

**AUDIT COMMITTEE**  
**Tuesday, September 9, 2025**

**10:00 am-11:30 am**

**Join Zoom Meeting**

<https://cpp.zoom.us/j/88357048942>

**Meeting ID: 883 5704 8942**

**AGENDA**



**Committee Chair:** Dr. David Speak

**Members:** John McGuthry, Dr. Phyllis Nelson, Lowell Overton, Stephanie Pastor, Ruby Suchecki, Maryann Tolano-Leveque

**Staff:** Naomi Aguilar, Claudia Burciaga-Ramos, Jared Ceja, Lisa Coats, Juan Hernandez, Tariq Marji

**Guests:** Jackie Richman - CohnReznick

**I. ACKNOWLEDGEMENT OF MEMBERS OF THE PUBLIC**

Who may or may not be commenting on a specific item or making a general comment.

**II. CONSENSUS ACTION ITEMS**

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

		<b>Pg.</b>
A. Approval of Minutes Audit Committee Meeting – December 16, 2024	Dr. David Speak, Chair	2-3

**III. GENERAL UPDATES**

B. Welcome of New and Returning Members	Dr. David Speak	
C. CEO's Report	Jared Ceja, CEO	4-5

**IV. ACTION ITEMS**

D. 2024-2025 Financial Audit (attachment) A	Juan Hernandez, CFO Jackie Richman, CohnReznick LLP	6-80
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**V. INFORMATION & DISCUSSION ITEMS**

E. 2024-2025 Single Audit (attachment) I	Tariq Marji, Sr. Director, OE&S Jackie Richman, CohnReznick LLP	81-100
F. CSU Advisory Review (attachment) I	Jared Ceja Juan Hernandez	101-102
G. Tentative Committee Meeting Schedule (attachment) I	Juan Hernandez	103

**VI. OPEN FORUM**

**VII. ADJOURNMENT** Dr. David Speak

**CAL POLY POMONA FOUNDATION, INC.**  
**Audit Committee Meeting Minutes**  
**Monday, December 16, 2024, at 1:00 p.m.**

*Notice is hereby given that a regular meeting of the Finance/Investment Committee was held by video conference/teleconference on Monday, December 16, 2024, at 1:00 p.m. to discuss matters on the posted agenda. The meeting notice in its entirety was posted on the internet at <https://cppenterprises.org/wp-content/uploads/Audit-Committee-12-13-24-Packet.pdf>*

Present: Lowell Overton, Stephanie Pastor, Dr. David Speak, Oliver Santos, Ruby Suchecki and Joice Xiong

Absent: John McGuthry

Staff: Claudia Burciaga-Ramos, Jared Ceja, Lisa Coats, Ernest Diaz, Tariq Marji

Guests: Jackie Richman- CohnReznik, Alexandra Guadiana- CohnReznik

**CALL TO ORDER**

Dr. David Speak, Audit Committee Chair called the meeting to order at 1:01 p.m.

**CONSENT ACTION ITEMS**

A. Approval of September 13, 2024 Minutes

The minutes were approved by unanimous consent; there was no opposition.

**GENERAL UPDATES**

B. CEO's Report

Mr. Ceja provided several organizational updates. He announced that Mr. Aaron Neilson, Director of Dining Services since 2011 and Hospitality Director during the COVID-19 response, will be retiring. Under Mr. Neilson's leadership, Dining Services achieved numerous award-winning innovations, including the Poly Trolley, CPP Farms Ice Cream, and Innovation Brew Works. To ensure a smooth transition, Mr. David Corral, currently the Associate Director, will serve as Interim Director until a search is concluded.

Mr. Ceja also shared that in-person training sessions with Campus Programs and Grants have resumed to strengthen understanding of policies and procedures. A recent session at Kellogg West attracted approximately 80 participants and received highly positive feedback. Additional sessions are planned for the upcoming spring semester.

Additionally, the organization is partnering with the College of Professional and Global Education (CPGE) to conduct a strategic financial and programmatic review. This collaboration will guide future budget planning and strengthen CPGE's operational model.

Regarding the CFO search, Mr. Ceja reported that final interviews have been completed. Pending approval, reference checks and final negotiations will proceed, with the goal of having a new CFO begin in January 2025. Interim AVP of Administrative Affairs, Ms. Michelle Cardona, aided in the process.

Finally, Mr. Ceja announced that a new leadership role, Senior Director of Organizational Effectiveness and Strategy, is being finalized. This position consolidates responsibilities related to policy, project management, efficiency, and strategic planning, and represents a restructuring of existing functions.

**ACTION ITEMS**

C. 2023-2024 External Child Care Audit

Ms. Jackie Richman and Ms. Alexandra Guadiana of CohnReznick reported that the external audit of the Child Care Center for fiscal year 2023-2024 was completed with a clean, unmodified opinion. They highlighted an improved financial position for the Center, driven by increased state funding and a reduced reliance on university contributions. No compliance issues or findings were identified, and administrative costs remained within the expected range. Enrollment figures also showed healthy year-over-

year growth. Committee members expressed their appreciation for the finance team's preparedness and responsiveness during the audit process.

A motion was made by Oliver Santos and seconded by Ruby Suchecki to approve the 2023–2024 External Child Care Audit as presented and forward the report to the Board of Directors for review and approval at its next regularly scheduled meeting.

### **INFORMATION & DISCUSSION ITEMS**

#### **D. Advisory Review**

Mr. Ceja and Mr. Marji provided an update on an ongoing advisory review coordinated with the Chancellor's Office. Although the review was not initially scheduled, it was initiated when another campus withdrew from the process. The review focuses on several key areas, including campus program and indirect cost (IDC) fund management, P-Card policy and internal controls, faculty payroll processes for grant-funded projects, accounts payable procedures, organizational benchmarking and internal control assessment.

### **OPEN FORUM**

During the open forum, several members commended the finance and administrative teams for their continued excellence under compressed timelines. Dr. Speak encouraged participation in the upcoming Board meeting, which will address major initiatives including a new CPPE brand and a potential housing acquisition.

### **ADJOURNMENT**

An agreement was made to adjourn the meeting at 1:48 p.m., with no opposition.

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Dr. David Speak, Chair  
Audit Committee

The logo for Cal Poly Pomona Enterprises features a stylized arrow pointing to the right, composed of two dark green triangles and a yellow triangle at the tip.

Cal Poly Pomona  
**ENTERPRISES**

# CEO's Report

September 9, 2025  
Audit Committee

# Agenda

Child Care Audit

Personnel Change

Enhancements at The  
Current (audit related)

# Memorandum

Date: September 9, 2025

To: Audit Committee

From: Juan Hernandez, CFO  
Jackie Richman, CohnReznick

Attached: Required Communications with Those Charged with Governance  
Draft Audited Financial Statements with Supplementary Information

Subject: **2024-2025 FINANCIAL AUDIT REPORT**

CohnReznick has completed the financial audit of Cal Poly Pomona Foundation, Inc. for the fiscal year ended June 30, 2025. This is the third year of CohnReznick's engagement on this audit with Enterprises.

The Foundation received an unmodified opinion on the report with no findings.

Jackie Richman, Director at CohnReznick, will present the report details along with their required disclosures:

- 2024-2025 Financial Audit

## **PROPOSED ACTION:**

Management is recommending that the Audit Committee accept CohnReznick LLP's unmodified opinion on the Enterprises' Financial Audit Report for the fiscal year ended June 30, 2025, and requests the above reports be presented to the Board at its next scheduled meeting.

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

**PASSED AND ADOPTED THIS 9th DAY OF SEPTEMBER 2025.**

By: \_\_\_\_\_  
Dr. David Speak, Chair  
Audit Committee

Required Communications With Those Charged With Governance

[DATE]

The Board of Directors  
Cal Poly Pomona Foundation, Inc.

Dear Members of the Board of Directors:

We have audited the financial statements of Cal Poly Pomona Foundation, Inc. (the "Foundation") as of and for the year ended June 30, 2025, and have issued our report thereon dated **Report Date**. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated June 13, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

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

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

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

**Planned Scope and Timing of the Audit**

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

**Compliance with All Ethics Requirements Regarding Independence**

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

## **Significant Risks Identified**

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

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Foundation is included in Note 2 to the financial statements. There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

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

The most sensitive accounting estimates affecting the financial statements are:

- Pension benefits
- Postretirement benefits

In connection with our audit of the financial statements for the year ended June 30, 2025, we reviewed the methodology for establishing these estimates and we found these estimates to be reasonable. However, estimates are subject to change because of future events, and the ultimate amounts realized may differ from those provided.

### *Financial Statement Disclosures*

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

## **Significant Unusual Transactions**

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

## **Identified or Suspected Fraud**

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

### **Significant Difficulties Encountered during the Audit**

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

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. The attached schedule summarizes uncorrected financial statement misstatements whose effect in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

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

### **Disagreements with Management**

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

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

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

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the letter dated **Report Date**.

### **Management's Consultations with Other Accountants**

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

### **Other Significant Matters, Findings or Issues**

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

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

Very truly yours,

CohnReznick LLP  
Los Angeles, California

Preliminary Draft -  
for discussion purposes only

<p><b>Cal Poly Pomona Foundation, Inc</b>  <b><u>6/30/2025 Passed Adjustments Schedule</u></b></p>			
<p><i>To debit the benefit expense for a catch up entry recorded in FY 2025 that should have been recorded in FY 2024 for OPEB.</i></p>			
<b>Dr</b>	Benefits expense	730,680	
<b>Cr</b>	Excess surplus		730,680

Preliminary Draft -  
for discussion purposes only

**Cal Poly Pomona Foundation, Inc.**

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

**June 30, 2025**

Preliminary Draft -  
for discussion purposes only

# Cal Poly Pomona Foundation, Inc.

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

*Opinions*

We have audited the financial statements of the business-type activities and the aggregate remaining fund information of Cal Poly Pomona Foundation, Inc. (the "Foundation"), a component unit of California State Polytechnic University, Pomona as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the index.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the Foundation as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Basis for Opinions*

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

*Responsibilities of Management for the Financial Statements*

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

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

### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

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

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

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 to 12, the Schedule of Foundation's Proportionate Share of the Net Pension Liability on page 50, the Schedule of Foundation Contributions on page 51, and the Schedule of Changes in Net OPEB Liability and Related Ratios on page 52 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other

knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Foundation's basic financial statements. The accompanying supplementary information on pages 54 to 66 is presented for purposes of additional analysis as required by an Administrative Directive dated June 24, 2003, Financial Reporting Requirements for Auxiliary Organizations, from the California State University Office of the Chancellor, and is not a required part of the basic financial statements.

The accompanying supplementary information on pages 54 to 66 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information on pages 54 to 66 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated [Insert date] on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Los Angeles, California

[Insert date]

**Management's Discussion and Analysis**

Preliminary Draft -  
for discussion purposes only

**Management's Discussion and Analysis ("MD&A")  
Year Ended June 30, 2025**

**Introduction**

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

The following discussion and analysis provide an overview of the financial position and activities of the Foundation for the year ended June 30, 2025.

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

**Overview of the Financial Statements**

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

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

**Statement of Net Position**

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

**Statement of Revenues, Expenses, and Changes in Net Position**

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

**Statement of Cash Flows**

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

**Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position**

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

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

Cal Poly Pomona Foundation, Inc.

Management's Discussion and Analysis ("MD&A")  
Year Ended June 30, 2025

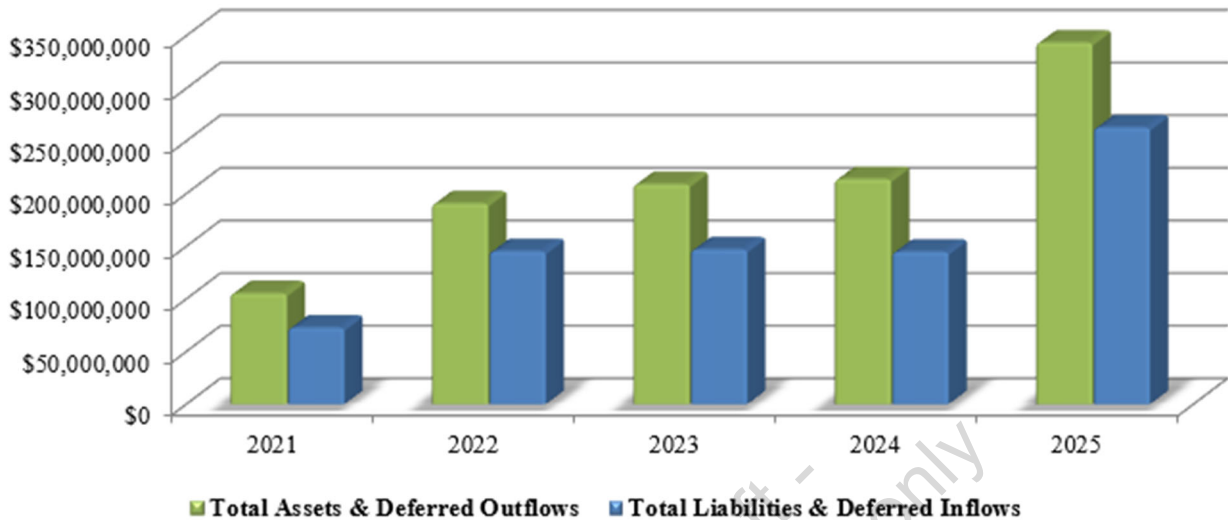
A summary of the Foundation's assets, deferred outflows, liabilities, deferred inflows, and net position is as follows:

	2025 (in thousands)	2024 (in thousands)
<b>Assets</b>		
Current assets	\$ 71,620	\$ 73,342
Noncurrent assets		
Restricted cash and cash equivalents	31	20
Accounts receivable, net of current portion	2,361	2,312
Lease receivables, net of current portion	91,991	92,578
Long-term investments	1,600	1,515
Capital assets, net	168,742	37,096
Total noncurrent assets	264,725	133,521
<b>Total assets</b>	<b>336,345</b>	<b>206,863</b>
<b>Deferred outflows of resources</b>		
Net pension liability	5,043	6,617
Net OPEB liability	818	843
<b>Total deferred outflows of resources</b>	<b>5,861</b>	<b>7,460</b>
<b>Liabilities</b>		
Current liabilities	18,163	14,205
Noncurrent liabilities	153,022	34,249
<b>Total liabilities</b>	<b>171,185</b>	<b>48,454</b>
<b>Deferred inflows of resources</b>		
Net pension liability	2,688	4,324
Leases	87,358	89,127
Net OPEB liability	880	2,480
Split interest agreements	912	899
<b>Total deferred inflows of resources</b>	<b>91,838</b>	<b>96,830</b>
<b>Net position</b>		
Net investment in capital assets	30,976	19,442
Restricted unvested grant assets	1,739	344
Unrestricted	46,468	49,253
<b>Total net position</b>	<b>\$ 79,183</b>	<b>\$ 69,039</b>

Total assets and deferred outflows were \$342.2 million and \$214.3 million for fiscal years 2025 and 2024, respectively. The increase between 2025 and 2024 of \$127.9 million or 59.7% is mainly attributed to the increase in net capital assets of \$131.6 million and a decrease of \$1.6 million in deferred outflows related to pension and OPEB liabilities, and \$1.7 million in current assets. Net capital assets increased by \$131.6 million, mainly due to the addition of student housing of \$126.1 million.

Management's Discussion and Analysis ("MD&A")  
Year Ended June 30, 2025

**Total Assets & Deferred Outflows, Liabilities & Deferred Inflows**



Total liabilities and deferred inflows were \$263.0 million and \$145.3 million for the fiscal years 2025 and 2024, respectively. The net increase of \$117.7 million is mainly due to an increase of \$118.8 million in noncurrent liabilities, an increase of \$3.9 million in current liabilities and a decrease of \$5.0 million in total deferred inflows. The increase of \$118.8 million in noncurrent liabilities included the addition of \$121.4 million in commercial paper for the purchase of student housing.

**Net Position**

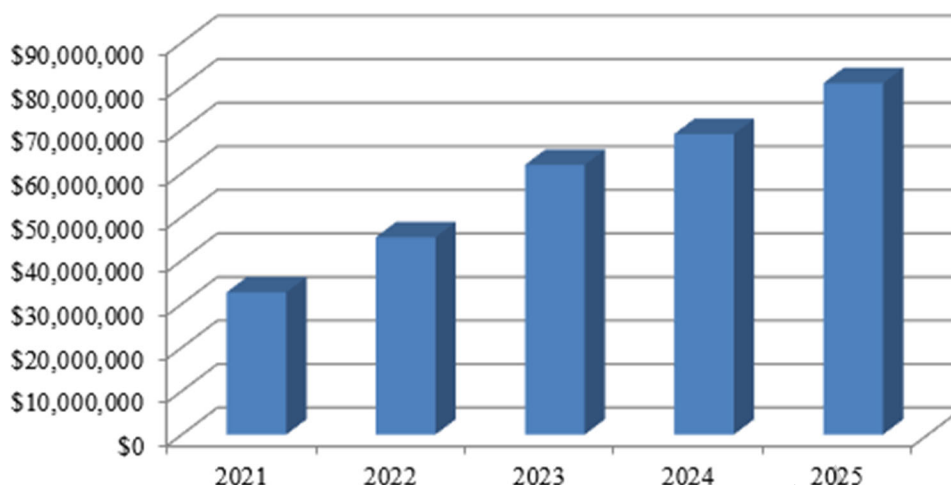
Net position represents the residual interest in the Foundation's assets after liabilities are deducted. The Foundation's net position is as follows:

	2025 (in thousands)	2024 (in thousands)
Net investment in capital assets	\$ 30,976	\$ 19,442
Restricted		
Expendable	1,739	344
Unrestricted	46,468	49,253
<b>Net position</b>	<b>\$ 79,183</b>	<b>\$ 69,039</b>

Net position increased by 14.7% or \$10.1 million primarily in net investment in capital assets, which increased by \$11.5 million. Unrestricted net assets decreased by \$2.8 million or 5.7%.

Management's Discussion and Analysis ("MD&A")  
Year Ended June 30, 2025

Net Position



Statement of Revenues, Expenses, and Changes in Net Position

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

	2025 (in thousands)	2024 (in thousands)
<b>Operating revenues</b>		
Educational activities	\$ 10,272	\$ 9,377
Enterprise activities	57,700	54,012
Grants and contracts	28,508	22,077
Admin and real estate activities	13,416	11,638
<b>Total operating revenues</b>	<u>109,896</u>	<u>97,104</u>
<b>Operating expenses</b>	<u>101,986</u>	<u>93,660</u>
<b>Operating income</b>	<u>7,910</u>	<u>3,444</u>
<b>Nonoperating revenues (expenses)</b>		
Investment income, net	5,220	4,984
Interest expense	(1,388)	(1,229)
Other nonoperating expenses	(269)	(100)
<b>Net nonoperating revenues (expenses)</b>	<u>3,563</u>	<u>3,655</u>
<b>Change in net position</b>	11,473	7,099
<b>Net position</b>		
Net position, beginning of year	69,039	61,940
Restatement of beginning net position	(1,329)	-
<b>Net position, end of year</b>	<u>\$ 79,183</u>	<u>\$ 69,039</u>

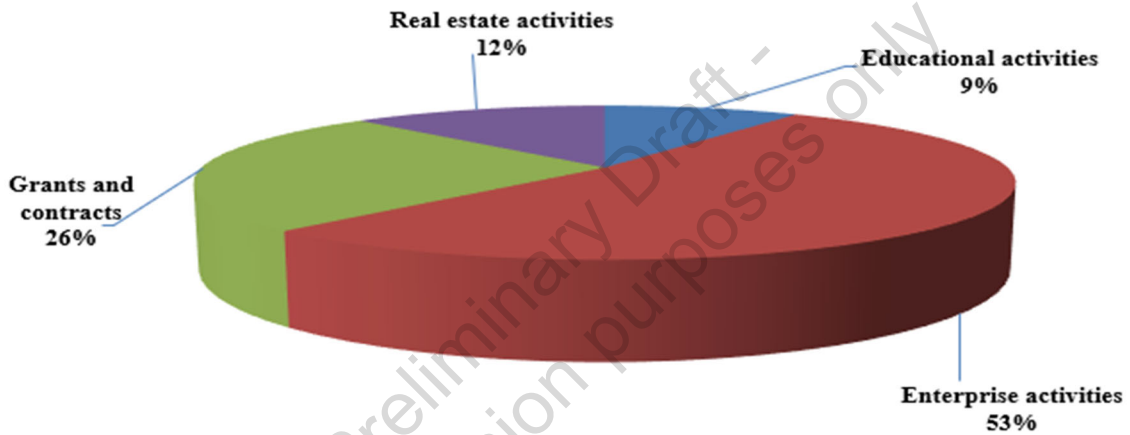
**Management’s Discussion and Analysis (“MD&A”)  
Year Ended June 30, 2025**

During the fiscal year 2025, total operating revenues increased 13.2% or \$12.8 million as educational activities increased by \$0.9 million, enterprise activities increased by \$3.7 million, grants and contracts activities increased by \$6.4 million and administrative & real estate activities increased by \$1.8 million. Operating expenses increased 8.9% or \$8.3 million mainly due to the increase in enterprise and grant and contracts activities.

The net nonoperating revenues were approximately \$3.6 million. Net investment income for the year was approximately \$5.2 million as the market continued to produce positive gains.

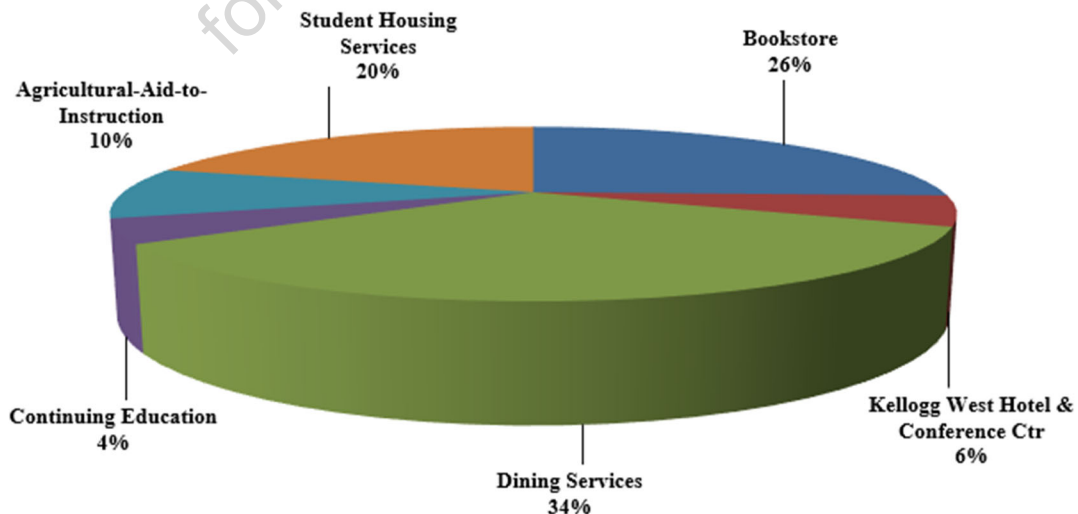
Operating revenues also include grants and contracts awarded by governmental and private institutions. Amounts administered by the Foundation are recorded as revenue and expense in the financial statements.

**Operating Revenues**



Auxiliary enterprise operating revenues consist of the following programs:

**Enterprise Revenues**

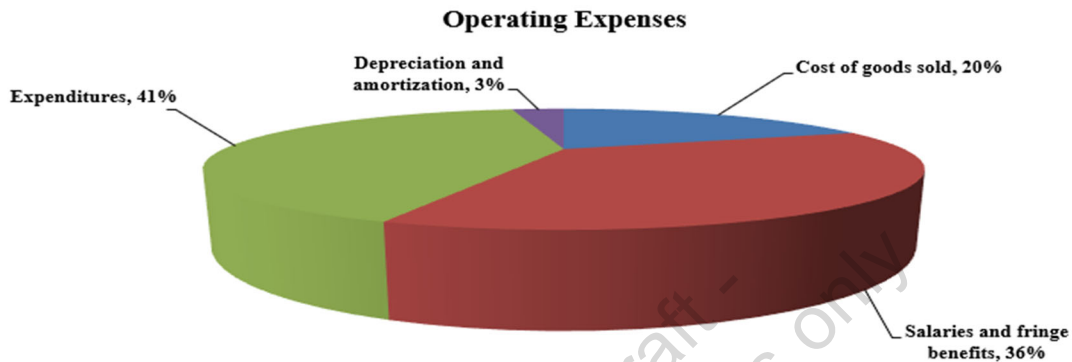


The Foundation entered into a master operating agreement and various supplemental operating agreements with the Trustees of the California State University in July 2018, on behalf of the

**Management's Discussion and Analysis ("MD&A")  
Year Ended June 30, 2025**

University that expires in May 2048 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.

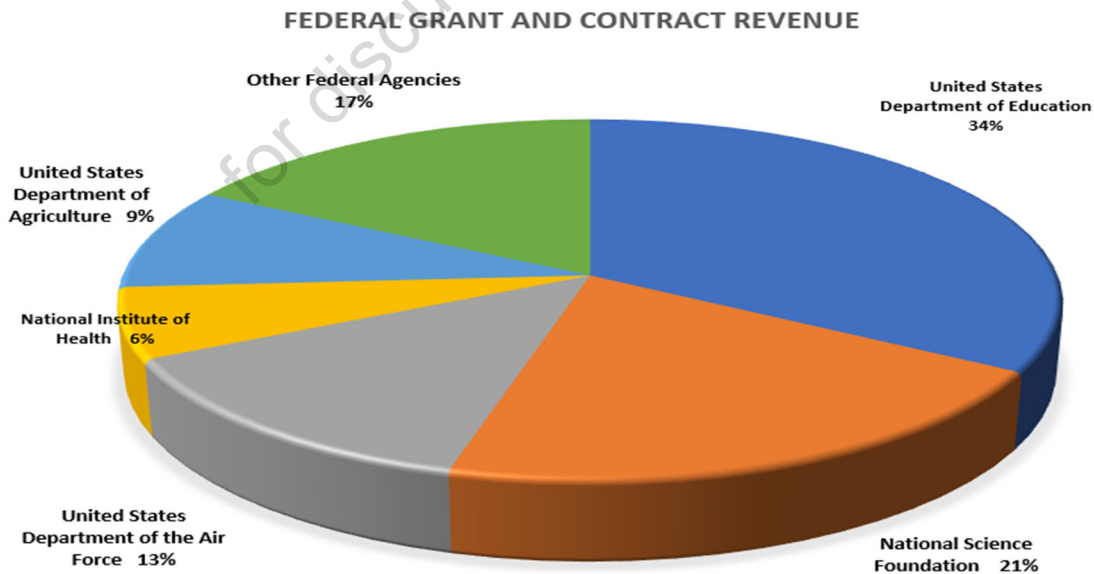
In fiscal year 2025, operating expenses consist of cost of goods sold of \$20.0 million, salaries and fringe benefits of \$37.0 million, payments to vendors of \$41.7 million, and depreciation and amortization of \$3.3 million.



**Grants and Contracts**

The Foundation is the recipient of all externally-funded sponsored projects awarded on behalf of California State Polytechnic University, Pomona. For the fiscal year 2024-25, University faculty and staff have secured over \$38.3 million in external funds representing 165 projects.

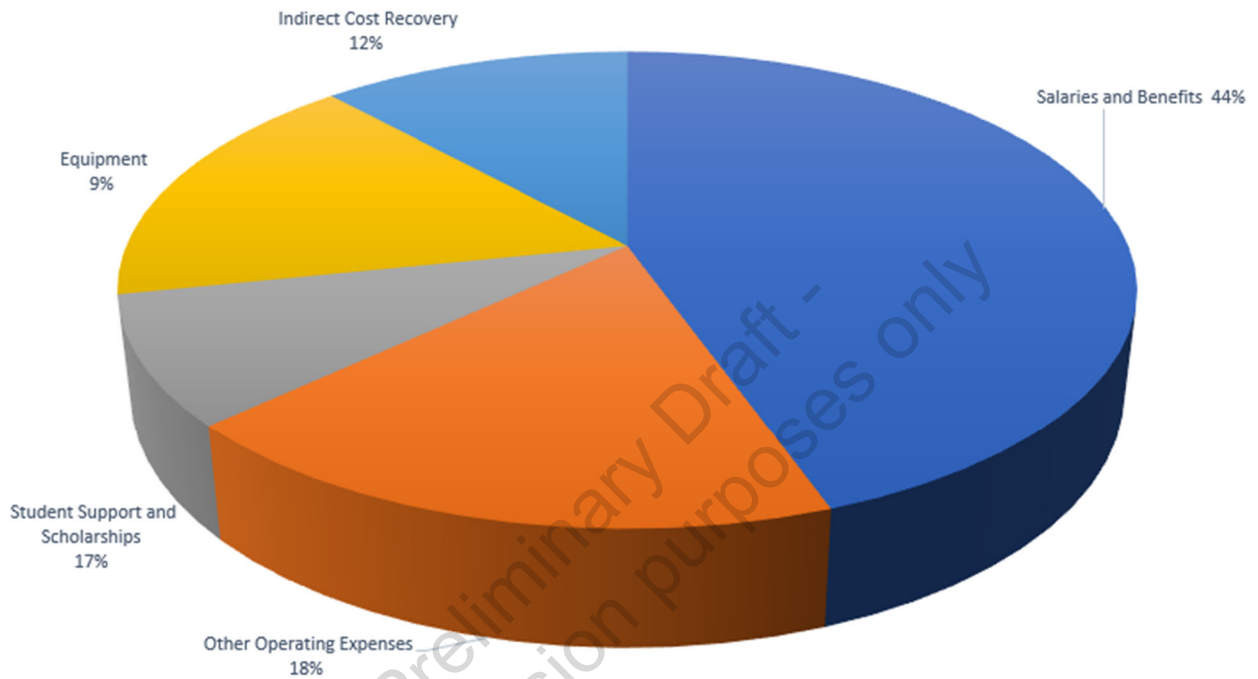
Federal grant and contract awards received represents 82% of the sponsored program activity and includes support from a variety of agencies including:



Management's Discussion and Analysis ("MD&A")  
Year Ended June 30, 2025

During the last two fiscal years, grants and contracts expenditures totaled \$47.5 million consisting of federal grants and contracts of \$38.8 million, state grants and contracts of \$5.7 million, and non-governmental grants and contracts of \$3.0 million. Expenditures relating to grant and contract projects consisted of the following items:

Grant and Contract Expenditures



The total amount of indirect cost recovery income collected from grant and contract projects totaled \$6.1 million in fiscal year 2024-25 and 2023-24. This income is used to pay for the pre-award operating costs of the Office of Research and Sponsored Programs and the Foundation's post award administrative fee, with the excess being returned to Academic Affairs for distribution back to the Academic/University units that generated the activity.

Factors Impacting Future Periods

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

**Basic Financial Statements**

Preliminary Draft -  
for discussion purposes only

Cal Poly Pomona Foundation, Inc.

Statement of Net Position  
June 30, 2025

Assets

Current assets

Cash and cash equivalents	\$ 7,099,128
Short-term investments	47,449,899
Accounts receivable, current portion, net	12,154,093
Accounts receivable from related parties	1,973,318
Lease receivables, current portion	1,010,617
Inventories	1,534,982
Prepaid expenses and other assets	398,131

Total current assets 71,620,168

Noncurrent assets

Restricted cash and cash equivalents	30,606
Accounts receivable, net of current portion	2,361,112
Lease receivables, net of current portion	91,991,266
Long-term investments	1,599,844
Capital assets, net	168,742,373

Total noncurrent assets 264,725,201

Total assets 336,345,369

Deferred outflows of resources

Net pension liability	5,042,656
Net OPEB liability	818,400

Total deferred outflows of resources 5,861,056

Preliminary Draft -  
for discussion purposes only

Cal Poly Pomona Foundation, Inc.

Statement of Net Position  
June 30, 2025

Liabilities	
Current liabilities	
Accounts payable	3,687,821
Accounts payable to related parties	1,113,124
Accrued salaries and benefits payable	910,915
Accrued compensated absences	2,642,856
Unearned revenue	1,856,060
Lease liabilities, current portion	1,428,136
Other liabilities	6,524,525
	<hr/>
Total current liabilities	18,163,437
Noncurrent liabilities	
Note payable	121,400,000
Lease liabilities, net of current portion	14,938,566
Net pension liability	14,707,437
Net OPEB liability	1,256,176
Unitrust liability	720,276
	<hr/>
Total noncurrent liabilities	153,022,455
	<hr/>
Total liabilities	171,185,892
Deferred inflows of resources	
Net pension liability	2,688,185
Leases	87,357,765
Net OPEB liability	880,291
Split interest agreements	911,716
	<hr/>
Total deferred inflows of resources	91,837,957
Net position	
Net investment in capital assets	30,975,671
Restricted unvested grant assets	1,738,986
Unrestricted	46,467,919
	<hr/>
Total net position	<u>\$ 79,182,576</u>

See Notes to Financial Statements.

Cal Poly Pomona Foundation, Inc.

Statement of Revenues, Expenses, and Changes in Net Position  
Year Ended June 30, 2025

Operating revenues	
Educational activities	\$ 10,272,482
Enterprise activities	57,700,280
Grants and contracts	28,508,014
Administrative and real estate activities	<u>13,415,486</u>
Total operating revenues	<u>109,896,262</u>
Operating expenses	
Educational activities	9,682,328
Enterprise activities	47,425,373
Grants and contracts	26,427,783
Administrative and real estate activities	15,108,283
Depreciation and amortization	<u>3,342,660</u>
Total operating expenses	<u>101,986,427</u>
Operating income	<u>7,909,835</u>
Nonoperating revenues (expenses)	
Investment income	5,220,446
Interest expense	(1,388,556)
Other nonoperating expenses	<u>(268,973)</u>
Net nonoperating revenues	<u>3,562,917</u>
Change in net position	11,472,752
Net position, beginning of year, as restated	<u>67,709,824</u>
Net position, end of year	<u>\$ 79,182,576</u>

See Notes to Financial Statements.

**Cal Poly Pomona Foundation, Inc.**

**Statement of Cash Flows  
Year Ended June 30, 2025**

Cash flows from operating activities	
Receipts from federal grants and contracts	\$ 23,679,291
Receipts from state and local grants and contracts	4,828,723
Payments to suppliers	(60,254,490)
Payments to employees	(29,327,997)
Payments for benefits	(8,735,600)
Sales and services of educational activities	10,272,482
Sales and services of enterprise activities	67,176,257
Other receipts	12,480,338
	<hr/>
Net cash provided by operating activities	20,119,004
	<hr/>
Cash flows from noncapital financing activities	
Other noncapital financing activities	(2,563,209)
Principal collections on lease receivable	964,935
	<hr/>
Net cash used in noncapital financing activities	(1,598,274)
	<hr/>
Cash flows from capital and related financing activities	
Proceeds from note payable	121,400,000
Proceeds from sale of capital assets	42,700
Acquisitions of capital assets	(135,031,642)
Principal paid on capital debt and leases	(1,399,008)
Interest paid on capital debt and leases	(1,388,556)
Increase in capital leases liability	111,229
	<hr/>
Net cash used in capital and related financing activities	(16,265,277)
	<hr/>
Cash flows from investing activities	
Proceeds from sales and maturities of investments	45,630,337
Purchases of investments	(49,613,797)
Investment income	4,527,295
	<hr/>
Net cash provided by investing activities	543,835
	<hr/>
Net increase in cash and cash equivalents	2,799,288
	<hr/>
Cash and cash equivalents, beginning	4,330,446
	<hr/>
Cash and cash equivalents, end	\$ 7,129,734
	<hr/>
Breakdown of ending cash balance	
Cash and cash equivalents	\$ 7,099,128
Restricted cash and cash equivalents	30,606
	<hr/>
	\$ 7,129,734
	<hr/>

Cal Poly Pomona Foundation, Inc.

Statement of Cash Flows  
Year Ended June 30, 2025

Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 7,909,835
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization	3,342,660
Change in assets and liabilities	
Accounts receivable, net	9,391,161
Prepaid expenses and other assets	(191,022)
Deferred outflows of resources	1,598,387
Accounts payable and accounts payable to related parties	(1,268,129)
Accrued salaries and benefits payable	67,401
Accrued compensated absences	489,382
Unearned revenue	84,816
Net other postemployment benefits liability	(1,181,741)
Net pension liability	(140,227)
Other liabilities	3,239,610
Deferred inflows of resources	(3,223,129)
	<hr/>
Net cash provided by operating activities	<u>\$ 20,119,004</u>
Supplemental schedule of noncash transactions:	
Issuance of leases receivable and deferred inflow	<u>\$ 521,803</u>

See Notes to Financial Statements.

**Cal Poly Pomona Foundation, Inc.**  
**Statement of Fiduciary Net Position**  
**June 30, 2025**

Assets	
Current assets	
Cash	<u>\$ 443,461</u>
Total assets	<u>443,461</u>
Net position	
Restricted	
Funds held for others	<u>443,461</u>
Total net position	<u><u>\$ 443,461</u></u>

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See Notes to Financial Statements.

Cal Poly Pomona Foundation, Inc.

Statement of Changes in Fiduciary Net Position  
Year Ended June 30, 2025

Additions	
Program income	<u>\$ 784,141</u>
Total additions	<u>784,141</u>
Deductions	
Distributions	<u>790,520</u>
Total deductions	<u>790,520</u>
Change in fiduciary net position	(6,379)
Fiduciary net position, beginning of year	<u>449,840</u>
Fiduciary net position, end of year	<u><u>\$ 443,461</u></u>

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See Notes to Financial Statements.

# Cal Poly Pomona Foundation, Inc.

## Notes to Financial Statements June 30, 2025

### Note 1 - Organization

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

### Note 2 - Summary of significant accounting policies

#### Financial reporting entity

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

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

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

#### Basis of presentation

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

#### Basis of accounting

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

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

## Cal Poly Pomona Foundation, Inc.

### Notes to Financial Statements June 30, 2025

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

#### **Classification of current and noncurrent assets and liabilities**

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

#### **Federal grants and contracts**

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

#### **Cash and cash equivalents**

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

#### **Accounts receivable**

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

#### **Leases receivable**

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

#### **Inventories**

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

#### **Investments**

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

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").

## Cal Poly Pomona Foundation, Inc.

### Notes to Financial Statements June 30, 2025

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

#### **Lease assets**

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

#### **Capital assets**

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

#### **Compensated absences**

The liability for accrued vacation reported on the statement of net position consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash. Vacation benefits are earned by employees of the Foundation based on time in service. The right to such vacation benefit is vested and recorded as a liability for amounts due to employees for future absences. Sick leave is also earned and accumulated by employees. However, sick leave does not vest and is not paid unless sickness causes the employee to be absent.

#### **Deferred outflows of resources**

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

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

#### **Unearned revenue**

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

## Cal Poly Pomona Foundation, Inc.

### Notes to Financial Statements June 30, 2025

#### **Other liabilities**

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

#### **Pension liability**

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

#### **Net OPEB liability**

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

#### **Unitrust liability**

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

#### **Deferred inflows of resources**

Deferred inflows of resources represent an acquisition of net position by the Foundation that is applicable to a future 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 resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

Deferred inflows also include changes as impacted by the implementation of GASB 87 for single model lease accounting as the lessor.

## Cal Poly Pomona Foundation, Inc.

### Notes to Financial Statements June 30, 2025

#### Net position

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

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

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

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

#### Classification of revenues and expenses

The Foundation considers operating revenues and expenses in the Statement of Revenues, Expenses, and Changes in Net Position to be those revenues and expenses that result from exchange transactions or from other activities that are connected directly to the Foundation's primary functions. Exchange transactions include charges for services rendered and the acquisition of goods and services. Certain other transactions are reported as nonoperating revenues and expenses in accordance with GASB 33. These nonoperating activities include the Foundation's net investment income, interest expense, transfer of assets to the University, and transfer of assets to the Philanthropic Foundation.

#### Income taxes

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

The Foundation has evaluated its tax positions and the certainty as to whether those tax positions will be sustained in the event of an audit by taxing authorities at the federal and state levels. The primary tax positions evaluated are related to the Foundation's continued qualification as a tax-exempt organization and whether there are unrelated business income activities conducted that would be taxable. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required.

#### Estimates

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

#### New accounting pronouncement

Effective for the fiscal year beginning July 1, 2024, the Foundation implemented the provisions of GASB 101, *Compensated Absences*. This Statement replaces GASB 16 and establishes a unified model for recognizing and measuring liabilities associated with compensated absences.

**Cal Poly Pomona Foundation, Inc.**

**Notes to Financial Statements  
June 30, 2025**

Under GASB 101, a liability is recognized for leave that:

- Is attributable to services already rendered,
- Accumulates and carries forward to future periods,
- Is more likely than not to be used for time off or otherwise paid or settled.

Previously, the Foundation accrued vacation leave only. Sick leave, although earned monthly and carried forward without limit, was not accrued because it was not paid upon termination. Under GASB 101, the Foundation reviewed historical usage patterns and determined that a portion of accumulated sick leave is more likely than not to be used. As a result, the Foundation now recognizes a liability for that portion in the enterprise fund financial statements.

The cumulative effect of adopting GASB 101 resulted in a decrease to beginning net position of \$1,329,208 which is comprised of \$507,453 current balance and \$821,755 of non-current balance in the enterprise funds financial statements.

<b>Net position (as of July 1, 2024)</b>	
Net position, as previously reported	\$ 69,039,032
Cumulative effect of implementing GASB 101	<u>(1,329,208)</u>
<b>Net position, as restated</b>	<b><u>\$ 67,709,824</u></b>

**Subsequent events**

On June 30, 2025, Cal Poly Pomona Enterprises ("Enterprises") completed the acquisition of a four-story student housing facility consisting of 178 suite-style apartment units (636 beds) and an adjacent parking lot, intended to serve second-year, upper-division, and graduate students. The acquisition was initially financed with commercial paper, which was refinanced on August 5, 2025, through the issuance of California State University Systemwide Revenue Bonds, Series 2025A and 2025B, in the aggregate par amount of \$119,215,000 plus \$8,002,148 of premium, for total proceeds of \$127,217,148. Proceeds were used to redeem commercial paper, fund capitalized interest and pay issuance costs. The bonds, bearing coupons of 5.0% to 5.25% and a true interest cost of approximately 4.6%, mature through November 1, 2055.

**Note 3 - Credit risk**

**Custodial credit risk**

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

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, 2025, all investments are in the name of the Foundation, and the Foundation is not exposed to custodial credit risk associated with its investments.

**Cal Poly Pomona Foundation, Inc.**

**Notes to Financial Statements  
June 30, 2025**

Following is a list of acceptable instruments to invest in as of June 30, 2025:

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

**Interest rate risk**

This is the risk of loss due to the fair value of an investment falling due to rising interest rates. As a means of limiting its exposure to fair value losses from rising interest rates, in accordance with its investment policies, the Foundation limits and diversifies non-investment grade debts. The limit is 10%, or less, of the market value of fixed-income asset class in the portfolio and must invest in mutual or exchange-traded funds.

As of June 30, 2025, all mutual funds invested in fixed income securities, with total fair value of \$164,712, have a duration between one and five years, and were included in general investments.

**Credit risk**

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

The Foundation had the following investments subject to credit risk:

Investment type	Rating (S&P/Moody's)	Fair value
Fixed income mutual funds	AA- through AA+	\$ 164,712
Corporate bonds	BB- through BB+	9,592,912
US treasury securities	AAA	-

**Cal Poly Pomona Foundation, Inc.**

**Notes to Financial Statements  
June 30, 2025**

At June 30, 2025, the Foundation's fixed income securities have the following maturities:

	1 year	1 - 5 years	5 - 10 years	Over 10 years	Total
Fixed income mutual funds	\$ -	\$ 164,712	\$ -	\$ -	\$ 164,712
Corporate bonds	9,306,900	-	-	286,012	9,592,912
	<u>\$ 9,306,900</u>	<u>\$ 164,712</u>	<u>\$ -</u>	<u>\$ 286,012</u>	<u>\$ 9,757,624</u>

**Concentration of credit risk**

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

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

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, 2025, the Foundation was not exposed to concentration of credit risk as there were no investments in a single issuer in excess of 5%.

Cal Poly Pomona Foundation, Inc.

Notes to Financial Statements  
June 30, 2025

**Note 4 - Cash and cash equivalents**

Cash and cash equivalents as of June 30, 2025 are composed of the following:

Cash on hand	\$	2,494
Cash in bank		3,525,905
Cash and cash equivalents		3,570,729
Restricted cash and cash equivalents		30,606
		<hr/>
	\$	7,129,734
		<hr/>

**Cash in banks**

The *California Government Code* requires California banks and savings and loan associations to secure the Foundation's deposits. Obligations pledged to secure deposits must be delivered to an institution other than the institution in which the deposit is made; however, the trust department of the same institution may hold them. Written custodial agreements are required that provide, among other things, that the collateral securities are held separate from the assets of the custodial institution. The pledge to secure deposits is administered by the California Superintendent of Banks. The market value of pledged securities must equal 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure an agency's deposits by pledging first trust deeds or first mortgages having a value of 150% of an agency's total deposits. All such collateral is considered to be held by the pledging financial institutions' trust departments or agents in the name of the Foundation. At June 30, 2025, cash held by financial institutions for the Foundation of \$5,180,444 was insured and collateralized as described above. At June 30, 2025, the book balance for the Foundation was \$3,525,905, cash and cash equivalents was \$3,570,729 and restricted cash and cash equivalents was \$30,606.

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of receivables and cash accounts in financial institutions. The total cash balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per institution. As of June 30, 2025, the Foundation's bank deposits exceeded the balance insured by the FDIC by \$4,930,444. The Foundation monitors its financial institutions and the concentration of credit risk on a regular basis and does not anticipate nonperformance by the financial institutions.

Cal Poly Pomona Foundation, Inc.

Notes to Financial Statements  
June 30, 2025

**Note 5 - Investments**

At June 30, 2025, investments consist of the following:

Common stocks	\$ 31,135,567
Corporate bonds	9,592,912
Indexed annuity	233,594
Fixed income mutual funds	164,712
Local agency investment fund	107,078
Alternative investments	<u>7,815,880</u>
Total investments	49,049,743
Less short-term investments	<u>47,449,899</u>
Long-term investments	<u>\$ 1,599,844</u>

**Fair value measurements**

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

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

- Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.
- Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

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

The carrying value of cash, receivables, and payables approximates fair value as of June 30, 2025 due to the relative short maturities of these instruments.

**Cal Poly Pomona Foundation, Inc.**

**Notes to Financial Statements  
June 30, 2025**

At June 30, 2025, the investments are carried at fair value and are classified in the table below in one of the three categories as described above:

	Level 1	Level 2	Level 3	Investments measured at NAV	Total
Common stocks	\$ 31,135,567	\$ -	\$ -	\$ -	\$ 31,135,567
Corporate bonds	-	9,592,912	-	-	9,592,912
Indexed annuity	-	-	-	233,594	233,594
Certificates of deposits	-	-	-	-	-
Fixed income mutual funds	164,712	-	-	-	164,712
Local agency investment fund	-	-	-	107,078	107,078
Alternative investments	-	-	-	7,815,880	7,815,880
<b>Total</b>	<b>\$ 31,300,279</b>	<b>\$ 9,592,912</b>	<b>\$ -</b>	<b>\$ 8,156,552</b>	<b>\$ 49,049,743</b>

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

At June 30, 2025, the Foundation has the following investments in limited partnerships that calculate NAV per share:

Description	NAV	Unfunded commitments	Redemption terms	Redemption notice period
<b>Private Equity Funds</b>				
ASP OFFSHR. CO-INVEST VI B	\$ -	\$ 600,000	None	None
BOA SOF TE IX	155,631	95,876	None	None
FORTRESS LENDING IV A (FO)	73,519	195,976	None	None
LLR EQUITY INTL. VII (FO)	101,527	792,000	None	None
PREMIER LCP X OFFSHORE	242,494	216,168	None	None
BLUE OWL RE FUND VI OFF	119,000	177,140	None	None
HAMILTONPMO FEEDER FUND LP	2,438,504	377,493	None	None
CAPITAL PARTNERS IV, LP	31,672	-	None	None
CAPITAL PARTNERS VII, LP	92,510	-	None	None
<b>Hedge Funds</b>				
COATUE OFFSHORE	340,163	-	Quarterly	45 Calendar Days
HUDSON BAY LTD TRNCHE II MS	942,180	-	Quarterly	65 Days
SCHONFELD FUNDMNTL EF LTD	1,048,474	-	Quarterly	45 Days
SEG PARTNERS OFFSH CLASS I	277,468	-	Quarterly	60 Days
THIRD POINT	302,256	-	Quarterly	60 Days
BLACKSTONE BCRED	285,614	-	Monthly	3 days
BREIT CL I	533,076	-	Monthly	3 days
HP/STARBOARD VALUE LTD	310,088	-	Quarterly	90 Days + 5
PARTNERS GROUP PE - I	521,704	-	Quarterly	Tender Window
	<b>\$ 7,815,880</b>	<b>\$ 2,454,653</b>		

**Investment earnings**

Net investment income was \$5,220,446 for the year ended June 30, 2025, which is comprised of interest, dividends, realized gains and losses, and unrealized gains and losses due to changes in the fair value of investments held at year-end, net of investment fees. Investment income or losses are distributed ratably to participating funds.

Cal Poly Pomona Foundation, Inc.

Notes to Financial Statements  
June 30, 2025

**Note 6 - Accounts receivable**

The following is a summary of accounts receivable at June 30, 2025:

Real estate	\$	2,774,475
Enterprise activities		5,534,279
Grants and contracts		6,304,610
Educational activities		20,304
Less allowance for uncollectible amounts		<u>(118,463)</u>
Subtotal accounts receivable		14,515,205
Due from related parties		<u>1,973,318</u>
Total accounts receivable		16,488,523
Less due from related parties		(1,973,318)
Less current accounts receivable		<u>(12,154,093)</u>
Noncurrent accounts receivable	\$	<u>2,361,112</u>

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**Cal Poly Pomona Foundation, Inc.**

**Notes to Financial Statements  
June 30, 2025**

**Note 7 - Capital assets**

The capital assets balance at June 30, 2025 consists of the following activity:

	Balance July 1, 2024	Increases	Decreases	Transfers	Balance June 30, 2025
Capital assets, not being depreciated					
Land	\$ 7,102,910	\$ 15,600,000	\$ -	\$ -	\$ 22,702,910
Construction in progress	738,083	5,968,672	(97,397)	(497,935)	6,111,423
<b>Total capital assets not being depreciated</b>	<b>7,840,993</b>	<b>21,568,672</b>	<b>(97,397)</b>	<b>(497,935)</b>	<b>28,814,333</b>
Capital assets being depreciated					
Buildings and building improvements	36,606,090	110,973,661	-	373,928	147,953,679
Orchards	143,638	-	-	-	143,638
Infrastructure	8,651,467	-	-	-	8,651,467
Equipment, furniture and vehicles	13,995,208	2,510,740	(180,706)	124,007	16,449,249
Right-of-use leases					
Land and building	21,410,300	-	-	-	21,410,300
Equipment and software	31,339	153,929	-	-	185,268
<b>Total capital assets being depreciated</b>	<b>80,838,042</b>	<b>113,638,330</b>	<b>(180,706)</b>	<b>497,935</b>	<b>194,793,601</b>
<b>Total capital assets</b>	<b>88,679,035</b>	<b>135,207,002</b>	<b>(278,103)</b>	<b>-</b>	<b>223,607,934</b>
Less accumulated depreciation/amortization for					
Buildings and building improvements	30,865,947	644,649	-	-	31,510,596
Orchards	136,073	1,178	-	-	137,251
Infrastructure	3,441,217	216,253	-	-	3,657,470
Equipment, furniture and vehicles	12,004,651	901,586	(60,042)	-	12,846,195
Right-of-use leases					
Land and building	5,110,008	1,484,836	-	-	6,594,844
Equipment and software	25,047	94,158	-	-	119,205
<b>Total accumulated depreciation</b>	<b>51,582,943</b>	<b>3,342,660</b>	<b>(60,042)</b>	<b>-</b>	<b>54,865,561</b>
<b>Depreciable assets, net</b>	<b>29,255,099</b>	<b>110,295,670</b>	<b>(120,664)</b>	<b>497,935</b>	<b>139,928,040</b>
<b>Total capital assets - net</b>	<b>\$ 37,096,092</b>	<b>\$ 131,864,342</b>	<b>\$ (218,061)</b>	<b>\$ -</b>	<b>\$ 168,742,373</b>

For the year ended June 30, 2025, depreciation expense was \$1,763,666 and amortization expense was \$1,578,994.

**Cal Poly Pomona Foundation, Inc.**

**Notes to Financial Statements  
June 30, 2025**

**Note 8 - Lease receivables**

Lease receivables income were \$2,208,462 for the year ended June 30, 2025, which are comprised of \$964,935 of principal payments and \$1,243,527 of interest payments.

Lease receivables consists of the following as of June 30, 2025:

Name	Balance June 30, 2024	Additions	Principal payments	Balance June 30, 2025
Acrosience	\$ 18,157	\$ -	\$ 16,744	\$ 1,413
American National Red Cross	18,663,905	-	200,975	18,462,930
Biomedix	286,717	-	70,398	216,319
Biomedix	112,725	-	48,352	64,373
Blair, Church & Flynn Consulting Engineers	65,738	-	19,948	45,790
Mesa	276,624	-	276,624	-
Titan Oil Recovery I, Inc.	25,050	311,490	69,769	266,771
Titan Oil Recovery II, Inc.	333,517	-	64,345	269,172
Southern California Edison III	18,832,289	-	29,320	18,802,969
Southern California Edison IV	22,403,825	-	73,012	22,330,813
Southern California Edison V	32,426,467	-	41,800	32,384,667
OTOR Technology Co.	-	210,314	53,648	156,666
	<b>\$ 93,445,014</b>	<b>\$ 521,804</b>	<b>\$ 964,935</b>	<b>\$ 93,001,883</b>

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**Cal Poly Pomona Foundation, Inc.**

**Notes to Financial Statements  
June 30, 2025**

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

<u>Tenant</u>	<u>Address</u>	<u>Unit/Suite#</u>	<u>Lease Start Date</u>	<u>Lease End Date</u>	<u>Lease term (months)</u>	<u>Discount Rate</u>	<u>Base monthly rent</u>	<u>Increase % per year</u>	<u>Current payment per month</u>
Acroscience	3670 West Temple Ave., Pomona, CA 91768	135	8/1/2022	7/31/2025	36	1.86%	\$ 1,133	3% - 2nd yr 3% - 3rd yr	\$ 1,395
American National Red Cross	Lease land within the Innovation Village Project	-	5/1/2003	4/30/2058	660	1.86%	\$ 29,948	2%-5% per year based on CPI	\$ 16,748
Biomedix	3670 West Temple Ave., Pomona, CA 91768	277	10/1/2021	9/30/2026	60	1.86%	\$ 3,816	3% - 2nd yr 3% - 3rd yr 4% - 4th yr 4% - 5th yr	\$ 5,867
Biomedix	3670 West Temple Ave., Pomona, CA 91768	195 & 196	4/1/2023	3/31/2028	60	1.86%	\$ 5,904	Based on CPI rate	\$ 4,029
Blair, Church & Flynn Consulting Engineers	3670 West Temple Ave., Pomona, CA 91768	110	6/15/2021	6/30/2027	72	5.35%	\$ 1,915	3% - 2nd yr 3% - 3rd yr	\$ 1,662
Mesa	3670 West Temple Ave., Pomona, CA 91768	150, 151, 152, 153, 154, 191, 192, 193, 194 & 279	7/1/2020	6/30/2025	60	1.86%	\$ 20,688	3% - Months 13-24 3% - Months 25-36 3% - Months 37-48 3% - Months 49-60	\$ 23,052
Southern California Edison III	Lease land within the Innovation Village Project	-	4/14/2006	4/14/2081	900	1.30%	\$ 16,941	Based on CPI rate	\$ 2,443
Southern California Edison IV	Lease land within the Innovation Village Project	-	1/15/2009	1/15/2084	900	0.90%	\$ 16,154	Based on CPI rate	\$ 6,084
Southern California Edison V	Lease land within the Innovation Village Project	-	11/11/2014	4/1/2089	900	1.10%	\$ 26,461	Based on CPI rate	\$ 3,483
Titan Oil Recovery I, Inc.	3670 West Temple Ave., Pomona, CA 91768	270	11/1/2021	11/30/2028	84	5.35%	\$ 6,695	3.5% - 2nd yr 3.5% - 3rd yr	\$ 6,695
Titan Oil Recovery II, Inc.	3670 West Temple Ave., Pomona, CA 91768	240 & 271	12/1/2023	11/30/2028	60	5.12%	\$ 6,529	3% - 2nd yr 3% - 3rd yr	\$ 5,362
OTOR Technology Co.	3670 West Temple Ave., Pomona, CA 91768	273	9/1/2024	8/31/2027	36	4.00%	\$ 6,100	3.5% - 2nd yr 3.5% - 3rd yr	\$ 6,100

**Cal Poly Pomona Foundation, Inc.**

**Notes to Financial Statements  
June 30, 2025**

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

Fiscal year	Principal	Interest	Principal and interest
2026	\$ 1,010,617	\$ 1,179,231	\$ 2,189,848
2027	746,913	1,158,635	1,905,548
2028	681,043	1,138,934	1,819,977
2029	539,522	1,123,931	1,663,453
2030	530,807	1,115,541	1,646,348
2031-2035	3,212,464	5,445,834	8,658,298
2036-2040	4,371,809	5,168,329	9,540,138
2041-2045	5,710,280	4,801,435	10,511,715
2046-2050	7,251,205	4,331,171	11,582,376
2051-2055	9,020,344	3,741,713	12,762,057
2056-2060	8,664,474	3,060,633	11,725,107
2061-2065	7,068,591	2,631,084	9,699,675
2066-2070	8,467,746	2,206,968	10,674,714
2071-2075	10,047,175	1,700,772	11,747,947
2076-2080	11,826,709	1,101,945	12,928,654
2081-2085	9,538,824	468,784	10,007,608
2086-2089	4,313,360	97,422	4,410,782
	<u>\$ 93,001,883</u>	<u>\$ 40,472,362</u>	<u>\$ 133,474,245</u>

**Note 9 - Lease liabilities**

Lease liabilities consist of the following as of June 30, 2025:

Name	Balance June 30, 2024	Additions	Principal payments	Balance June 30, 2025
Ricoh Copier/Printer	\$ 5,034	\$ -	\$ 2,322	\$ 2,712
Ricoh Copier/Printer	5	-	5	-
Ricoh Copier/Printer	928	-	928	-
CTTI - Tech Park Ground	295,650	-	295,650	-
University Village (Phase III) Ground	17,352,864	-	1,030,547	16,322,317
	<u>\$ 17,654,481</u>	<u>\$ -</u>	<u>\$ 1,329,452</u>	<u>\$ 16,325,029</u>

**Cal Poly Pomona Foundation, Inc.**

**Notes to Financial Statements  
June 30, 2025**

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

Description	Address	Lease start date	Lease end date	Lease term (months)	Current payment per month
Ricoh Copier/Printer	CPGE 3801 W. Temple, Bldg. 220C Pomona, CA 91768-2557	N/A	N/A	Month-to-month	\$ 316
Ricoh Copier/Printer	Kellogg West 3801 W. Temple Ave., Bldg. 76, Pomona, CA 91768-2557	8/23/2021	8/31/2026	60	\$ 194
Ricoh Copier/Printer	Research Office 3801 W. Temple, Bldg. 1, RM 55, Pomona, CA 91768-2557	8/14/2019	8/31/2024	60	\$ 223
Ricoh Copier/Printer	Bronco Bookstore 3801 W. Temple Ave., Bldg. 66, Pomona, CA 91768-2557	10/29/2019	10/31/2024	60	\$ 186
Center for Training, Technology & Incubation - Tech Park Ground Lease	3650-3670 W. Temple Avenue, Pomona, CA 91768	8/1/2000	11/30/2024	292	\$ 23,868
University Village (Phase I, II, III) Ground Lease	3400 Poly Vista, Pomona CA 91768	5/1/2003	11/30/2035	391	\$ 85,141

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

Fiscal year	Principal	Interest	Principal and interest
2026	\$ 1,386,463	\$ 303,717	\$ 1,690,180
2027	1,408,699	275,358	1,684,057
2028	1,392,014	244,088	1,636,102
2029	1,414,034	216,924	1,630,958
2030	1,443,470	189,834	1,633,304
2031-2035	7,661,536	522,826	8,184,362
2036	1,618,813	15,356	1,634,169
	<u>\$ 16,325,029</u>	<u>\$ 1,768,103</u>	<u>\$ 18,093,132</u>

**Note 10 - Long-term liabilities**

A schedule of changes in long-term liabilities for the year ended June 30, 2025 is shown below:

	Balance July 1, 2024, as restated	Additions	Reductions	Balance June 30, 2025	Amount due within one year
Lease liability	\$ 17,654,481	\$ 111,229	\$ 1,399,008	\$ 16,366,702	\$ 1,428,136
Compensated absences	2,153,474	489,382	-	2,642,856	2,642,856
Note payable	-	121,400,000	-	121,400,000	-
Net pension liability	14,847,664	-	140,227	14,707,437	-
Unitrust liability	638,399	81,877	-	720,276	-
Net OPEB liability	2,437,917	-	1,181,741	1,256,176	-
	<u>\$ 37,731,935</u>	<u>\$ 122,082,488</u>	<u>\$ 2,720,976</u>	<u>\$ 157,093,447</u>	<u>\$ 4,070,992</u>

Compensated absences additions and reductions are netted in the addition's column in the table above.

## Cal Poly Pomona Foundation, Inc.

### Notes to Financial Statements June 30, 2025

#### 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, 2025, receivables from other activities and due from the University are \$1,605,064. Accounts payable include \$794,285 due to the University at June 30, 2025.

The Foundation made payments of \$14,498,554 to the University during the current fiscal year based on the agreements. Amounts paid to the Foundation during fiscal year 2024-25 totaled \$40,484,240.

During fiscal year 2024-25, the Foundation transferred assets totaling \$392,427 comprised of building improvements, equipment and renovations to various facilities at the University. The University assumed ownership and management of the building improvements, equipment and facilities.

##### **Cal Poly Pomona Philanthropic Foundation ("Philanthropic Foundation")**

The Foundation and Philanthropic Foundation are subject to a Support Services Agreement, effective July 1, 2019, wherein the Foundation provides fiscal and administrative services to the Philanthropic Foundation. Such services are appropriately billed. Amounts paid by the Foundation during fiscal year 2024-25 totaled \$748,508. Amounts paid to the Foundation during fiscal year 2024-25 totaled \$3,851,808.

At June 30, 2025, accounts payable due to the Philanthropic Foundation totaled \$0. Accounts receivable due from the Philanthropic Foundation totaled \$316,577.

##### **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 2024-25 totaled \$1,476,280. Amounts paid to the Foundation during fiscal year 2024-25 totaled \$382,099.

At June 30, 2025, receivables from other activities and due from ASI are \$51,677. Accounts payable due from the Foundation to ASI at June 30, 2025 totaled \$191,795.

##### **Chancellor's Office**

At June 30, 2025, the Foundation recorded accounts receivable from the Chancellor's Office totaling \$3,337.

#### 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

**Cal Poly Pomona Foundation, Inc.**

**Notes to Financial Statements  
June 30, 2025**

provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

**Benefits provided**

The Plan provides service retirement and disability benefits, annual cost of living adjustments and death benefits to eligible plan members. Benefits are based on years of service credit, a benefit factor and the member's final compensation. All members are eligible for employment related disability benefits regardless of length of service and nonduty disability benefits after five years of service. Disability benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. The Post-Retirement Death Benefit is a one-time payment made to a retiree's designated survivor or estate upon the retiree's death. The Basic Death Benefit is a lump sum paid to any member's beneficiary if the member dies while actively employed. The spouse or registered domestic partner of a deceased member, who was eligible to retire for service at the time of death, may elect to receive the Pre-Retirement Option 2W Death Benefit in lieu of the Basic Death Benefit lump sum. The Pre-Retirement Option 2W Death Benefit is a monthly allowance equal to the amount the member would have received if they had retired from 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 was 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, 2025, are summarized as follows:

	<b>Miscellaneous Risk Pool</b>		
	<b>First Tier Plan</b>	<b>Second Tier Plan</b>	<b>PEPRA Misc Plan</b>
Hire date:	On or Before June 25, 2011	6/26/2011 to 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:	6.93%	6.93%	8.25%
Required employer contribution rate:	13.88%	10.15%	8.18%

**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, 2025 are presented above and the total Foundation contributions were \$2,387,317.

**Cal Poly Pomona Foundation, Inc.**

**Notes to Financial Statements  
June 30, 2025**

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

As of June 30, 2025, the Foundation reported net pension liabilities for its proportionate share of the Miscellaneous Risk Pool net pension liability totaling \$14,707,437. The net pension liability was measured as of June 30, 2024. 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, 2025, the Foundation's proportion was 0.0030409, which increased from 0.0029693 in the prior year.

For the year ended June 30, 2025, the Foundation recognized pension expense of \$3,743,884. At June 30, 2025, the Foundation reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Contributions subsequent to the measurement date	\$ 2,387,317	\$ -
Differences between expected and actual experience	-	-
Net difference between projected and actual earnings on pension plan investments	900,634	1,206,421
Effect of change in proportion	-	1,428,985
Difference between contributions and proportionate share of contributions	1,352,609	52,779
Changes of assumptions	402,096	-
	<u>\$ 5,042,656</u>	<u>\$ 2,688,185</u>

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, 2026.

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

All other deferred inflows of resources and deferred outflows of resources are amortized over the expected average remaining service life ("EARSL") of the plan participants. The EARSL for the Miscellaneous Plan for the June 30, 2024 measurement date is 3.8 years.

The amortization is recognized in pension expense for the year the gain or loss occurs. The remaining amounts are deferred and will be amortized over the remaining periods not to exceed 3.8 years.

**Cal Poly Pomona Foundation, Inc.**

**Notes to Financial Statements  
June 30, 2025**

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

<u>Year Ending June 30</u>	<b>Deferred Outflows (Inflows) of Resources</b>
2026	\$ (529,638)
2027	1,130,328
2028	(264,927)
2029	(368,609)
	<u>\$ (32,846)</u>

During the fiscal year ended June 30, 2025, the Foundation made contributions to the pension plan after the measurement date of \$2,387,317, which will reduce the deferred outflows of resources and deferred inflows of resources above. Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner in accordance with GASB 68.

**Changes in benefit terms**

There were no changes to benefit terms that applied to all members of the Public Agency Pool.

**Changes in assumptions**

Amounts reported for the measurement period ended June 30, 2024 reflect no changes.

**Actuarial methods and assumptions**

For the measurement period ended June 30, 2024, the total pension liability was determined by rolling forward the June 30, 2023 actuarial accounting valuation. The June 30, 2024 total pension liability was based on the following actuarial methods and assumptions:

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

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS experience study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include 15 years of mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries.

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

**Cal Poly Pomona Foundation, Inc.**

**Notes to Financial Statements  
June 30, 2025**

returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

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

<b>Asset Class</b>	<b>Assumed Asset Allocation</b>	<b>Real Return Years 1 - 10</b> <sup>1,2</sup>
Global equity - cap-weighted	30.00%	4.54%
Global equity non-cap-weighted	12.00	3.84
Private equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed securities	5.00	0.50
Investment grade corporates	10.00	1.56
High yield	5.00	2.27
Emerging market debt	5.00	2.48
Private debt	5.00	3.57
Real assets	15.00	3.21
Leverage	(5.00)	(0.59)

<sup>1</sup> An expected inflation of 2.30% used for this period.

<sup>2</sup> Figures are based on the 2021-22 Asset Liability Management study.

**Discount rate**

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

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:

<b>Discount Rate</b>	<b>Net Pension Liability</b>
1% decrease (5.9%)	\$ 24,587,427
Current discount rate (6.9%)	14,707,437
1% increase (7.9%)	6,574,750

**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.

**Cal Poly Pomona Foundation, Inc.**

**Notes to Financial Statements  
June 30, 2025**

**Note 13 - Other postretirement healthcare benefits ("OPEB") plan**

**Plan description**

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

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

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

**Eligibility and benefits**

The Foundation pays a portion of the health care premium for an eligible retiree, eligible retiree plus one and eligible retiree plus two or more dependents. Eligibility is determined as a combination of age and service. The Foundation's portion of the healthcare 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.

Cal Poly Pomona Foundation, Inc.

Notes to Financial Statements  
June 30, 2025

**Schedule of changes in net OPEB liability**

<u>Total OPEB Liability</u>	
Service cost	\$ 98,857
Interest	871,461
Benefit payments, including refunds of employee contributions	<u>(730,680)</u>
Net change in Total OPEB Liability	239,638
Total OPEB Liability - beginning <a>	<u>13,667,808</u>
Total OPEB Liability - ending <b>	<u><u>\$ 13,907,446</u></u>
<u>Plan Fiduciary Net Position</u>	
Contribution - employer	\$ 730,680
Net investment income	1,463,644
Benefit payments, including refunds of employee contributions	(730,680)
Administrative expense	<u>(42,265)</u>
Net change in Plan Fiduciary Net Position	1,421,379
Plan Fiduciary Net Position - beginning <c>	<u>11,229,891</u>
Plan Fiduciary Net Position - ending <d>	<u>12,651,270</u>
Net OPEB Liability - beginning <a> - <c>	<u>2,437,917</u>
Net OPEB Liability - ending <b> - <d>	<u><u>\$ 1,256,176</u></u>

The total OPEB liability was determined by an actuarial valuation as of June 30, 2023 with a measurement date of June 30, 2024 using the following assumptions, applied to all periods included in the measurement, unless otherwise specified.

**Cal Poly Pomona Foundation, Inc.**

**Notes to Financial Statements  
June 30, 2025**

**Plan fiduciary net position**

Detailed information about the plan fiduciary net position as of June 30, 2024 is available in the separately issued VEBA financial report. The VEBA financial report can be obtained by submitting a request to: Keenan Financial Services, 2355 Crenshaw Blvd. Suite 200, Torrance, CA 90501.

Actuarial methods and assumptions

Discount rate	6.50% based on the VEBA investment policy
Net investment return	6.50% based on the VEBA investment policy
Inflation	2.50% annual inflation
Payroll increases	3.25% annual increases
Baseline cost	\$665.73 Pre 65 Retiree & Spouse \$312.52 Post 65 Retiree & Spouse
Administrative expenses	\$42,265 for the measurement period ending June 30, 2024
Health plan participant	100% of eligible participants will participate

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

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

**Cal Poly Pomona Foundation, Inc.**

**Notes to Financial Statements  
June 30, 2025**

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

**Pre-Retirement:** CalPERS 2021 Mortality

**Post-Retirement:** CalPERS 2021 Mortality

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

**Long-term expected rate of return**

As of June 30, 2024, the long-term expected rates of return for each major investment class in the VEBA's portfolio are as follows:

<b>Investment class</b>	<b>Target allocation</b>	<b>Long-term expected RRR</b>
Domestic Equity	45.00%	8.51%
International Equity	10.00%	9.49%
Fixed Income	39.00%	4.70%
REITs	6.00%	9.33%
	100.00%	

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

**Discount rate**

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

The arithmetic long-term expected real rates of return by asset class shown above is for the next 10 years. For the years thereafter, returns were based on historical average index real returns over the last 30 years assuming a similar equity/fixed investment mix and a 2.50% inflation rate. Investment expenses were assumed to be 50 basis points per year. These returns were matched with cash flows for benefits covered by plan assets and the Fidelity Municipal GO Index as of June 30, 2024 (Bond Buyer 20-Bond General Obligation index as of June 30, 2023) was matched with cash flows not covered by plan assets to measure the reasonableness of the choice in discount rate.

**Cal Poly Pomona Foundation, Inc.**

**Notes to Financial Statements  
June 30, 2025**

Below are the discount rates used and the Bond Buyer 20-Bond GO Index as of measurement dates of June 30, 2024 and 2023:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Discount Rate	6.50%	6.50%
Fidelity 20yr GO Bond Index	3.97%	3.86%

**Sensitivity analysis**

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

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

<u>Discount rate</u>	<u>Net OPEB Liability</u>	<u>\$ Change</u>	<u>% Change</u>
+1%	\$ (290,663)	\$ (1,546,839)	-123%
Base	1,256,176	-	0%
-1%	3,122,443	1,866,267	149%

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

<u>Trend Rate</u>	<u>Net OPEB Liability</u>	<u>\$Change</u>	<u>%Change</u>
+1%	\$ 3,239,505	\$ 1,983,329	158%
Base	1,256,176	-	0%
-1%	(370,011)	(1,626,187)	-129%

**Annual OPEB expense and net OPEB liability**

At June 30, 2025, the Foundation reported \$1,256,176 for the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2023. The Foundation's net OPEB liability was based on a projection of the Foundation's covered employee payroll of \$2,574,528.

Plan Fiduciary Net Position (plan assets) was valued as of the measurement date of June 30, 2024 and the total OPEB liability was determined based upon the actuarial valuation as of June 30, 2023. As of June 30, 2024, the Plan Fiduciary Net Position was \$12,651,270.

For the year ended June 30, 2025, the Foundation recognized OPEB income of \$1,279,115. OPEB expense represents the change in the net OPEB liability during the measurement period, adjusted for service cost, interest on the total OPEB liability, expected investment return, net of investment expense, and the deferred recognition of changes in investment gains and losses, actuarial assumptions or methods, and plan benefits.

At June 30, 2025, the measurement of the Total OPEB Liability, plan membership included thirty-seven (37) active plan members and one hundred twenty-one (121) retired members and beneficiaries receiving benefits for a grand total one hundred fifty-eight (158) plan participants.

**Cal Poly Pomona Foundation, Inc.**

**Notes to Financial Statements  
June 30, 2025**

**Deferred outflows/inflows of resources**

	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
	<u>                    </u>	<u>                    </u>
Differences between expected and actual experience in the measurement of the total OPEB liability	\$ -	\$ 846,694
Changes in assumptions	-	33,597
Net difference between projected and actual earnings on OPEB plan investments	71,282	-
Contributions to OPEB plan after measurement date	<u>747,118</u>	<u>-</u>
 Total	 <u><u>\$ 818,400</u></u>	 <u><u>\$ 880,291</u></u>

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

<b>Fiscal year ending June 30:</b>	<b>Deferred outflows/(inflows) of resources</b>
<u>                    </u>	<u>                    </u>
2026	\$ (893,113)
2027	420,359
2028	(189,240)
2029	(147,015)
2030	-
Thereafter	<u>-</u>
 Total Deferred Resources	 <u><u>\$ (809,009)</u></u>

During the fiscal year ended June 30, 2025, the Foundation made contributions to the OPEB plan after the measurement date of \$747,118, which will reduce the deferred outflows of resources and deferred inflows of resources above. Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net OPEB liability to be recognized in future periods in a systematic and rational manner in accordance with GASB 75. Investment gains or losses are recognized in OPEB expense over a five-year period and economic/demographic gains or losses and assumption changes or inputs are recognized over the average remaining service life for all active and inactive members.

**Note 14 - Commitments and contingencies**

**Litigation**

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

**Required Supplementary Information**

Preliminary Draft -  
for discussion purposes only

**Cal Poly Pomona Foundation, Inc.**  
**California Public Employees Retirement Plan**  
**Schedule of Foundation's Proportionate Share of the Net Pension Liability**  
**Plan Year Ended June 30, 2025**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Foundation's proportion of the collective net pension liability	0.30409%	0.29693%	0.22859%	0.12669%	0.24413%	0.22170%	0.21743%	0.24325%	0.21200%	0.07771%
Foundation's proportionate share of the collective net pension liability (asset)	\$ 14,707,437	\$ 14,847,664	\$ 13,376,813	\$ 2,405,616	\$ 10,297,623	\$ 8,877,822	\$ 8,194,358	\$ 9,589,146	\$ 8,352,723	\$ 5,338,104
Foundation's covered-employee payroll	\$ 12,315,101	\$ 8,141,971	\$ 9,642,240	\$ 12,143,926	\$ 9,741,322	\$ 12,562,122	\$ 11,541,499	\$ 11,061,078	\$ 11,198,164	\$ 10,995,860
Foundation's proportionate share of the collective net pension liability (asset) as a percentage of its covered-employee payroll	119.4%	182.4%	138.7%	19.8%	105.7%	70.7%	71.0%	86.7%	74.6%	48.5%
Plan fiduciary net position as a percentage of the total pension liability	79.9%	78.0%	78.2%	90.5%	85.4%	84.0%	85.6%	82.2%	86.1%	88.3%

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

Preliminary Draft -  
for discussion purposes only

See Independent Auditor's Report.

**Cal Poly Pomona Foundation, Inc.**  
**California Public Employees Retirement Plan**  
**Schedule of Foundation Contributions**  
**Plan Year Ended June 30, 2025**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 2,387,317	\$ 2,126,518	\$ 2,015,253	\$ 1,697,759	\$ 1,495,924	\$ 1,731,723	\$ 2,159,281	\$ 2,331,544	\$ 1,786,168	\$ 1,010,277
Contributions in relation to the contractually required contribution	(2,387,317)	(2,126,518)	(2,015,253)	(1,697,759)	(1,495,924)	(1,731,723)	(2,159,281)	(2,331,544)	(1,786,168)	(1,010,277)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Foundation's covered-employee payroll	\$ 12,315,101	\$ 8,141,971	\$ 9,642,240	\$ 12,143,926	\$ 9,741,322	\$ 12,562,122	\$ 11,541,499	\$ 11,061,078	\$ 11,198,164	\$ 10,995,860
Contributions as a percentage of covered employee payroll	19.4%	26.1%	20.9%	13.98%	15.36%	13.79%	18.71%	21.08%	15.95%	9.19%

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

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

*Changes in Assumptions:* The CalPERS Plan had no assumption changes in 2024.

The CalPERS Plan discount rate assumption was changed from 7.15% to 6.90% in 2023. The consumer price inflation assumption was changed from 2.50% to 2.30% in 2023. The post retirement benefits increase from Control COLA was changed from 2.50% to 2.30% in 2023.

**Cal Poly Pomona Foundation, Inc.**  
**California Public Employees Retirement Plan**  
**Schedule of Changes in Net OPEB Liability and Related Ratios**  
**Plan Year Ended June 30, 2025**

Plan Year Ended June 30	2024	2023	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>								
Service cost	\$ 98,857	\$ 96,989	\$ 92,370	\$ 197,238	\$ 187,854	\$ 182,673	\$ 142,277	\$ 148,176
Interest	871,461	1,094,051	1,077,426	1,141,658	1,104,006	1,051,769	894,698	1,051,372
Differences between expected and actual experience	-	(3,817,550)	(286,598)	79,980	(86,309)	(745,620)	1,014,722	1,680,006
Change of assumptions	-	(151,479)	-	(1,668,472)	14,502	985,763	890,259	(3,591,876)
Benefits payments, including refunds of employee contributions	(730,680)	(577,533)	(675,951)	(592,799)	(705,751)	(647,375)	(486,936)	(584,422)
<b>Net change in Total OPEB Liability</b>	<b>239,638</b>	<b>(3,355,522)</b>	<b>207,247</b>	<b>(842,395)</b>	<b>514,302</b>	<b>827,210</b>	<b>2,455,020</b>	<b>(1,296,744)</b>
<b>Total OPEB Liability - beginning</b>	<b>13,667,808</b>	<b>17,023,330</b>	<b>16,816,083</b>	<b>17,658,478</b>	<b>17,144,176</b>	<b>16,316,966</b>	<b>13,861,946</b>	<b>15,158,690</b>
<b>Total OPEB Liability - ending</b>	<b>\$ 13,907,446</b>	<b>\$ 13,667,808</b>	<b>\$ 17,023,330</b>	<b>\$ 16,816,083</b>	<b>\$ 17,658,478</b>	<b>\$ 17,144,176</b>	<b>\$ 16,316,966</b>	<b>\$ 13,861,946</b>
<b>Plan Fiduciary Net Position</b>								
Contributions - employer	\$ 730,680	\$ 1,577,533	\$ 397,371	\$ 436,315	\$ 1,705,751	\$ 1,647,375	\$ 1,000,000	\$ 1,111,120
Net investment income	1,463,644	854,446	(2,263,832)	2,841,138	420,836	449,772	567,209	743,578
Benefit payments, including refunds of employee contributions	(730,680)	(577,533)	(1,112,266)	(1,968,173)	(705,751)	(647,375)	(486,936)	(584,422)
Administrative expense	(42,265)	(43,857)	(34,920)	(36,221)	(34,779)	(49,278)	(39,162)	(33,384)
<b>Net change in Fiduciary Net Position</b>	<b>1,421,379</b>	<b>1,810,589</b>	<b>(3,013,647)</b>	<b>1,273,059</b>	<b>1,386,057</b>	<b>1,400,494</b>	<b>1,041,111</b>	<b>1,236,892</b>
<b>Plan Fiduciary Net Position - beginning</b>	<b>\$ 11,229,891</b>	<b>\$ 9,419,302</b>	<b>\$ 12,432,949</b>	<b>\$ 11,159,890</b>	<b>\$ 9,773,833</b>	<b>\$ 8,373,339</b>	<b>\$ 7,332,228</b>	<b>\$ 6,095,336</b>
<b>Plan Fiduciary Net Position - ending</b>	<b>\$ 12,651,270</b>	<b>\$ 11,229,891</b>	<b>\$ 9,419,302</b>	<b>\$ 12,432,949</b>	<b>\$ 11,159,890</b>	<b>\$ 9,773,833</b>	<b>\$ 8,373,339</b>	<b>\$ 7,332,228</b>
<b>Net OPEB Liability - ending</b>	<b>\$ 1,256,176</b>	<b>\$ 2,437,917</b>	<b>\$ 7,604,028</b>	<b>\$ 4,383,134</b>	<b>\$ 6,498,588</b>	<b>\$ 7,370,343</b>	<b>\$ 7,943,627</b>	<b>\$ 6,529,718</b>
<b>Plan Fiduciary Net Position as a Percentage of Total OPEB Liability</b>	91%	82%	55%	74%	63%	57%	51%	53%
<b>Covered employee payroll</b>	\$ 2,574,528	\$ 2,428,800	\$ 2,872,472	\$ 2,699,762	\$ 4,760,791	\$ 4,010,791	\$ 4,550,937	\$ 4,550,937
<b>Plan Net OPEB Liability as a Percentage of covered employee payroll</b>	49%	100%	265%	162%	137%	184%	175%	143%

Notes to the OPEB Required Supplementary Information:

The actuarial methods and assumptions used to calculate the total OPEB liability are described in Note 13 to the financial statements.

The average per capita claims cost was updated to reflect the actual 2024 and 2025 premiums. The healthcare cost trend rate was updated to reflect 2024 industry survey data. The mortality, withdrawal, and retirement tables were updated to reflect the latest 2021 CalPERS Experience Studies. The population for curving and morbidity factors have also been updated to the 2021 CalPERS Experience Studies. All other assumptions remained the same.

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

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

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

See Independent Auditor's Report.

**Supplementary Information**

Preliminary Draft -  
for discussion purposes only

**Cal Poly Pomona Foundation, Inc.**

**Schedule of Net Position  
June 30, 2025  
(For Inclusion in the California State University)**

**Assets:**

**Current assets:**

Cash and cash equivalents	\$	7,099,128
Short-term investments		47,449,899
Accounts receivable, net		14,127,411
Lease receivable, current portion		1,010,617
P3 receivable, current portion		—
Notes receivable, current portion		—
Pledges receivable, net		—
Prepaid expenses and other current assets		1,933,113
<b>Total current assets</b>		<b>71,620,168</b>

**Noncurrent assets:**

Restricted cash and cash equivalents		30,606
Accounts receivable, net		2,361,112
Lease receivable, net of current portion		91,991,266
P3 receivable, net of current portion		—
Notes receivable, net of current portion		—
Student loans receivable, net		—
Pledges receivable, net		—
Endowment investments		—
Other long-term investments		1,599,844
Capital assets, net		168,742,373
Other assets		—
<b>Total noncurrent assets</b>		<b>264,725,201</b>
<b>Total assets</b>		<b>336,345,369</b>

**Deferred outflows of resources:**

Unamortized loss on debt refunding		—
Net pension liability		5,042,656
Net OPEB liability		818,400
Leases		—
P3		—
Others		—
<b>Total deferred outflows of resources</b>		<b>5,861,056</b>

**Cal Poly Pomona Foundation, Inc.**

**Schedule of Net Position  
June 30, 2025  
(For Inclusion in the California State University)**

**Liabilities:**

**Current liabilities:**

Accounts payable	4,800,945
Accrued salaries and benefits	910,915
Accrued compensated absences, current portion	2,642,856
Unearned revenues	1,856,060
Lease liabilities, current portion	1,386,463
SBITA liabilities - current portion	41,673
P3 liabilities - current portion	—
Long-term debt obligations, current portion	—
Claims liability for losses and loss adjustment expenses, current portion	—
Depository accounts	—
Other liabilities	6,524,525

**Total current liabilities**

**18,163,437**

**Noncurrent liabilities:**

Accrued compensated absences, net of current portion	—
Unearned revenues	—
Grants refundable	—
Lease liabilities, net of current portion	14,938,566
SBITA liabilities, net of current portion	—
P3 liabilities, net of current portion	—
Long-term debt obligations, net of current portion	121,400,000
Depository accounts	—
Net other postemployment benefits liability	1,256,176
Net pension liability	14,707,437
Other liabilities	720,276

**Total noncurrent liabilities**

**153,022,455**

**Total liabilities**

**171,185,892**

**Deferred inflows of resources:**

P3 service concession arrangements	—
Net pension liability	2,688,185
Net OPEB liability	880,291
Unamortized gain on debt refunding	—
Nonexchange transactions	—
Lease	87,357,765
P3	—
Others	911,716

**Total deferred inflows of resources**

**91,837,957**

**Net position:**

Net investment in capital assets	30,975,671
Restricted for:	
Nonexpendable – endowments	—
Expendable:	
Scholarships and fellowships	—
Research	1,738,986
Loans	—
Capital projects	—
Debt service	—
Others	—
Unrestricted	46,467,919

**Total net position**

**\$ 79,182,576**

**Cal Poly Pomona Foundation, Inc.**

**Schedule of Revenues, Expenses, and Changes in Net Position  
Year Ended June 30, 2025  
(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		23,679,290
State		3,633,347
Local		—
Nongovernmental		1,195,377
Sales and services of educational activities		10,272,482
Sales and services of auxiliary enterprises, gross		57,700,280
Scholarship allowances (enter as negative)		—
Other operating revenues		13,415,486
<b>Total operating revenues</b>		<b><u>109,896,262</u></b>

**Expenses:**

**Operating expenses:**

Instruction		13,344,661
Research		14,603,151
Public service		44,828
Academic support		6,261,186
Student services		697,083
Institutional support		1,158,010
Operation and maintenance of plant		1,192
Student grants and scholarships		—
Auxiliary enterprise expenses		62,533,656
Depreciation and amortization		3,342,660
<b>Total operating expenses</b>		<b><u>101,986,427</u></b>
<b>Operating income (loss)</b>		<b><u>7,909,835</u></b>

**Cal Poly Pomona Foundation, Inc.**

**Schedule of Revenues, Expenses, and Changes in Net Position  
Year Ended June 30, 2025  
(For Inclusion in the California State University)**

<b>Nonoperating revenues (expenses):</b>	
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	5,220,446
Endowment income (loss), net	—
Interest expense	(1,388,556)
Other nonoperating revenues (expenses)	(268,973)
<b>Net nonoperating revenues (expenses)</b>	<u>3,562,917</u>
<b>Income (loss) before other revenues (expenses)</b>	<u>11,472,752</u>
State appropriations, capital	—
Grants and gifts, capital	—
Additions (reductions) to permanent endowments	—
<b>Increase (decrease) in net position</b>	<u><b>11,472,752</b></u>
<b>Net position:</b>	
Net position at beginning of year, as previously reported	69,039,032
Restatements	(1,329,208)
<b>Net position at beginning of year, as restated</b>	<u><b>67,709,824</b></u>
<b>Net position at end of year</b>	<u><b>\$ 79,182,576</b></u>

Cal Poly Pomona Foundation, Inc.

Other Information  
 June 30, 2025  
 (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	\$ 30,606
<b>Noncurrent restricted cash and cash equivalents</b>	<b>30,606</b>
Current cash and cash equivalents	7,099,128
<b>Total</b>	<b>\$ 7,129,734</b>

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	1,996,274	94,209	2,090,483
Municipal bonds	—	—	—
Corporate bonds	3,559,068	46,781	3,605,849
Asset backed securities	—	—	—
Mortgage backed securities	1,615,616	10,849	1,626,465
Commercial paper	—	—	—
Supranational	—	—	—
Mutual funds	2,983,576	504,621	3,488,197
Exchange traded funds	18,822,200	46,725	18,868,925
Equity securities	10,550,206	632,712	11,182,918
Alternative investments:			
Private equity (including limited partnerships)	3,657,562	—	3,657,562
Hedge funds	3,220,629	—	3,220,629
Managed futures	—	—	—
Real estate investments (including REITs)	652,076	30,353	682,429
Commodities	—	—	—
Derivatives	—	—	—
Other alternative investment types	285,614	—	285,614
Other external investment pools	—	—	—
CSU Consolidated Investment Pool (formerly SWIFT)	—	—	—
State of California Local Agency Investment Fund (LAIF)	107,078	—	107,078
State of California Surplus Money Investment Fund (SMIF)	—	—	—
Other investments:			
Indexed Annuity	—	233,594	233,594
	—	—	—
	—	—	—
	—	—	—
	—	—	—
Total Other investments	—	233,594	233,594
<b>Total investments</b>	<b>47,449,899</b>	<b>1,599,844</b>	<b>49,049,743</b>
Less endowment investments (enter as negative number)	—	—	—
<b>Total investments, net of endowments</b>	<b>\$ 47,449,899</b>	<b>\$ 1,599,844</b>	<b>\$ 49,049,743</b>

Cal Poly Pomona Foundation, Inc.

Other Information  
 June 30, 2025  
 (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	2,090,483	—	16,821	2,073,662	—
Municipal bonds	—	—	—	—	—
Corporate bonds	3,605,849	—	—	3,605,849	—
Asset backed securities	—	—	—	—	—
Mortgage backed securities	1,626,465	—	—	1,626,465	—
Commercial paper	—	—	—	—	—
Supranational	—	—	—	—	—
Mutual funds	3,488,197	—	1,201,261	2,286,936	—
Exchange traded funds	18,868,925	18,868,925	—	—	—
Equity securities	11,182,918	11,182,918	—	—	—
Alternative investments:					
Private equity (including limited partnerships)	3,657,562	—	—	—	3,657,562
Hedge funds	3,220,628	—	—	—	3,220,628
Managed futures	—	—	—	—	—
Real estate investments (including REITs)	682,430	—	30,354	—	652,076
Commodities	—	—	—	—	—
Derivatives	—	—	—	—	—
Other alternative investment types	285,614	—	—	—	285,614
Other external investment pools	—	—	—	—	—
CSU Consolidated Investment Pool (formerly SWIFT)	—	—	—	—	—
State of California Local Agency Investment Fund (LAIF)	107,078	—	—	—	107,078
State of California Surplus Money Investment Fund (SMIF)	—	—	—	—	—
Other investments:					
Indexed Annuity	233,594	—	—	—	233,594
	—	—	—	—	—
	—	—	—	—	—
	—	—	—	—	—
	—	—	—	—	—
	—	—	—	—	—
	—	—	—	—	—
Total other investments:	233,594	—	—	—	233,594
<b>Total investments</b>	<b>\$ 49,049,743</b>	<b>\$ 31,300,279</b>	<b>\$ 9,592,912</b>	<b>\$ —</b>	<b>\$ 8,156,552</b>

2.3 Investments held by the University under contractual agreements:

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



Cal Poly Pomona Foundation, Inc.

Other Information  
June 30, 2025  
(For Inclusion in the California State University)

Capital Assets, Right of Use

Composition of capital assets - Lease ROU, net:	Balance June 30, 2024	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2024 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2025
<b>Non-depreciable/Non-amortizable lease assets:</b>									
Land and land improvements	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
<b>Total non-depreciable/non-amortizable lease assets</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Depreciable/Amortizable lease assets:</b>									
Land and land improvements	—	—	—	—	—	—	—	—	—
Buildings and building improvements	21,410,300	—	—	—	21,410,300	—	—	—	21,410,300
Improvements, other than buildings	—	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—	—
Personal property:									
Equipment	31,339	—	—	—	31,339	—	—	—	31,339
<b>Total depreciable/amortizable lease assets</b>	<b>21,441,639</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>21,441,639</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>21,441,639</b>
<b>Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)</b>									
Land and land improvements	—	—	—	—	—	—	—	—	—
Buildings and building improvements	(5,110,008)	—	—	—	(5,110,008)	(1,484,836)	—	—	(6,594,844)
Improvements, other than buildings	—	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—	—
Personal property:									
Equipment	(25,047)	—	—	—	(25,047)	(4,366)	—	—	(29,413)
<b>Total accumulated depreciation/amortization</b>	<b>(5,135,055)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(5,135,055)</b>	<b>(1,489,202)</b>	<b>—</b>	<b>—</b>	<b>(6,624,257)</b>
<b>Total capital assets - lease ROU, net</b>	<b>\$ 16,306,584</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 16,306,584</b>	<b>\$ (1,489,202)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 14,817,382</b>

Composition of capital assets - SBITA ROU, net	Balance June 30, 2024	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2024 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2025
<b>Depreciable/Amortizable SBITA assets:</b>									
Software	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 153,929	\$ —	\$ —	\$ 153,929
<b>Total depreciable/amortizable SBITA assets</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>153,929</b>	<b>—</b>	<b>—</b>	<b>153,929</b>
<b>Less accumulated depreciation/amortization:</b>									
Software	—	—	—	—	—	(89,792)	—	—	(89,792)
<b>Total accumulated depreciation/amortization</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(89,792)</b>	<b>—</b>	<b>—</b>	<b>(89,792)</b>
<b>Total capital assets - SBITA ROU, net</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 64,137</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 64,137</b>

**Cal Poly Pomona Foundation, Inc.**

**Other Information  
June 30, 2025  
(For Inclusion in the California State University)**

	Balance June 30, 2024	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2024 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2025
<b>Composition of capital assets - P3 ROU, net:</b>									
<b>Non-depreciable/Non-amortizable P3 assets:</b>									
Land and land improvements	\$ —		\$ —	\$ —	\$ —			\$ —	\$ —
<b>Total non-depreciable/non-amortizable P3 assets</b>	<b>—</b>		<b>—</b>	<b>—</b>	<b>—</b>			<b>—</b>	<b>—</b>
<b>Depreciable/Amortizable P3 assets:</b>									
Land and land improvements	—		—	—	—			—	—
Buildings and building improvements	—		—	—	—			—	—
Improvements, other than buildings	—		—	—	—			—	—
Infrastructure	—		—	—	—			—	—
Personal property:									
Equipment	—		—	—	—			—	—
<b>Total depreciable/amortizable P3 assets</b>	<b>—</b>		<b>—</b>	<b>—</b>	<b>—</b>			<b>—</b>	<b>—</b>
<b>Less accumulated depreciation/amortization:</b>									
Land and land improvements	—		—	—	—			—	—
Buildings and building improvements	—		—	—	—			—	—
Improvements, other than buildings	—		—	—	—			—	—
Infrastructure	—		—	—	—			—	—
Personal property:									
Equipment	—		—	—	—			—	—
<b>Total accumulated depreciation/amortization</b>	<b>—</b>		<b>—</b>	<b>—</b>	<b>—</b>			<b>—</b>	<b>—</b>
<b>Total capital assets - P3 ROU, net</b>	<b>\$ —</b>		<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>			<b>\$ —</b>	<b>\$ —</b>

**Total capital assets, net including ROU assets**

**\$ 168,742,373**

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

Depreciation and amortization expense - capital assets, excluding ROU assets	\$ 1,763,666
Amortization expense - Leases ROU	1,489,202
Amortization expense - SBITA ROU	89,792
Amortization expense - P3 ROU	—

Depreciation and Amortization expense - Others	—
<b>Total depreciation and amortization</b>	<b>\$ 3,342,660</b>



**Cal Poly Pomona Foundation, Inc.**

**Other Information  
June 30, 2025  
(For Inclusion in the California State University)**

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

	Lease Liabilities			SBITA liabilities			Public-Private or Public-Public Partnerships (P3)			Total Leases, SBITA, P3 liabilities		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
<b>Year ending June 30:</b>												
2026	\$ 1,386,463	\$ 303,717	\$ 1,690,180	\$ 41,673	\$ 2,229	\$ 43,902	\$ —	\$ —	\$ —	\$ 1,428,136	\$ 305,946	\$ 1,734,082
2027	1,408,699	275,358	1,684,057	—	—	—	—	—	—	1,408,699	275,358	1,684,057
2028	1,392,014	244,088	1,636,102	—	—	—	—	—	—	1,392,014	244,088	1,636,102
2029	1,414,034	216,924	1,630,958	—	—	—	—	—	—	1,414,034	216,924	1,630,958
2030	1,443,470	189,834	1,633,304	—	—	—	—	—	—	1,443,470	189,834	1,633,304
2031 - 2035	7,661,536	522,826	8,184,362	—	—	—	—	—	—	7,661,536	522,826	8,184,362
2036 - 2040	1,618,813	15,356	1,634,169	—	—	—	—	—	—	1,618,813	15,356	1,634,169
2041 - 2045	—	—	—	—	—	—	—	—	—	—	—	—
2046 - 2050	—	—	—	—	—	—	—	—	—	—	—	—
2051 - 2055	—	—	—	—	—	—	—	—	—	—	—	—
Thereafter	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total minimum payments</b>	<b>\$ 16,325,029</b>	<b>\$ 1,768,103</b>	<b>\$ 18,093,132</b>	<b>\$ 41,673</b>	<b>\$ 2,229</b>	<b>\$ 43,902</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 16,366,702</b>	<b>\$ 1,770,332</b>	<b>\$ 18,137,034</b>
Less: amounts representing interest												(1,770,332)
<b>Present value of future minimum lease payments</b>												<b>16,366,702</b>
<b>Total Leases, SBITA, P3 liabilities</b>												<b>16,366,702</b>
Less: current portion												(1,428,136)
<b>Leases, SBITA, P3 liabilities, net of current portion</b>												<b>\$ 14,938,566</b>

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

	Auxiliary revenue bonds (non-SRB related)			All other long-term debt obligations			Total long-term debt obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
<b>Year ending June 30:</b>									
2026	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
2027	—	—	—	121,400,000	—	121,400,000	121,400,000	—	121,400,000
2028	—	—	—	—	—	—	—	—	—
2029	—	—	—	—	—	—	—	—	—
2030	—	—	—	—	—	—	—	—	—
2031 - 2035	—	—	—	—	—	—	—	—	—
2036 - 2040	—	—	—	—	—	—	—	—	—
2041 - 2045	—	—	—	—	—	—	—	—	—
2046 - 2050	—	—	—	—	—	—	—	—	—
2051 - 2055	—	—	—	—	—	—	—	—	—
Thereafter	—	—	—	—	—	—	—	—	—
<b>Total minimum payments</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 121,400,000</b>	<b>\$ —</b>	<b>\$ 121,400,000</b>	<b>\$ 121,400,000</b>	<b>\$ —</b>	<b>\$ 121,400,000</b>
Less: amounts representing interest									—
<b>Present value of future minimum payments</b>									<b>121,400,000</b>
Unamortized net premium/(discount)									—
<b>Total long-term debt obligations</b>									<b>121,400,000</b>
Less: current portion									—
<b>Long-term debt obligations, net of current portion</b>									<b>\$ 121,400,000</b>

**Cal Poly Pomona Foundation, Inc.**

**Other Information  
June 30, 2025  
(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	\$	1,190,020
Payments to University for other than salaries of University personnel		13,308,534
Payments received from University for services, space, and programs		40,484,240
Gifts-in-kind to the University from discretely presented component units		—
Gifts (cash or assets) to the University from discretely presented component units		392,427
Accounts (payable to) University		(794,285)
Other amounts (payable to) University		—
Accounts receivable from University		1,605,064
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:**

Note: Additional account details can be found in the Table of Object Codes and CSU Fund Definitions

Restatement #1 N/A

Debit/(Credit)
----------------

Restatement #2 N/A

\$	—
\$	—

\$	—
\$	—

**9 Natural classifications of operating expenses:**

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	\$ 4,912,533	\$ 1,340,819	\$ 160,663	\$ 1,205	\$ —	\$ 6,929,441	\$ —	\$ 13,344,661
Research	5,578,803	912,597	78,504	—	—	8,033,247	—	14,603,151
Public service	27,320	2,149	—	—	—	15,359	—	44,828
Academic support	1,768,269	157,540	63,121	40,778	—	4,231,478	—	6,261,186
Student services	244,950	13,717	—	—	—	438,416	—	697,083
Institutional support	204,236	15,056	12,250	3,224	—	923,244	—	1,158,010
Operation and maintenance of plant	—	—	—	—	—	1,192	—	1,192
Student grants and scholarships	—	—	—	—	—	—	—	—
Auxiliary enterprise expenses	17,148,669	1,656,395	784,878	533,586	—	42,410,128	—	62,533,656
Depreciation and amortization	—	—	—	—	—	—	3,342,660	3,342,660
<b>Total operating expenses</b>	<b>\$ 29,884,780</b>	<b>\$ 4,098,273</b>	<b>\$ 1,099,416</b>	<b>\$ 578,793</b>	<b>\$ —</b>	<b>\$ 62,982,505</b>	<b>\$ 3,342,660</b>	<b>\$ 101,986,427</b>

Select type of pension plan >>

Defined Benefit Plan



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the business-type activities and the aggregate remaining fund information of the Cal Poly Pomona Foundation, Inc. (the "Foundation"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated [Insert Date].

#### Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

#### Report on Compliance and Other Matters

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

### Purpose of this Report

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

Los Angeles, California

[Insert Date]

Preliminary Draft -  
for discussion purposes only



# Informational Memorandum

Date: September 9, 2025

To: Audit Committee

From: Tariq Marji, Sr. Director, OE&S  
Jackie Richman, CohnReznick

Attached: Required Communications with Those Charged with Governance  
Draft Single Audit Report Required by Uniform Guidance

Subject: **2024-2025 SINGLE AUDIT REPORT**

CohnReznick has completed a draft of the single audit for Cal Poly Pomona Foundation, Inc. for the fiscal year ended June 30, 2025. This is the third year of CohnReznick's engagement on this audit with Enterprises.

The draft report has the Foundation receiving an unmodified opinion with no findings. However, the report is not finalized due to delays in releasing the annual Compliance Supplement from the US Office of Management & Budget (OMB). This guidance may lead to adjustments in the draft report, which will be covered in next quarter's presentation of the final single audit report.

Jackie Richman, Director at CohnReznick, will present the draft report in detail along with their required disclosures.

**Cal Poly Pomona Foundation, Inc.**

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

**Year Ended June 30, 2025**

Preliminary Draft  
for discussion purposes only

Cal Poly Pomona Foundation, Inc.

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Preliminary Draft -  
for discussion purposes only

**Cal Poly Pomona Foundation, Inc.**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2025**

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
<b>Research and Development Cluster</b>				
<u>Department of Agriculture</u>				
Pass-through from California Department of Food and Agriculture Specialty Crop Block Grant Program - Farm Bill	10.170	21-001-037-SF	\$ -	\$ (251)
Higher Education - Institution Challenge Grants Program Pass-through from Cal Poly Corporation	10.217		-	7,563
Higher Education - Institution Challenge Grants Program Pass-through from Washington State University	10.217	2022-1-53734	-	3,325
Higher Education - Institution Challenge Grants Program Total Higher-Education - Institution Challenge Grants Program	10.217	140674 SPC003974	-	<u>3,750</u> 14,638
Hispanic Serving Institutions Education Grants	10.223		-	17,031
Hispanic Serving Institutions Education Grants	10.223		-	53,067
Hispanic Serving Institutions Education Grants	10.223		-	27,527
Hispanic Serving Institutions Education Grants	10.223		-	80,337
Pass - through Metropolitan State University of Denver Hispanic Serving Institutions Education Grants Total Hispanic Serving Institutions Education Grants	10.223	AW159-CALP	-	<u>41,611</u> 219,573
Pass-through from The Regents of the University of California, Davis Organic Agriculture Research and Extension Initiative	10.307	2023-51300-40963	-	91,816
Organic Agriculture Research and Extension Initiative Total Organic Agriculture Research and Extension Initiative	10.307	2020-51300-32275	-	<u>(323)</u> 91,493
Pass-through from The Regents of the University of California, Davis Specialty Crop Research Initiative	10.309	A22-0776-S001	-	110,032
Agriculture and Food Research Initiative (AFRI)	10.310		-	117,268
Pass-through from the University of Connecticut Agriculture and Food Research Initiative (AFRI)	10.310	146018302	-	4,891
Pass-through from the Board of Trustees of the University of Arkansas Agriculture and Food Research Initiative (AFRI)	10.310	2022-69015-36720	-	55,615
Pass-through from Trustees of Tufts College Agriculture and Food Research Initiative (AFRI) Total Agriculture and Food Research Initiative (AFRI)	10.310	POEPO232827	-	<u>1,376</u> 179,150

**Cal Poly Pomona Foundation, Inc.**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2025**

<b>Federal Grantor/Pass-through Grantor/Program or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-through Entity Identifying Number</b>	<b>Passed Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	10.326		-	9,023
Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	10.326		-	20,455
Total Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)			-	29,478
Pass-through from Oregon State University				
Food Safety Outreach Program	10.328	C0595B-E	-	728
Food Safety Outreach Program	10.328		-	5,905
Pass-through from The Regents of the University of California Davis				
Food Safety Outreach Program	10.328	2024-70020-42808	5,905	12,211
Total Food Safety Outreach Program			5,905	18,844
Soil and Water Conservation	10.902		-	24,051
Total Department of Agriculture			5,905	687,008
<u>Department of Defense</u>				
Basic and Applied Scientific Research	12.300		-	349,558
Basic and Applied Scientific Research	12.300		-	78,897
Total Basic and Applied Scientific Research			-	428,455
Basic, Applied, and Advanced Research in Science and Engineering	12.630		-	331,099
Pass-through from the Air Force Research Laboratory				
Air Force Defense Research Sciences Program	12.800	FA8650-24-2-2404	-	772,004
Air Force Defense Research Sciences Program	12.800	FA8650-24-2-2403	-	520,390
Total Air Force Defense Research Sciences Program			-	1,292,394
Pass-through from the American Foundry Society Inc.				
Sustainability for Critical Casting	12.XXX	2024310	-	25,648
Pass-through from the National Security Agency				
Scientific Research - Combating Weapons of Mass Destruction	12.351	H98230-22-1-0175	-	20,645
Total Department of Defense			-	2,098,241

**Cal Poly Pomona Foundation, Inc.**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2025**

<b>Federal Grantor/Pass-through Grantor/Program or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-through Entity Identifying Number</b>	<b>Passed Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<u>Department of the Interior</u>				
Pass-through from University of California Santa Cruz Bureau of Ocean Energy Management Environmental Studies	15.423	A 19-0882-S004	-	10,992
Pass-through from The Southern California Marine Institute Bureau of Ocean Energy Management Environmental Studies	15.423	M21AC00021-00	-	5,017
Pass-through from the regents of the University of California Santa Cruz Bureau of Ocean Energy Management Environmental Studies	15.423	A24-0670S002	-	50,520
Total Bureau of Ocean Energy Management Environmental Studies			-	66,529
Pass-through from the University of Colorado at Boulder Water Desalination Research and Development	15.506	R23AC00437-00	-	61,549
Pass Through from Carollo Engineers, Inc. SECURE Water Act - Research Agreements	15.560	20246	-	17,961
Total Department of the Interior			-	146,039
<u>Department of Transportation</u>				
Pass-through from the National Academy of Sciences Highway Research and Development Program	20.200	HR-10-115	-	40,519
Pass-through from the Southern California Association of Governments Highway Planning and Construction	20.505	23041C01	-	18,329
Pass-through from the State of California - Office of Traffic Safety National Priority Safety Programs	20.616	TR22021	-	(11,750)
National Priority Safety Programs	20.616	TR24009	29,767	72,152
National Priority Safety Programs	20.616	TR24009	-	29,767
National Priority Safety Programs	20.616	TR25007	-	113,070
Total National Priority Safety Programs			29,767	203,239
Pass-through from University of Texas at Austin University Transportation Centers Program	20.701	UTAUS SUB00001166	-	268,083
Total Department of Transportation			29,767	530,170
<u>National Aeronautics and Space Administration</u>				
Science	43.001		-	513
Pass-through from Space Telescope Science Institute Science	43.001	HST-GO-16769.001-A	-	2,090
Pass-through from California Institute L.A University Auxiliary Services, Inc. Science	43.001	80NSSC24K0183	-	23,793
Pass-through from SETI Institute Science	43.001	SC3929	-	31,734
Total Science			-	58,130

**Cal Poly Pomona Foundation, Inc.**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2025**

<b>Federal Grantor/Pass-through Grantor/Program or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-through Entity Identifying Number</b>	<b>Passed Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
Space Technology	43.012		-	171,783
Pass-through from the California State University Long Beach Research Foundation				
CATIE: Flight Demonstration of Advanced CubeSat Subsystems	43.XXX	SGS23732010A-CPP	-	(4,548)
Pass-through from the Astrobotics Technology Inc.				
HD LIDAR STTR	43.XXX	AT0010997	-	1,173
Total National Aeronautics and Space Administration			-	226,538
<b><u>National Science Foundation</u></b>				
Engineering	47.041		-	13,995
Engineering	47.041		-	66,352
Engineering	47.041		-	1,113
Total Engineering			-	81,460
Pass-through from University of Wyoming				
Mathematical and Physical Sciences	47.049	2108349	-	68,592
Pass-through from The Regents of the University of California, Berkely				
Mathematical and Physical Sciences	47.049	00010000	-	33,251
Pass-through from The Cal Poly Corporation				
Mathematical and Physical Sciences	47.049	2024-21-51689	-	15,789
Mathematical and Physical Sciences	47.049		-	(950)
Mathematical and Physical Sciences	47.049		-	37,602
Mathematical and Physical Sciences	47.049		-	37,485
Mathematical and Physical Sciences	47.049		-	10,530
Mathematical and Physical Sciences	47.049		-	26,032
Mathematical and Physical Sciences	47.049		-	53,667
Total Mathematical and Physical Sciences			-	281,998
Computer and Information Science and Engineering	47.070		-	15,846
Computer and Information Science and Engineering	47.070		-	80,562
Computer and Information Science and Engineering	47.070		-	51,800
Computer and Information Science and Engineering	47.070		-	75,433
Computer and Information Science and Engineering	47.070		-	177,388
Computer and Information Science and Engineering	47.070		-	177,717
Computer and Information Science and Engineering	47.070		-	12,785
Computer and Information Science and Engineering	47.070		-	1,868
Pass-through from Kettering University				
Computer and Information Science and Engineering	47.070	531130A	-	19,854
Total Computer and Information Science and Engineering			-	613,253

Cal Poly Pomona Foundation, Inc.

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2025

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Biological Sciences	47.074		-	97,724
Social, Behavior, and Economic Sciences	47.075		-	4,949
Pass-through from Portland State University				
Social, Behavior, and Economic Sciences	47.075	100258	-	48,589
Total Social, Behavior, and Economic Sciences			-	53,538
STEM Education	47.076		-	754,582
STEM Education	47.076		-	42,965
STEM Education	47.076		146,032	146,032
STEM Education	47.076		27,564	87,481
STEM Education	47.076		-	22,926
STEM Education	47.076		-	63,188
STEM Education	47.076		7,640	71,290
STEM Education	47.076		-	7,640
STEM Education	47.076		202,722	221,970
STEM Education	47.076		-	76,476
STEM Education	47.076		-	103,268
STEM Education	47.076		-	22,978
STEM Education	47.076		-	85,353
STEM Education	47.076		-	191,511
STEM Education	47.076		-	25,616
STEM Education	47.076		-	72,056
STEM Education	47.076		-	522,844
STEM Education	47.076		-	147,020
STEM Education	47.076		-	1,836
STEM Education	47.076		-	193,703
STEM Education	47.076		-	1,081
STEM Education	47.076		1,081	157,814
STEM Education	47.076		-	254,990
STEM Education	47.076		-	68,153
STEM Education	47.076		-	25,905
Pass-through from University Enterprises Inc.				
STEM Education	47.076	541891	-	12,000
STEM Education	47.076	532966-A6	-	6,000

**Cal Poly Pomona Foundation, Inc.**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2025**

<b>Federal Grantor/Pass-through Grantor/Program or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-through Entity Identifying Number</b>	<b>Passed Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
Pass-through from CSU Long Beach Research Foundation				
STEM Education	47.076	SG286324100CPP	-	47,741
Pass-through from San Jose State University Research Foundation				
STEM Education	47.076	21-1505-6810	-	4,576
Pass-through from Utah State University Space Dynamics Laboratory				
STEM Education	47.076	CP0089645	-	2,111
Total STEM Education			<u>385,039</u>	<u>3,441,106</u>
Office of International Science and Engineering	47.079		-	8,270
Pass-through from the Regents of the University of California Santa Barbara				
NSF Technology, Innovation, and Partnerships	47.084	KK2524	-	133,570
Total National Science Foundation			<u>385,039</u>	<u>4,710,919</u>
<u>Environmental Protection Agency (EPA)</u>				
Pass-through from Portland State University				
Science to Achieve Results (STAR) Research Program	66.509	100278	-	73,113
Total Environmental Protection Agency			<u>-</u>	<u>73,113</u>
<u>Department of Energy</u>				
Pass-through from The Regents of the University of California				
Office of Science Financial Assistance Program	81.049	2022-1819	-	131,827
Pass-through from QuesTek Innovations LLC				
Office of Science Financial Assistance Program	81.049	DE-SC0020605	-	(973)
Total Office of Science Financial Assistance Program			<u>-</u>	<u>130,854</u>
Pass-through from University of Cincinnati				
Nuclear Energy Research, Development and Demonstration	81.121	013271-002	-	73,243
Pass-through from The Regents of the University of California, Berkely - LBNL				
Nuclear Energy Research, Development and Demonstration	81.121	7722635	-	1,032
Total Nuclear Energy Research, Development and Demonstration			<u>-</u>	<u>74,275</u>
Total Department of Energy			<u>-</u>	<u>205,129</u>
<u>Department of Education</u>				
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013C		141,678	1,095,028
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013C		-	74,582
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013C		-	45,966
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013C		-	21,131
Total Title I State Agency Program for Neglected and Delinquent Children and Youth			<u>141,678</u>	<u>1,236,707</u>

**Cal Poly Pomona Foundation, Inc.**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2025**

<b>Federal Grantor/Pass-through Grantor/Program or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-through Entity Identifying Number</b>	<b>Passed Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
Higher Education Institutional Aid	84.031M		-	584,738
Higher Education Institutional Aid	84.031S		-	421,719
Total Higher Education Institutional Aid			-	1,006,457
Child Care Access Means Parents in School	84.335A		-	43,033
Pass-through from Austin State University at Nacogdoches, Texas				
English Language Acquisition State Grants	84.365Z	T365Z220050	-	21,627
Total Department of Education			141,678	2,307,824
<u>Department of Health and Human Services</u>				
Pass-through from the University of Texas at Arlington				
Maternal and Child Health Federal Consolidated Programs	93.110	2023GC1718	-	93,342
Pass-through from California Institute of Technology				
Mental Health Research Grants	93.242	S586859	-	158,788
Mental Health Research Grants	93.242	S616255	-	74,027
Total Mental Health Research Grants			-	232,815
Pass-through from the University of Texas at Arlington				
Minority Health and Health Disparities Research	93.307	2022GC0779	-	92,111
Pass-through from National Institutes of Health				
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	1R15DK13273601A1	-	146,797
Allergy and Infectious Diseases Research	93.855		-	88,816
Biomedical Research and Research Training	93.859		-	50,560
Biomedical Research and Research Training	93.859		-	263,758
Biomedical Research and Research Training	93.859		-	281,419
Biomedical Research and Research Training	93.859		-	6,518
Biomedical Research and Research Training	93.859		6,518	405,110
Total Biomedical Research and Research Training			6,518	1,007,365
Total Department of Health and Human Services			6,518	1,661,246
<b>Total Research and Development Cluster</b>			568,907	12,646,226

Cal Poly Pomona Foundation, Inc.

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2025

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>Department of Transportation</u>				
Highway Training and Education	20.215		-	9,770
Highway Training and Education	20.215		-	8,500
Highway Training and Education	20.215		-	6,758
Highway Training and Education	20.215		-	3,200
Highway Training and Education	20.215		-	3,487
Highway Training and Education	20.215		-	2,618
Highway Training and Education	20.215		-	3,000
Highway Training and Education	20.215		-	3,800
Highway Training and Education	20.215		-	4,600
Highway Training and Education	20.215		-	4,000
Highway Training and Education	20.215		-	2,500
Total Department of Transportation			-	52,233
<u>Department of the Treasury</u>				
Pass-through from United States Corporation at CSU Northridge				
Volunteer Income Tax Assistance (VITA) Matching Grant Program	21.009	A-16-0069-S007-A02	-	6,805
Total Department of the Treasury			-	6,805
<u>National Aeronautics and Space Administration</u>				
Office of Stem Engagement (OSTEM)	43.008		-	172,860
Total National Aeronautics and Space Administration			-	172,860
<u>Small Business Administration</u>				
Stea2m Innovation Hub Pomona	59.086		-	264,883
Total Small Business Administration			-	264,883
<u>Department of Education</u>				
Higher Education Institutional Aid	84.031		-	520,009
Fund for the Improvement of Postsecondary Education	84.116		-	287,121
TRIO Cluster				
TRIO Student Support Services	84.042		-	463,178
TRIO Student Support Services	84.042		-	358,790
Total TRIO Student Support Services			-	821,968
TRIO Talent Search	84.044		-	326,780
TRIO Talent Search	84.044		-	337,910
Total TRIO Talent Search			-	664,690

**Cal Poly Pomona Foundation, Inc.**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2025**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>Other Programs</b>				
<u>Department of Agriculture</u>				
From Learning to Leading: Cultivating the Next Generation of Diverse Food and Agriculture Professionals	10.237		-	1,770,169
Pass-through from The Regents of the University of California Davis				
Food Safety Outreach Program	10.328	2020-70020-32263	-	49,790
Pass-through from California Department of Education				
Child and Adult Care Food Program CACFP	10.558	05310-CACFP-19-NP-IC	-	4,398
Child and Adult Care Food Program CACFP	10.558	05310-CACFP-19-NP-IC	-	(8,448)
Child and Adult Care Food Program CACFP	10.558	05310-CACFP-19-NP-IC	-	20,946
Child and Adult Care Food Program CACFP	10.558	05310-CACFP-19-NP-IC	-	38,742
Total Child and Adult Care Food Program CACFP			-	55,638
Child Nutrition Cluster				
Pass-through from California Department of Education				
Summer Food Service Program for Children	10.559	05310-SFSP-19	-	6,254
Summer Food Service Program for Children	10.559	05310-SFSP-19	-	9,722
Total Child Nutrition Cluster			-	15,976
Pass-through from CSU Chico				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	A22-0055-S011	-	19,436
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	A25-0009-S002	-	1,089
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	A25-0008-S004	-	395
Total SNAP Cluster			-	20,920
Total Department of Agriculture			-	1,912,493
<u>Department of Defense</u>				
Pass-through from United States Air Force Research Laboratory				
Research and Technology Development	12.910	FA8650-23-1-2206	-	3,315,545
Total Department of Defense			-	3,315,545
<u>Department of Interior</u>				
US Geologic Survey	15.XXX		-	(1,937)
Total Department of Interior			-	(1,937)

Cal Poly Pomona Foundation, Inc.

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2025

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
TRIO Upward Bound	84.047		-	316,175
TRIO Upward Bound	84.047		-	387,133
TRIO Upward Bound	84.047		-	458,662
TRIO Upward Bound	84.047		-	396,186
TRIO Upward Bound	84.047		-	(1,821)
TRIO Upward Bound	84.047		-	(4,062)
TRIO Upward Bound	84.047		-	(1,821)
TRIO Upward Bound	84.047		-	(702)
TRIO Upward Bound Math and Science	84.047		-	298,332
TRIO Upward Bound Math and Science	84.047		-	319,717
TRIO Upward Bound Math and Science	84.047		-	267,022
TRIO Upward Bound Math and Science	84.047		-	(757)
TRIO Upward Bound Math and Science	84.047		-	(495)
Total TRIO Upward Bound			-	2,433,569
TRIO McNair Post-Baccalaureate Achievement	84.217		-	230,503
Total TRIO Cluster			-	4,150,730
Pass through from University of California, Office of the President				
Supporting Effective Instruction State Grants	84.367	ESSA23-CMP-POMONA	-	1,954
Supporting Effective Instruction State Grants	84.367	ESSA24-CMP-POMONA	-	16,925
Total Supporting Effective Instruction State Grants			-	18,879
Total Department of Education			-	4,976,739
<u>Department of Health and Human Services</u>				
CCDF Cluster				
Pass-through from California Department of Education				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	CCTR4086	-	92,997
Total CCDF Cluster			-	92,997
Total Department of Health and Human Services			-	92,997
<u>Corporation for National and Community Service CNCS</u>				
Pass-through from Cal State L.A. University Auxiliary Services, Inc.				
AmeriCorps State and National	94.006	CPPG00861	-	31,750
AmeriCorps State and National	94.006	CPPG01071	-	33,359
AmeriCorps State and National	94.006	CPPG00861	-	53,438
AmeriCorps State and National	94.006	CPPG00911	-	121,800
Total AmeriCorps State and National			-	240,347
Total Corporation for National and Community Service CNCS			-	240,347
<b>Total Other Programs</b>			-	11,032,965
<b>Total Expenditures of Federal Awards</b>			\$ 568,907	\$ 23,679,191

**Cal Poly Pomona Foundation, Inc.**

**Notes to Schedule of Expenditures of Federal Awards  
June 30, 2025**

**Note 1 - Basis of presentation**

The accompanying Schedule of Expenditures of Federal Awards ("Schedule") presents the activity of all federal award programs of the Cal Poly Pomona Foundation, Inc. (the "Foundation") under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Foundation, it is not intended to and does not present the financial position, changes in net position or cash flows of the Foundation.

**Note 2 - Summary of significant accounting policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principals contained in the Uniform Guidance, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years, such as transfer of expenses incurred in the previous year to a continuing project in the current fiscal year.

**Note 3 - Indirect cost rate**

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

**Note 4 - Subrecipients**

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

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the business-type activities and the aggregate remaining fund information of the Cal Poly Pomona Foundation, Inc. (the "Foundation") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated [Insert Date].

#### Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

#### Report on Compliance and Other Matters

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

### Purpose of this Report

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

Los Angeles, California

[Insert date]

Preliminary Draft -  
for discussion purposes only

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

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

Report on Compliance for Each Major Federal Program

*Opinion on Each Major Federal Program*

We have audited Cal Poly Pomona Foundation, Inc.'s (the "Foundation") compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget ("OMB") *Compliance Supplement* that could have a direct and material effect on each of the Foundation's major federal programs for the year ended June 30, 2025. The Foundation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Foundation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

*Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

*Responsibilities of Management for Compliance*

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

### *Auditor's Responsibilities for the Audit of Compliance*

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Foundation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

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

### Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material

weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

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

We have audited the financial statements of the business-type activities and the aggregate remaining fund information of the Foundation as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements. We issued our report thereon dated [Insert date], which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Los Angeles, California  
[Insert date]

Cal Poly Pomona Foundation, Inc.

Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

- Material weakness(es) identified?
Significant deficiency(ies) identified?

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified?
Significant deficiency(ies) identified?

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

Identification of major federal programs:

Table with 2 columns: Assistance Listing Number(s) and Name of Federal Program or Cluster. Rows include 10.237 (From Learning to Leading...) and 12.910 (Research and Technology Development).

Dollar threshold used to distinguish between type A and B programs: \$750,000

Auditee qualified as low-risk auditee? yes no

Section II - Financial Statement Findings

None reported.

Section III - Federal Award Findings and Questioned Costs

None reported.



# Informational Memorandum

Date: September 9, 2025

To: Audit Committee

From: Jared Ceja, CEO  
Juan Hernandez, CFO

Subject: **CSU Advisory Review**

**Purpose:**

CSU Audit and Advisory Services conducted an advisory review of CPPE to evaluate the effectiveness and efficiency of key processes, focusing on discretionary funds, accounts payable, purchasing cards, policy revisions, and grant-funded payroll. Details on the scope of this review were covered at the last Audit Committee meeting. While this is not a formal audit, it is instead centered around providing valuable recommendations that aid management in enhancing operational compliance. The report noted substantial progress by CPPE Financial Services in proactively identifying and beginning to address needs ahead of the review as part of company continuous improvement efforts.

The table below summarizes the recommendations and observations identified in each area and corresponding opportunities for improvement:

Area	Focus	Recommendations	Implementation
1. Policies & Procedures	Reduce processing delays related to insufficient request submissions and improve customer relationships	CPPE should consider: <ul style="list-style-type: none"> <li>a. Enhancing the existing process to standardize returning of customer submissions for correction.</li> <li>b. Continuing to encourage customers to use webforms in OneSolution, which allows users to track the status of submissions and requests.</li> </ul>	Est. Completion - 03/26
2. Signature Authority & Fund Agreements	Improving monitoring controls over signature authority and align system requirements with underlying fund agreements,	CPPE should consider: <ul style="list-style-type: none"> <li>a. Expanding monitoring process to include an annual review of signature authority in OneSolution, using system-generated reports.</li> <li>b. Completing the in-depth review of underlying fund agreements to revise signature authority as needed, update descriptions of appropriate sources and uses of funds, and assess inactive accounts for potential closure.</li> </ul>	Est. Completion - 03/26

Area	Focus	Recommendations	Implementation
3. Purchasing Cards	Improving the timeliness of account establishment and ensure compliance with purchasing card program requirements	CPPE should consider: <ol style="list-style-type: none"> <li>a. Implementing a robust purchasing card training program and monitor completion of the training prior to card issuance.</li> <li>b. Implementing a mechanism to track and monitor account setup requests using an electronic tracking software.</li> <li>c. Partner with CPP departments to enforce accountability for timely reconciliation</li> </ol>	Pcard training and monitoring update - In progress – Est Comp. 11/2025
4. Accounts Payable	improving the timeliness of accounts payable processes, prevent bottlenecks in CPPE accounts payable processing, and provide transparency into disbursement approval status	CPPE should consider: <ol style="list-style-type: none"> <li>a. Continuing to encourage university customers to use webforms in OneSolution</li> <li>b. Providing specialized training for customers</li> <li>c. Implementing a process to periodically monitor outstanding disbursement requests in OneSolution to determine whether adjustments should be made to approver queues.</li> </ol>	Est. Completion - 03/26
5. Earnings Registers (Grant Payroll)	To enhance monitoring practices for grant administrators,	CPPE should consider: <ol style="list-style-type: none"> <li>a. Documenting procedures surrounding the request and generation of earnings registers</li> <li>b. Establishing a tracking mechanism to monitor the distribution of earnings registers</li> </ol>	Est. Completion - 03/26

**2025-2026**  
**AUDIT COMMITTEE**  
**SCHEDULE**

**Board Committee Members:**

1. Dr. David Speak, Chair
2. Stephanie Pastor
3. John McGuthry
4. Dr. Phyllis Nelson
5. Lowell Overton
6. Ruby Suchecki
7. Maryann Tolano-Leveque

<b>Occurrence:</b> Quarterly (2xs/year) <b>Duration:</b> 1 hour and 30 minutes <b>Liaison:</b> Juan Hernandez & Tariq Marji
<b>Tuesday, September 9, 2025</b> 10:00 am – 11:30 am
<b>Wednesday, December 3, 2025</b> 10:00 am – 11:30 am