	-	-	-
Foundation's covered-employee payroll	$ 12,142,926	$ 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	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.

See independent auditors' report.

CAL POLY POMONA FOUNDATION, INC.

Schedule of Changes in Net OPEB Liability and Related Ratios (Unaudited)

Plan Year Ended June 30, 2021

Plan Year Ended June 30	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	$ 197,238	$ 187,854	$ 182,673	$ 142,277	$ 148,176
Interest	1,141,658	1,104,006	1,051,769	894,698	1,051,372
Differences between expected and actual experience	79,980	(86,309)	(745,620)	1,014,722	1,680,006
Change of assumptions	(1,668,472)	14,502	985,763	890,259	(3,591,876)
Benefit payments, including refunds of employee contributions	(592,799)	(705,751)	(647,375)	(486,936)	(584,422)
Net change in Total OPEB Liability	(842,395)	514,302	827,210	2,455,020	(1,296,744)
Total OPEB Liability - beginning	17,658,478	17,144,176	16,316,966	13,861,946	15,158,690
Total OPEB Liability - ending	$ 16,816,083	$ 17,658,478	$ 17,144,176	$ 16,316,966	$ 13,861,946
Plan Fiduciary Net Position					
Contributions - employer	$ 436,315	$ 1,705,751	$ 1,647,375	$ 1,000,000	$ 1,111,120
Net investment income	2,841,138	420,836	449,772	567,209	743,578
Benefits payments, including refunds of employee contributions	(1,968,173)	(705,751)	(647,375)	(486,936)	(584,422)
Administrative expense	(36,221)	(34,779)	(49,278)	(39,162)	(33,384)
Net Change in Fiduciary Net Position	1,273,059	1,386,057	1,400,494	1,041,111	1,236,892
Plan Fiduciary Net Position - beginning	11,159,890	9,773,833	8,373,339	7,332,228	6,095,336
Plan Fiduciary Net Position - ending	$ 12,432,949	$ 11,159,890	$ 9,773,833	$ 8,373,339	$ 7,332,228
Net OPEB liability - ending	$ 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	73.93%	63.20%	57.01%	51.32%	52.89%
Covered employee payroll	$ 2,699,762	$ 4,760,791	$ 4,010,771	$ 4,550,937	$ 4,550,937
Plan Net OPEB Liability as percentage of covered employee payroll	162.35%	136.50%	183.76%	174.55%	143.48%

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

SUPPLEMENTARY INFORMATION

CAL POLY POMONA FOUNDATION, INC.

Schedule of Net Position

June 30, 2022

(for inclusion in the California State University)

Assets:		
Current assets:		
Cash and cash equivalents	$	3,552,987
Short-term investments		26,438,906
Accounts receivable, net		14,077,022
Lease receivables, current portion		813,950
Notes receivable, current portion		-
Pledges receivable, net		-
Prepaid expenses and other current assets		2,596,687
Total current assets	**$**	**47,479,552**
Noncurrent assets:		
Restricted cash and cash equivalents		73,560
Accounts receivable, net		2,313,446
Lease receivables, net of current portion		93,594,765
Notes receivable, net of current portion		-
Student loans receivable, net		-
Pledges receivable, net		-
Endowment investments		-
Other long-term investments		1,334,471
Capital assets, net		43,088,221
Other assets		-
Total noncurrent assets		**140,404,463**
Total assets	**$**	**187,884,015**
Deferred outflows of resources:		
Unamortized loss on debt refunding		-
Net pension liability		2,427,121
Net OPEB liability		476,040
Leases		-
Others		-
Total deferred outflows of resources	**$**	**2,903,161**

CAL POLY POMONA FOUNDATION, INC.

Schedule of Net Position

June 30, 2022

(for inclusion in the California State University)

Liabilities:		
Current liabilities:		
Accounts payable	$	4,309,207
Accrued salaries and benefits		858,216
Accrued compensated absences, current portion		375,679
Unearned revenues		1,729,024
Lease liabilities, current portion		1,316,211
Long-term debt obligations, current portion		925,146
Claims liability for losses and loss adjustment expenses, current portion		-
Depository accounts		-
Other liabilities		2,096,333
Total current liabilities	$	11,609,816
Noncurrent liabilities:		
Accrued compensated absences, net of current portion		459,163
Unearned revenues		-
Grants refundable		-
Lease liabilities, net of current portion		18,999,169
Long-term debt obligations, net of current portion		2,869,854
Claims liability for losses and loss adjustment expenses, net of current portion		-
Depository accounts		-
Net other postemployment benefits liability		4,383,134
Net pension liability		2,405,616
Other liabilities		827,905
Total noncurrent liabilities		29,944,841
Total liabilities	$	41,554,657
Deferred inflows of resources:		
Service concession arrangements		-
Net pension liability		7,825,042
Net OPEB liability		2,594,877
Unamortized gain on debt refunding		-
Nonexchange transactions		-
Lease		92,897,456
Others		583,493
Total deferred inflows of resources	$	103,900,868
Net position:		
Net investment in capital assets		22,772,841
Restricted for:		
Nonexpendable – endowments		-
Expendable:		
Scholarships and fellowships		-
Research		2,402,301
Loans		-
Capital projects		-
Debt service		-
Others		-
Unrestricted		20,156,509
Total net position	**$**	**45,331,651**

See independent auditor's report.

CAL POLY POMONA FOUNDATION, INC.

Schedule of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2022

(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		10,852,657
State		2,069,227
Local		-
Nongovernmental		5,513,936
Sales and services of educational activities		7,442,052
Sales and services of auxiliary enterprises, gross		37,247,268
Scholarship allowances (enter as negative)		-
Other operating revenues		11,270,824
Total operating revenues	**$**	**74,395,964**
Expenses:		
Operating expenses:		
Instruction		7,052,074
Research		8,521,469
Public service		(19,154)
Academic support		4,026,474
Student services		275,919
Institutional support		399,573
Operation and maintenance of plant		1,345
Student grants and scholarships		-
Auxiliary enterprise expenses		39,992,870
Depreciation and amortization		3,892,878
Total operating expenses		**64,143,448**
Operating income (loss)	**$**	**10,252,516**

CAL POLY POMONA FOUNDATION, INC.

Schedule of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2022

(for inclusion in the California State University)

Nonoperating revenues (expenses):		
State appropriations, noncapital	$	-
Federal financial aid grants, noncapital		-
State financial aid grants, noncapital		-
Local financial aid grants, noncapital		-
Nongovernmental and other financial aid grants, noncapital		-
Other federal nonoperating grants, noncapital		-
Gifts, noncapital		-
Investment income (loss), net		(2,981,964)
Endowment income (loss), net		-
Interest expense		(1,132,981)
Other nonoperating revenues (expenses)		(1,018,850)
Net nonoperating revenues (expenses)		**(5,133,795)**
Income (loss) before other revenues (expenses)	**$**	**5,118,721**
State appropriations, capital		-
Grants and gifts, capital		-
Additions (reductions) to permanent endowments		-
Increase (decrease) in net position		**5,118,721**
Net position:		
Net position at beginning of year, as previously reported		32,690,644
Restatements		7,522,286
Net position at beginning of year, as restated		**40,212,930**
Net position at end of year	**$**	**45,331,651**

See independent auditor's report.

CAL POLY POMONA FOUNDATION, INC.

Other Information

Year Ended June 30, 2022

(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		73,560
Noncurrent restricted cash and cash equivalents		**73,560**
Current cash and cash equivalents		3,552,987
Total	**$**	**3,626,547**

See independent auditor's report.

CAL POLY POMONA FOUNDATION, INC.

Other Information

Year Ended June 30, 2022

(for inclusion in the California State University)

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	-	230,086	**230,086**
Asset backed securities	-	-	-
Mortgage backed securities	-	-	-
Commercial paper	-	-	-
Mutual funds	3,984,032	680,694	**4,664,726**
Exchange traded funds	7,641,368	-	**7,641,368**
Equity securities	8,512,607	145,093	**8,657,700**
Alternative investments:			
Private equity (including limited partnerships)	-	-	-
Hedge funds	2,728,185	-	**2,728,185**
Managed futures	-	-	-
Real estate investments (including REITs)	504,061	-	**504,061**
Commodities	-	-	-
Derivatives	-	-	-
Other alternative investment	3,068,653	278,598	**3,347,251**
Other external investment pools	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-
State of California Local Agency Investment Fund (LAIF)	-	-	-
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Other investments:			
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
Total Other investments	-	-	-
Total investments	**26,438,906**	**1,334,471**	**27,773,377**
Less endowment investments (enter as negative number)	-	-	-
Total investments, net of endowments	**$ 26,438,906**	**1,334,471**	**$ 27,773,377**

See independent auditor's report.

CAL POLY POMONA FOUNDATION, INC.

Other Information

Year Ended June 30, 2022

(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	**230,086**	230,086	-	-	-
Asset backed securities	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-
Commercial paper	-	-	-	-	-
Mutual funds	**4,664,726**	4,664,726	-	-	-
Exchange traded funds	**7,641,368**	7,641,368	-	-	-
Equity securities	**8,657,700**	8,657,700	-	-	-
Alternative investments:					
Private equity (including limited partnerships)	-	-	-	-	-
Hedge funds	**2,728,185**	-	-	-	2,728,185
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	**504,061**	-	-	-	504,061
Commodities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other alternative investment	**3,347,251**	-	-	-	3,347,251
Other external investment pools	-	-	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	-				-
State of California Surplus Money Investment Fund (SMIF)	-				-
Other investments:					
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Total Other investments	-	-	-	-	-
Total investments	**$ 27,773,377**	**21,193,880**	**-**	**-**	**$ 6,579,497**

2.3 Investments held by the University under contractual agreements:

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

See independent auditor's report.

CAL POLY POMONA FOUNDATION, INC.

Other Information

Year Ended June 30, 2022

(for inclusion in the California State University)

3.1 Composition of capital assets:

	Balance June 30, 2021	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2021 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2022
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)	27,563	-	-	-	**27,563**	1,766,136	(1,530,446)	(241,343)	**21,910**
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	**$ 7,130,473**	**-**	**-**	**-**	**$ 7,130,473**	**1,766,136**	**(1,530,446)**	**(241,343)**	**$ 7,124,820**
Depreciable/Amortizable capital assets:									
Buildings and building improvements	86,550,745	1,267,547	-	(51,108,281)	**36,710,011**	10,546	-	-	**36,720,557**
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	12,215,354	-	-	-	**12,215,354**	4,004,200	(1,174,284)	241,343	**15,286,613**
Library books and materials	-	-	-	-	**-**	-	-	-	**-**
Intangible assets:									
Software and websites	-	-	-	-	**-**	-	-	-	**-**
Rights and easements	-	-	-	-	**-**	-	-	-	**-**
Patents, copyrights and trademarks	-	-	-	-	**-**	-	-	-	**-**
Licenses and permits	-	-	-	-	**-**	-	-	-	**-**
Other intangible assets:									
Interest capital	1,267,547	(1,267,547)	-	-	**-**	-	-	-	**-**
	-	-	-	-	**-**	-	-	-	**-**
	-	-	-	-	**-**	-	-	-	**-**
	-	-	-	-	**-**	-	-	-	**-**
	-	-	-	-	**-**	-	-	-	**-**
Total Other intangible assets:	**1,267,547**	**(1,267,547)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total intangible assets	**1,267,547**	(1,267,547)	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total depreciable/amortizable capital assets	**108,828,751**	**-**	**-**	**(51,108,281)**	**57,720,470**	**4,014,746**	**(1,174,284)**	**241,343**	**60,802,275**
Total capital assets	**$ 115,959,224**	**-**	**-**	**(51,108,281.0)**	**$ 64,850,943**	**5,780,882**	**(2,704,730)**	**-**	**$ 67,927,095**

CAL POLY POMONA FOUNDATION, INC.

Other Information

Year Ended June 30, 2022

(for inclusion in the California State University)

Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Buildings and building improvements	(46,610,071)	(714,348)	-	17,907,717	**(29,416,702)**	(791,505)	-		**(30,208,207)**
Improvements, other than buildings	(132,540)	-	-	-	**(132,540)**	(1,179)	-		**(133,719)**
Infrastructure	(2,792,456)	-	-	-	**(2,792,456)**	(216,253)	-		**(3,008,709)**
Leasehold improvements	-	-	-	-	-	-	-		-
Personal property:									
Equipment	(10,234,843)	-	-	-	**(10,234,843)**	(1,172,578)	188,907		**(11,218,514)**
Library books and materials	-	-	-	-	-	-	-		-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-		-
Rights and easements	-	-	-	-	-	-	-		-
Patents, copyrights and trademarks	-	-	-	-	-	-	-		-
Licenses and permits	-	-	-	-	-	-	-		-
Other intangible assets:									
Interest capital	(714,348)	714,348	-	-	-	-	-		-
	-	-	-	-	-	-	-		-
	-	-	-	-	-	-	-		-
	-	-	-	-	-	-	-		-
	-	-	-	-	-	-	-		-
Total Other intangible assets:	**(714,348)**	**714,348**	-	-	-	-	-	-	-
Total intangible assets	**(714,348)**	714,348	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	**(60,484,258)**	**-**	**-**	**17,907,717**	**(42,576,541)**	**(2,181,515)**	**188,907**	**-**	**(44,569,149)**
Total capital assets, net excluding lease assets	**$ 55,474,966**	**-**	**-**	**(33,200,564)**	**$ 22,274,402**	**3,599,367**	**(2,515,823)**	**-**	**$ 23,357,946**
Lease assets, net									19,730,275
Total capital assets, net									43,088,221

CAL POLY POMONA FOUNDATION, INC.

Other Information

Year Ended June 30, 2022

(for inclusion in the California State University)

Composition of lease assets:	**Balance June 30, 2021**	**Additions**	**Remeasurements**	**Reductions**	**Balance June 30, 2022**
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**
Improvements, other than buildings	-	-	-	-	**-**
Infrastructure	-	-	-	-	**-**
Personal property:					
Equipment	19,728	11,610	-	-	**31,338**
Total depreciable/amortizable lease assets	**21,430,028**	**11,610**	**-**	**-**	**21,441,638**
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)					
Land and land improvements	-	(1,703,597)	-	-	**(1,703,597)**
Buildings and building improvements	-	-	-	-	**-**
Improvements, other than buildings	-	-	-	-	**-**
Infrastructure	-	-	-	-	**-**
Personal property:					
Equipment	-	(7,766)	-	-	**(7,766)**
Total accumulated depreciation/amortization	**-**	**(1,711,363)**	**-**	**-**	**(1,711,363)**
Total lease assets, net	**$ 21,430,028**	**(1,699,753)**	**-**	**-**	**$ 19,730,275**

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense related to capital assets	$ 3,892,878
Amortization expense related to other assets	-
Total depreciation and amortization	**$ 3,892,878**

CAL POLY POMONA FOUNDATION, INC.

Other Information

Year Ended June 30, 2022

(for inclusion in the California State University)

4 Long-term liabilities:

	Balance June 30, 2022	Prior Period Adjustments/ Reclassifications	Balance June 30, 2022 (Restated)	Additions	Reductions	Balance June 30, 2022	Current Portion	Noncurrent Portion	
1. Accrued compensated absences	$ **719,901**	-	**719,901**	490,620	(375,679)	$ **834,842**	$ 375,679	$ 459,163	
2. Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-	
3. Capital lease obligations:									
Gross balance	**38,895,000**	(38,895,000)	-	-	-	-	-	-	
Unamortized net premium/(discount)	**2,025,831**	(2,025,831)	-	-	-	-	-	-	
Total capital lease obligations	$ **40,920,831**	**(40,920,831)**	-	-	-	-	-	-	-Should be zero-
4. Long-term debt obligations:									
4.1 Auxiliary revenue bonds (non-SRB related)	$ -	-	-	-	-	$ -	-	-	
4.2 Commercial paper	-	-	-	-	-	-	-	-	
4.3 Notes payable (SRB related)	-	-	-	-	-	-	-	-	
4.4 Others:									
PPP Loan	**3,795,000**	-	3,795,000	-	-	3,795,000	925,146	2,869,854	
	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	
Total others	**3,795,000**	-	**3,795,000**	-	-	**3,795,000**	**925,146**	**2,869,854**	
Sub-total long-term debt	$ **3,795,000**	-	**3,795,000**	-	-	$ **3,795,000**	**925,146**	**2,869,854**	
4.5 Unamortized net bond premium/(discount)	-	-	-	-	-	-	-	-	
Total long-term debt obligations	**3,795,000**	-	**3,795,000**	-	-	**3,795,000**	**925,146**	**2,869,854**	
5. Lease Liabilities						20,315,380	1,316,211	18,999,169	
Total long-term liabilities						24,110,380	2,241,357	21,869,023	

	Balance	Additions	Remeasurements	Reductions	Balance	Current Portion	Noncurrent Portion
Lease liabilities	21,435,218	11,610	-	(1,131,448)	20,315,380	**1,316,211**	18,999,169
Total	$ **21,435,218**	**11,610**	-	**(1,131,448)**	**20,315,380**	$ **1,316,211**	**18,999,169**

CAL POLY POMONA FOUNDATION, INC.

Other Information

Year Ended June 30, 2022

(for inclusion in the California State University)

5 Lease Liabilities schedule:

	Lease Liabilities related to SRB			All other lease liabilities			Total lease liabilities		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2023	$ -	-	-	1,316,211	366,279	1,682,490	1,316,211	366,279	1,682,490
2024	-	-	-	1,344,326	333,700	1,678,026	1,344,326	333,700	1,678,026
2025	-	-	-	1,329,814	329,113	1,658,927	1,329,814	329,113	1,658,927
2026	-	-	-	1,386,462	303,717	1,690,179	1,386,462	303,717	1,690,179
2027	-	-	-	1,408,699	275,358	1,684,057	1,408,699	275,358	1,684,057
2028 - 2032	-	-	-	7,228,090	946,890	8,174,980	7,228,090	946,890	8,174,980
2033 - 2037	-	-	-	6,301,778	242,138	6,543,916	6,301,778	242,138	6,543,916
2038 - 2042	-	-	-	-	-	-	-	-	-
2043 - 2047	-	-	-	-	-	-	-	-	-
2048 - 2052	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total minimum lease payments	**$ -**	**-**	**-**	**20,315,380**	**2,797,195**	**23,112,575**	**20,315,380**	**2,797,195**	**23,112,575**
Less: amounts representing interest									(2,797,195)
Present value of future minimum lease payments									20,315,380
Total lease liabilities									20,315,380
Less: current portion									(1,316,211)
Lease liabilities, net of current portion									**$ 18,999,169**

6 Long-term debt obligations schedule:

	Auxiliary revenue bonds (non-SRB related)			All other long-term debt obligations			Total long-term debt obligations		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
Year ending June 30:									
2023	$ -	-	-	925,146	73,632	998,778	925,146	73,632	998,778
2024	-	-	-	974,539	24,240	998,779	974,539	24,240	998,779
2025	-	-	-	984,329	14,450	998,779	984,329	14,450	998,779
2026	-	-	-	910,986	4,561	915,547	910,986	4,561	915,547
2027	-	-	-	-	-	-	-	-	-
2028 - 2032	-	-	-	-	-	-	-	-	-
2033 - 2037	-	-	-	-	-	-	-	-	-
2038 - 2042	-	-	-	-	-	-	-	-	-
2043 - 2047	-	-	-	-	-	-	-	-	-
2048 - 2052	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total minimum payments	**$ -**	**-**	**-**	**3,795,000**	**116,883**	**3,911,883**	**3,795,000**	**116,883**	**$ 3,911,883**
Less: amounts representing interest									(116,883)
Present value of future minimum payments									3,795,000
Unamortized net premium/(discount)									-
Total long-term debt obligations									3,795,000
Less: current portion									(925,146)
Long-term debt obligations, net of current portion									**$ 2,869,854**

See independent auditor's report.

CAL POLY POMONA FOUNDATION, INC.

Other Information

Year Ended June 30, 2022

(for inclusion in the California State University)

7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	$	1,379,393
Payments to University for other than salaries of University personnel		7,120,877
Payments received from University for services, space, and programs		11,394,159
Gifts-in-kind to the University from discretely presented component units		-
Gifts (cash or assets) to the University from discretely presented component units		2,121,807
Accounts (payable to) University		(1,047,777)
Other amounts (payable to) University		-
Accounts receivable from University		6,074,380
Other amounts receivable from University	$	-

8 Restatements

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

			Debit/(Credit)
Restatement #1	GASB 87 Restatements		
	Capital assets, net	$	(33,200,564)
	Lease liabilities, net of current portion		40,920,831
	Deferred outflows - unamortized loss on debt refunding(s)		(234,115)
	Deferred inflows - unamortized gain on debt refunding(s)		36,134
	Net investment in capital assets		(7,522,286)
		$	-

See independent auditor's report.

CAL POLY POMONA FOUNDATION, INC.

Other Information

Year Ended June 30, 2022

(for inclusion in the California State University)

9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	$ 3,647,429	428,683	8,450	11,111		2,956,401		**$ 7,052,074**
Research	2,988,893	1,295,347	-	-		4,237,229		**8,521,469**
Public service	(25,392)	23,129	5,681	6,334		(28,906)		**(19,154)**
Academic support	1,106,935	284,368	46,117	61,963		2,527,091		**4,026,474**
Student services	27,437	22,709	5,543	7,285		212,945		**275,919**
Institutional support	32,404	63,208	12,486	16,426		275,049		**399,573**
Operation and maintenance of plant	-	-	-	-		1,345		**1,345**
Student grants and scholarships					-			**-**
Auxiliary enterprise expenses	11,348,232	2,819,072	544,456	715,761		24,565,349		**39,992,870**
Depreciation and amortization							3,892,878	**3,892,878**
Total operating expenses	**$ 19,125,938**	**4,936,516**	**622,733**	**818,880**	**-**	**34,746,503**	**3,892,878**	**$ 64,143,448**

CAL POLY POMONA FOUNDATION, INC.

Other Information

Year Ended June 30, 2022

(for inclusion in the California State University)

10 Deferred outflows/inflows of resources:		
1. Deferred Outflows of Resources		
Deferred outflows - unamortized loss on refunding(s)	$	-
Deferred outflows - net pension liability		2,427,121
Deferred outflows - net OPEB liability		476,040
Deferred outflows - leases		-
Deferred outflows - others:		
Sales/intra-entity transfers of future revenues		-
Gain/loss on sale leaseback		-
Loan origination fees and costs		-
Change in fair value of hedging derivative instrument		-
Irrevocable split-interest agreements		-
		-
		-
		-
Total deferred outflows - others		-
Total deferred outflows of resources	**$**	**2,903,161**
2. Deferred Inflows of Resources		
Deferred inflows - service concession arrangements	$	-
Deferred inflows - net pension liability		7,825,042
Deferred inflows - net OPEB liability		2,594,877
Deferred inflows - unamortized gain on debt refunding(s)		-
Deferred inflows - nonexchange transactions		-
Deferred inflows - leases		92,897,456
Deferred inflows - others:		
Sales/intra-entity transfers of future revenues		-
Gain/loss on sale leaseback		-
Loan origination fees and costs		-
Change in fair value of hedging derivative instrument		-
Irrevocable split-interest agreements		583,493
		-
		-
		-
Total deferred inflows - others		**583,493**
Total deferred inflows of resources	**$**	**103,900,868**

11 Other nonoperating revenues (expenses)		
Other nonoperating revenues		-
Other nonoperating (expenses)		(1,018,850)
Total other nonoperating revenues (expenses)	**$**	**(1,018,850)**

CAL POLY POMONA FOUNDATION, INC.

Other Information

Year Ended June 30, 2022

(for inclusion in the California State University)

Description	Pension trust funds Net Position 992	Other employee benefit trust funds Net Position 993	Investment trust funds Net Position 994	Private-purpose trust funds Net Position 995	Custodial funds Net Position 996	Total
	DPCU - Fiduciary Funds Net Position					
Assets						
Current assets:						
Cash and cash equivalents	-	-	-	-	387,499	**387,499**
Short-term investments	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-	-
Capital lease receivable, current portion	-	-	-	-	-	-
Notes receivable, current portion	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-
Prepaid expenses and other current assets	-	-	-	-	-	-
Total current assets	-	-	-	-	**387,499**	**387,499**
Noncurrent assets:						
Restricted cash and cash equivalents	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-	-
Capital lease receivable, net of current portion	-	-	-	-	-	-
Notes receivable, net of current portion	-	-	-	-	-	-
Student loans receivable, net	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-
Endowment investments	-	-	-	-	-	-
Other long-term investments	-	-	-	-	-	-
Capital assets, net	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total noncurrent assets	-	-	-	-	-	-
Total assets	-	-	-	-	**387,499**	**387,499**
Deferred outflows of resources:						
Unamortized loss on debt refunding(s)	-	-	-	-	-	-
Net pension liability	-	-	-	-	-	-
Net OPEB liability	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-

See independent auditor's report.

CAL POLY POMONA FOUNDATION, INC.

Other Information

Year Ended June 30, 2022

(for inclusion in the California State University)

Liabilities						
Current liabilities:						
Accounts payable	-	-	-	-	-	-
Accrued salaries and benefits	-	-	-	-	-	-
Accrued compensated absences, current portion	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-
Capital lease obligations, current portion	-	-	-	-	-	-
Long-term debt obligations, current portion	-	-	-	-	-	-
Claims liability for losses and loss adjustment expenses, current portion	-	-	-	-	-	-
Depository accounts	-	-	-	-	-	-
Other liabilities	-	-	-	-	387,499	**387,499**
Total current liabilities	-	-	-	-	**387,499**	**387,499**
Noncurrent liabilities:						
Accrued compensated absences, net of current portion	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-
Grants refundable	-	-	-	-	-	-
Capital lease obligations, net of current portion	-	-	-	-	-	-
Long-term debt obligations, net of current portion	-	-	-	-	-	-
Claims liability for losses and loss adjustment expenses, net of current portion	-	-	-	-	-	-
Depository accounts	-	-	-	-	-	-
Net other postemployment benefits liability	-	-	-	-	-	-
Net pension liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-	-
Total liabilities	-	-	-	-	**387,499**	**387,499**
Deferred inflows of resources:						
Service concession arrangements	-	-	-	-	-	-
Net pension liability	-	-	-	-	-	-
Net OPEB liability	-	-	-	-	-	-
Unamortized gain on debt refunding(s)	-	-	-	-	-	-
Nonexchange transactions	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
Net position						
Total ending net position	-	-	-	-	-	-

CAL POLY POMONA FOUNDATION, INC.

Other Information

Year Ended June 30, 2022

(for inclusion in the California State University)

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

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*

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

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 Audit Committee
Cal Poly Pomona Foundation, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and aggregate remaining fund information of Cal Poly Pomona Foundation, Inc. (a nonprofit organization referred to as the Foundation), as of and for the year ended June 30, 2022, and related notes to the financial statements, and have issued our report thereon dated October 19, 2022.

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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify deficiencies in internal control, described below, that we consider to be significant deficiencies.

<u>2022-001 – Reconciliation of Year End Account Balances</u>

<u>Criteria:</u> Internal controls should include review and reconciliation procedures to identify and correct errors in the trial balance and to implement new accounting standards in a timely manner.

<u>Condition</u>: Errors in ending account balances were identified during the course of the audit resulting in adjustments for the financial statements to be presented in accordance with generally accepted accounting principles. In addition, management did not timely begin the implementation process for GASB 87 which resulted in significant delays in the audit.

<u>Cause:</u> Timely reconciliations were not performed over all trial balance accounts at year end. Implementation of GASB 87, *Leases*, took significantly more time than originally anticipated by management.

Effect: Journal entries were identified during the course of the audit which were necessary for the financial statements to be presented in accordance with generally accepted accounting principles.

Recommendation: We recommend management implement internal control procedures to timely review and reconcile accounts at year end. We also recommend management timely implement any new GASB standards on financial reporting.

Views of responsible officials: Year-end procedures have been revised to help ensure that GASB changes are assessed and balances are reviewed for variances by two members of the Financial Services Management. Additional staff will also be trained by supervisors/management in audit preparation and incorporated into the process to aid in a smooth end of year close.

2022-002 – Preparation of the SEFA

Criteria: Per the Uniform Grant Guidance section 200.302 "Financial management (b) The financial management system of each non-Federal entity must provide for the following: (1) Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received.

Condition: There were 4 Research and Development (R&D) awards improperly classified in the SEFA as instructional. The total amount of expenditures was $1,529,112 resulting in an understatement of R&D program expenditures.

Cause: When preparation of the SEFA occurred, classifications of grants by type were not compared to the prior year SEFA classifications or grant agreements.

Effect: This resulted in the audit team performing the major program determination twice to ensure that the major program selected remained appropriate and additional programs were not required to be selected.

Recommendation: We recommend management implement control procedures including management review and reconciliation procedures to ensure that the SEFA classifications are accurate.

Views of responsible officials: The Grants and Contracts Manager will be adding comparative review of the SEFA list to the year-end preparation process. Grants staff will also be reviewing the information on a periodic basis with ORSP personnel to ensure grant and contract details remain accurate.

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

INDEPENDENT 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, CONTINUED*

Cal Poly Pomona Foundation, Inc.'s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Cal Poly Pomona Foundation, Inc. response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Cal Poly Pomona Foundation, Inc. response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

Aldrich CPAs + Advisors LLP

San Diego, California
October 19, 2022