AUDIT COMMITTEE
Thursday, September 3, 2026
10:30 AM – 11:30 AM
Join Zoom Meeting
https://cpp.zoom.us/j/83727122735?from=addon
Meeting ID: 837 2712 2735
AGENDA

Committee Chair: Dr. David Speak

Members: Dr. Phyllis Nelson, Lowell Overton, Nancy Corrigan, Stephanie Pastor, Jon C. Saclolo (non-BOD)

Staff: Patricia Romo, Juan Hernandez, Tariq Marji, Thomas Sekayan

Guests: Jackie Richman - CohnReznick LLP

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.

		Pg.
A. Approval of Minutes Audit Committee Meeting – September 9, 2025 Audit Committee Action by Email – February 5-9, 2026	Dr. David Speak, Chair	1-4

III. ACTION ITEMS

B. Financial Audit Reports 2025-2026 (Attachment) **A**	Juan Hernandez, CFO Jackie Richman, CohnReznick LLP	5-88

IV. GENERAL UPDATES

C. CFO's Report	Juan Hernandez,	

V. INFORMATION & DISCUSSION ITEMS

D. Tentative Committee Meeting Schedule (Attachment) **I**	Dr. David Speak, Chair	89

VI. OPEN FORUM

VII. ADJOURNMENT Dr. David Speak

CAL POLY POMONA ENTERPRISES
Audit Committee
Tuesday, September 9, 2025,
10:00 a.m.
Join Zoom Meeting
https://cpp.zoom.us/j/88357048942
Meeting ID: 883 5704 8942
DRAFT Meeting Minutes

Notice is hereby given that a regular meeting of the Finance/Investment Committee was held by video conference/teleconference on Tuesday, September 9, 2025, at 10:00 a.m. to discuss matters on the posted agenda. The meeting notice in its entirety was posted on the internet https://cppenterprises.org/wp-content/uploads/Audit-Committee-Pkg-9-9-25.pdf

Present: John McGuthry Dr. Phyllis Nelson, Lowell Overton, Stephanie Pastor, Dr. David Speak, Ruby Suchecki and Maryann Tolano-Leveque
Absent: None
Staff: Naomi Aguilar, Claudia Burciaga-Ramos, Jared Ceja, Lisa Coats, Juan Hernandez, Tariq Marji
Guests: Alexandra Guadiana- CohnReznik, Jackie Richman- CohnReznik, Monica Waugh, CohnReznik

CALL TO ORDER
Dr. David Speak, Audit Committee Chair, called the meeting to order at 10:00 a.m.

II. CONSENT ACTION ITEMS

A. Approval of Minutes
The minutes from the December 16, 2024, meeting were approved by unanimous consent; there was no opposition.

B Welcome of New and Returning Members
Dr. Speak welcomed members and noted the continuity of the group, with the addition of Dr. Phyllis Nelson. He commended the committee's long-standing contributions to financial oversight and emphasized the importance of the upcoming audit cycle.

III. GENERAL UPDATES

C. CEO's Report
Jared Ceja, CEO, provided several organizational updates. He reported that the HR Manager had recently departed and a long-serving assistant director at Kellogg West had retired, creating transitions that the Foundation is actively addressing through recruitment and interim coverage. He noted that while staffing changes present risks, leadership continuity and interim arrangements have ensured stability.

Jared also highlighted the successful acquisition of *The Current* student housing complex. He described the purchase as a major enhancement to the Foundation's asset portfolio, providing increased housing capacity for students while also serving as a strategic long-term investment for the organization. He noted that operational planning is underway to ensure the housing complex is fully integrated and contributes positively to the Foundation's financial performance.

In closing, Jared discussed progress in financial operations and oversight, reiterating the importance of the committee's work in maintaining public trust and regulatory compliance. He emphasized that while most external reporting deadlines are being met, the federal compliance supplement delay continues to impact the

timing of the Single Audit. He concluded by thanking the finance team for their diligence and the committee for its oversight and guidance.

IV. ACTION ITEMS

D. 2024-2025 Financial Audit

Juan Hernandez, CFO and Jackie Richman, CohnReznick LLP, presented the results of the Foundation's financial audit. Key highlights included:

- A clean, unmodified opinion was issued, with no findings or deficiencies.
- Net position increased by approximately $11 million.
- Net cash provided by operations totaled $20 million.
- Major capital changes included the student housing acquisition (+$130M assets, financed by $121M note payable).
- Adoption of GASB 101 (compensated absences) resulted in a $1.3M restatement.
- An OPEB actuarial adjustment of $730K, previously unrecorded, was reflected in FY25 due to timing of the actuarial report.

The committee discussed the need for consistent financial statement presentation between the MD&A and the audited statements. Members also raised questions on actuarial reporting, grant funding volatility, and long-term debt refinancing opportunities.

Following this discussion, the committee agreed that an updated draft of the financial statements, incorporating the disaggregated investment information and revised formatting, would be circulated to members by email for final review.
The committee further agreed that once management circulates the updated draft financial statements, including the disaggregated investment information, members will confirm their approval via email. This email confirmation will serve as the official record of adoption prior to submission of the audit to the Board of Directors at the next scheduled Board Meeting.

Moved, 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, as presented.
The Audit Committee members approved by unanimous consent. Vote to approve updated financials passed on 9/11/25 via email approval.

V. INFORMATION & DISCUSSION ITEMS

E. 2024–2025 Single Audit

Jackie Richman noted that the federal compliance supplement had not yet been released. A draft single audit has been substantially completed, with issuance expected in Q2 pending federal guidance. No findings are anticipated, and the Foundation continues to qualify as a low-risk auditee.

F. CSU Advisory Review

Jared Ceja and Tariq Marji provided an update on the Chancellor's Office advisory review. Key recommendations under discussion included:

- Policies & Procedures: Standardize AP correction workflows; promote OneSolution web forms to improve audit trails and cycle time.
- Signature Authority & Fund Agreements: Move to annual reviews; update signers; close inactive funds.
- P-Cards: Require policy-specific training before issuance; track setup requests electronically; enforce timely reconciliation (including with campus cardholders).
- Accounts Payable: Expand web-form use; provide customer training; monitor outstanding requests to reduce cycle times.
- Earnings Registers: Document procedures and track distributions.

Implementation Timeline: Most items targeted by March 2026; P-card training/monitoring targeted by November 2025.

G. Tentative Committee Meeting Schedule

Jared Ceja presented the tentative Audit Committee meeting schedule for the upcoming year. Committee members were asked to review and provide feedback on dates and priorities.

VI. OPEN FORUM

Dr. Speak commended the finance team and auditors for their diligence and responsiveness. Several members echoed appreciation for clear reporting and constructive dialogue during the meeting. Members commended the team for the favorable bond financing on The Current; management noted the effective rate (4.62%) and first-year interest structure that will help recoup the down payment.

ADJOURNMENT

An agreement was made to adjourn the meeting at 11:30 a.m., with no opposition.

_____

Dr. David Speak, Chair
Audit Committee

Next Scheduled Audit Committee Meeting December 3, 2025

CAL POLY POMONA FOUNDATION, INC.
Audit Committee
Action by Email Vote
February 5-9, 2026

Minutes

The following record documents action taken by the Audit Committee through an email vote initiated on Thursday, February 5, 2026. A quorum was confirmed on Monday, February 9, 2026, after six affirmative votes were received.

Members Voting: David M. Speak (Chair), John W. McGuthry, Maryann Tolano-Leveque, Phyllis R. Nelson, Stephanie Pastor, Lowell Overton
Member Not Voting: Ruby Suchecki
Staff: Juan Hernandez, Tariq Marji

I. ACTION ITEM

A. Approval of Single Audit Report for the Year Ended June 30, 2025

Juan Hernandez, Chief Financial Officer, submitted the Single Audit Report for the year ended June 30, 2025 to the Audit Committee for review and approval at the request of Chair David M. Speak. Due to delays in the release of the Office of Management and Budget Compliance Supplement, the auditors were unable to complete the Single Audit concurrently with the financial statement audit previously reviewed and approved by the Committee.

The materials provided to the Committee reported a clean, unmodified opinion on compliance; no material weaknesses or significant deficiencies in internal control or compliance; no findings or questioned costs; and designation of the Foundation as a low-risk auditee.

By email vote, the Audit Committee approved the Single Audit Report for the year ended June 30, 2025 and recommended forwarding it to the Board of Directors for approval as a consent action item. The action carried with six votes in favor, no votes opposed, and no abstentions. Ruby Suchecki did not cast a vote.

Email Vote Record

Committee Member	Vote	Date Received
Lowell Overton	Approve	February 6, 2026
John W. McGuthry	Approve	February 7, 2026
Stephanie Pastor	Approve	February 9, 2026
David M. Speak, Chair	Approve	February 9, 2026
Phyllis R. Nelson	Approve	February 9, 2026
Maryann Tolano-Leveque	Approve	February 9, 2026

_____
David M. Speak
Audit Committee, Chair

Memorandum

Cal Poly Pomona ENTERPRISES

Date: September 3, 2026

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: **2025-2026 FINANCIAL AUDIT REPORT**

CohnReznick has completed the financial audit of Cal Poly Pomona Foundation, Inc. for the fiscal year ended June 30, 2026. This is the fourth year of CohnReznick's engagement on this audit with Enterprises (CPPE).

CPPE 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:

- 2025-2026 Financial Audit

PROPOSED ACTION:
Management is recommending that the Audit Committee accept CohnReznick LLP's unmodified opinion on the CPPE's Financial Audit Report for the fiscal year ended June 30, 2026, 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 CPPE's Financial Statements and forwards the report to the Board of Directors for review and approval at its next scheduled meeting.

PASSED AND ADOPTED THIS 3rd DAY OF SEPTEMBER 2026.

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, 2026, and have issued our report thereon dated [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 May 20, 2026, 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 [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.

DRAFT

Significant Risks Identified

During the normal course of our audit planning and preliminary risk assessment, we have identified the following significant risks: management override of controls and improper revenue recognition. We addressed these risks through substantive audit procedures. No additional significant risks were identified that required specific audit consideration.

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. During the year ended June 30, 2026, the Foundation adopted the provisions of GASB Statements No. 103, Financial Reporting Model Improvements and No. 104, Disclosure of Certain Capital Assets. 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, 2026, 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.

DRAFT

Significant Difficulties Encountered during the Audit

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

Uncorrected and Corrected Misstatements

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

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

Disagreements with Management

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

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

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

Representations Requested from Management

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

DRAFT

Very truly yours,

CohnReznick LLP
Los Angeles, California

DRAFT

Cal Poly Pomona Foundation, Inc.

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

June 30, 2026

DRAFT

Cal Poly Pomona Foundation, Inc.

Index

	PAGE
Independent Auditor's Report	2
Management's Discussion and Analysis	6
Basic Financial Statements	
Statement of Net Position	19
Statement of Revenues, Expenses, and Changes in Net Position	21
Statement of Cash Flows	22
Statement of Fiduciary Net Position	24
Statement of Changes in Fiduciary Net Position	25
Notes to Financial Statements	26
Required Supplementary Information	
Schedule of Foundation's Proportionate Share of the Net Pension Liability	57
Schedule of Foundation Contributions	58
Schedule of Changes in Net OPEB Liability and Related Ratios	59
Supplementary Information	
Schedule of Net Position	61
Schedule of Revenues, Expenses, and Changes in Net Position	63
Other Information	65
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*	77

DRAFT

Independent Auditor's Report

To 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, 2026, 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, 2026, 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 *(Government Auditing Standards)*. 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.

DRAFT

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 17, the Schedule of Foundation's Proportionate Share of the Net Pension Liability on page 57, the Schedule of Foundation Contributions on page 58, and the Schedule of Changes in Net OPEB Liability and Related Ratios on page 59 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.

DRAFT

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 61 to 76 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 61 to 76 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 61 to 76 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

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

Los Angeles, California
[Report Date]

DRAFT

Management's Discussion and Analysis

DRAFT

Cal Poly Pomona Foundation, Inc.

Management's Discussion and Analysis ("MD&A")
Year Ended June 30, 2026

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, 2026.

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, Dining Dollars). 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

DRAFT

Foundation activities.

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

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

	2026 (in thousands)	2025 (in thousands)
Assets		
Current assets	$ 82,995	$ 71,620
Noncurrent assets		
Restricted cash and cash equivalents	9	31
Accounts receivable, net of current portion	2,240	2,361
Lease receivables, net of current portion	91,521	91,991
Long-term investments	1,764	1,600
Capital assets, net	166,088	168,742
Total noncurrent assets	261,622	264,725
Total assets	344,617	336,345
Deferred outflows of resources		
Net pension liability	4,230	5,043
Net OPEB liability	358	818
Total deferred outflows of resources	4,588	5,861
Liabilities		
Current liabilities	20,461	18,163
Noncurrent liabilities	152,144	153,022
Total liabilities	172,605	171,185
Deferred inflows of resources		
Net pension liability	3,479	2,688
Leases	85,325	87,358
Net OPEB liability	613	880
Split interest agreements	1,046	912
Total deferred inflows of resources	90,463	91,838
Net position		
Net investment in capital assets	24,198	30,976
Restricted unvested grant assets	1,376	1,739
Unrestricted	60,563	46,468
Total net position	$ 86,137	$ 79,183

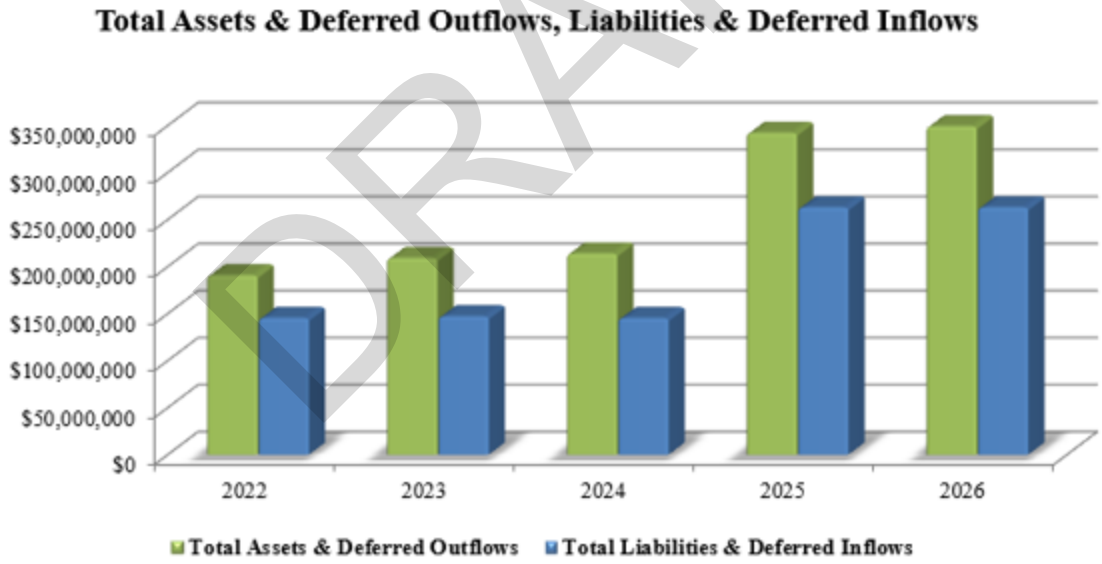
DRAFT

Total assets and deferred outflows were $349.2 million and $342.2 million for fiscal years 2026 and 2025, respectively. The increase between 2026 and 2025 of $7.0 million or 2.0% is mainly attributed to the increase in current assets of $11.4 million, a decrease of $3.1 million in noncurrent assets and a decrease of $1.3 million in deferred outflows related to pension and OPEB liabilities.

Current assets increased by $11.4 million mainly due to an increase in the value of investments of $7.6 million, cash and cash equivalents of $2.5 million and related party accounts receivable of $2.3 million, along with a decrease of $1.0 million in other current assets. Investments performed well during the year, leading to the increases in investments and cash equivalents.

Noncurrent assets decreased by $3.1 million mainly due to a decrease in capital assets of $2.7 million due to depreciation and assets being transferred to the University. The remaining decrease of $0.4 million is related to a decrease in accounts receivable and lease receivables of $0.6 million as the receivables were paid down during the year, and an increase of $0.2 million in long-term investments as investments value increased during the year.

The $1.3 million decrease in deferred outflows related to OPEB and pension liabilities was primarily driven by strong investment returns, which caused plan assets to grow faster than total liabilities.



Total liabilities and deferred inflows were $263.1 million and $263.0 million for the fiscal years 2026 and 2025, respectively. The net increase of $0.1 million is mainly due to an increase of $5.5 million in note payable, a decrease of $1.4 million in lease liabilities, a decrease of $3.0 million in net pension & OPEB liability, a decrease of $1.3 million in total deferred inflows and an increase of $0.3 million in accounts payable and other accrued expenses.

The increase of $5.5 million in notes payable was related to the financing for the purchase of student housing that occurred in 2025 as the commercial paper was converted into bonds with a bond premium. The decrease of $1.4 in lease liabilities is due to the normal lease payments, while the decrease of $3.0 in OPEB and pension liabilities was primarily driven by strong investment returns, which caused plan assets to grow faster than total liabilities.

DRAFT

The decrease of $1.3 million in deferred inflows is due to a decrease of $2 million related to the recognition of $2 million in lease-related revenue during the year, and an increase of $0.8 million in deferred inflows related to pensions, due to the change of assumptions in the actuarial report. There was also an increase of $0.1 million in deferred inflows related to split interest agreements as the value of the investments increased during the year, as well as a decrease of $0.2 million in deferred inflows related to OPEB as the actual rate of return was higher than the expected rate of return.

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:

	2026 (in thousands)	2025 (in thousands)
Net investment in capital assets	$ 24,198	$ 30,976
Restricted		
Expendable-research/unvested grant assets	1,376	1,739
Unrestricted	60,563	46,468
Net position	$ 86,137	$ 79,183

Net position increased by $7.0 million or 8.8% primarily in unrestricted net position, which increased by $14.1 million, net investment in capital assets which decreased by $6.8 million and restricted net position, which decreased by $0.3 million.

The increase in unrestricted net position was mainly due to the net operating surplus of $10.7 million, the investment income of $8.5 million and reduced by a total of $7.3 million in interest expense, $0.4 million in noncapital subsidies provided and $4.5 million in other nonoperating expenses. The remaining increase of $7.1 million is a release of funds from net investment in capital assets and restricted expendable net position to unrestricted net position.

DRAFT

Net investment in capital assets decreased by $6.8 million or 21.9% mainly due to transferring assets to the University of $4.3 million, along with the normal depreciation and amortization of assets of $7.3 million, purchases of $8.9 million, an increase of debt related to the student housing of $5.5 million and $1.4 million reduction due to lease payments made during the year, reducing net investment in capital assets.



DRAFT

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:

	2026 (in thousands)	2025 (in thousands)
Operating revenues		
Educational activities	$ 11,079	$ 10,272
Enterprise activities	68,867	57,700
Grants and contracts	26,833	28,508
Admin and real estate activities	13,220	13,416
Total operating revenues	119,999	109,896
Operating expenses	109,297	101,933
Operating income	10,702	7,963
Noncapital subsidies		
Transfers out	(380)	(322)
Operating income and noncapital subsidies	10,322	7,641
Other nonoperating revenues (expenses)		
Investment income, net	8,486	5,220
Interest expense	(7,346)	(1,388)
Other nonoperating expenses	(4,508)	-
Net other nonoperating revenues (expenses)	(3,368)	3,832
Change in net position	6,954	11,473
Net position		
Net position, beginning of year	79,183	69,039
Restatement of beginning net position	-	(1,329)
Net position, end of year	$ 86,137	$ 79,183

During the fiscal year 2026, total operating revenues increased $10.1 million or 9.2% as enterprise activities increased by $11.2 million due to a full year of operations from the student housing property acquired in June 2025. Grants and contracts activities decreased by $1.7 million as there were fewer new grants awarded in FY25/26. Educational activities increased by $0.8 million due to higher sales, while administrative & real estate activities decreased by $0.2 million due to a slight decrease in rental income.

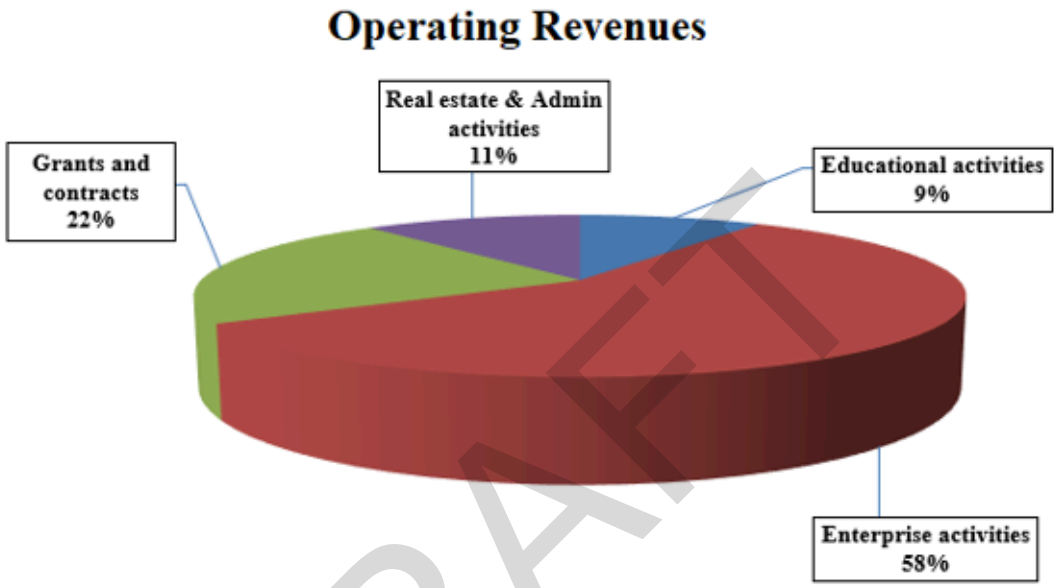
Due to GASB 103, noncapital subsidies of $0.4 million are presented as a separate line in the statement. Noncapital subsidies are noncapital transfers to the University during the year. Operating expenses increased $7.3 million or 7.2% mainly due to the increase in enterprise activities from a full year of the new student housing operations and related depreciation expense.

The other nonoperating expenses, net, were approximately $3.3 million. Net investment income for the year was approximately $8.5 million as the market continued to produce positive gains. Interest

DRAFT

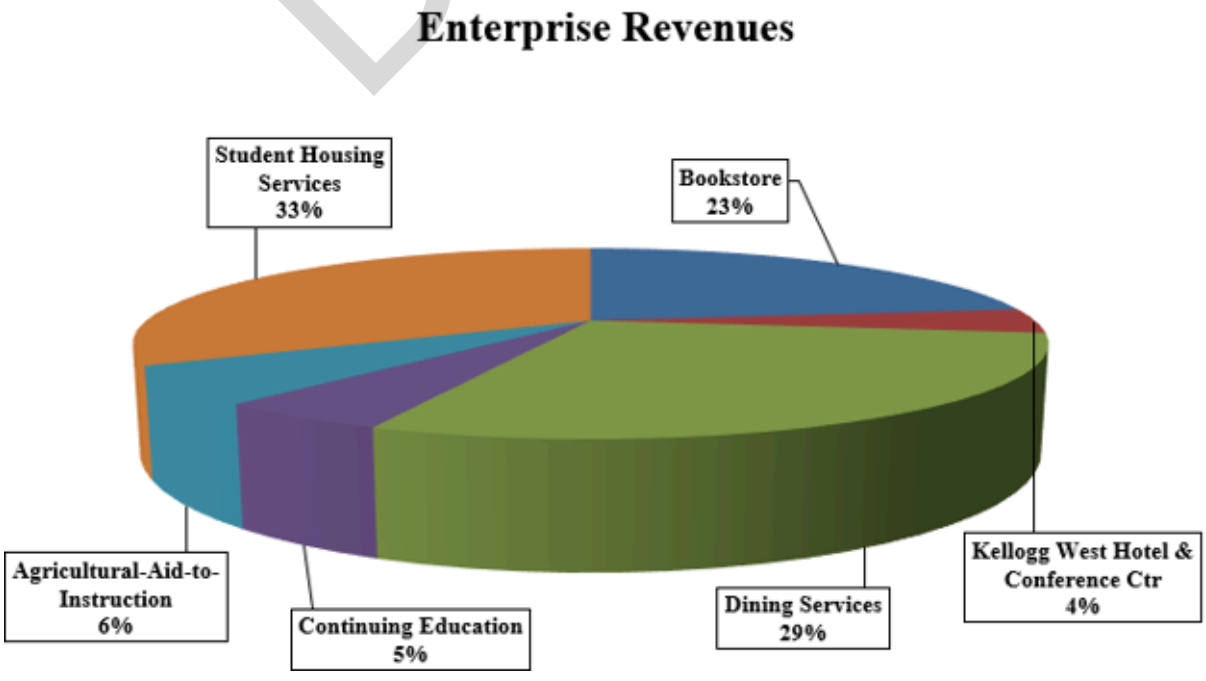
expense for the year was $7.3 million which was primarily due to the financing of student housing, and other nonoperating expenses were $4.5 million due to asset transfers to the University.

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.



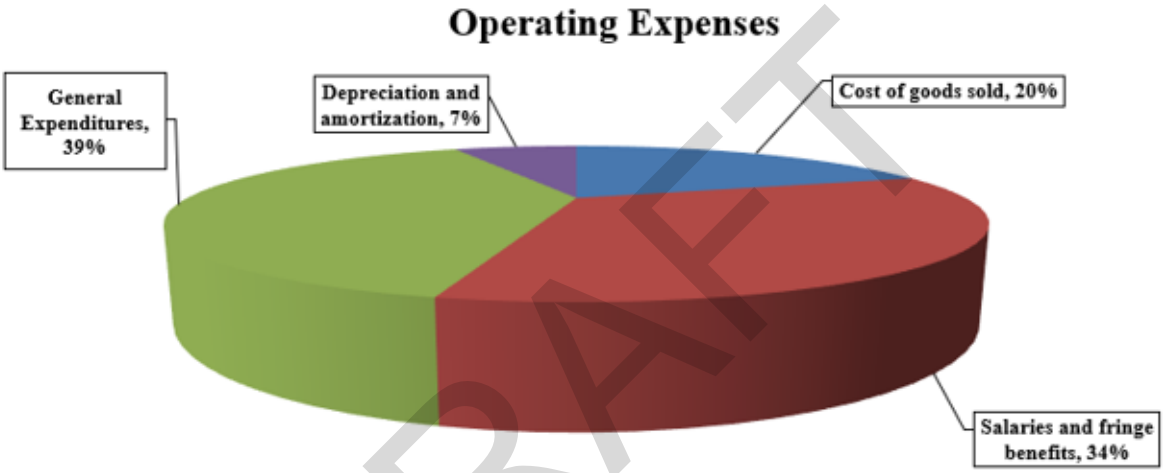
DRAFT

Auxiliary enterprise operating revenues consist of the following programs:



The Foundation entered into a master operating agreement and various supplemental operating agreements with the Trustees of the California State University in July 2018, on behalf of the University that expires in 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 2026, operating expenses consist of cost of goods sold of $21.8 million, salaries and fringe benefits of $37.2 million, general expenditures of $43.0 million, and depreciation and amortization of $7.3 million.

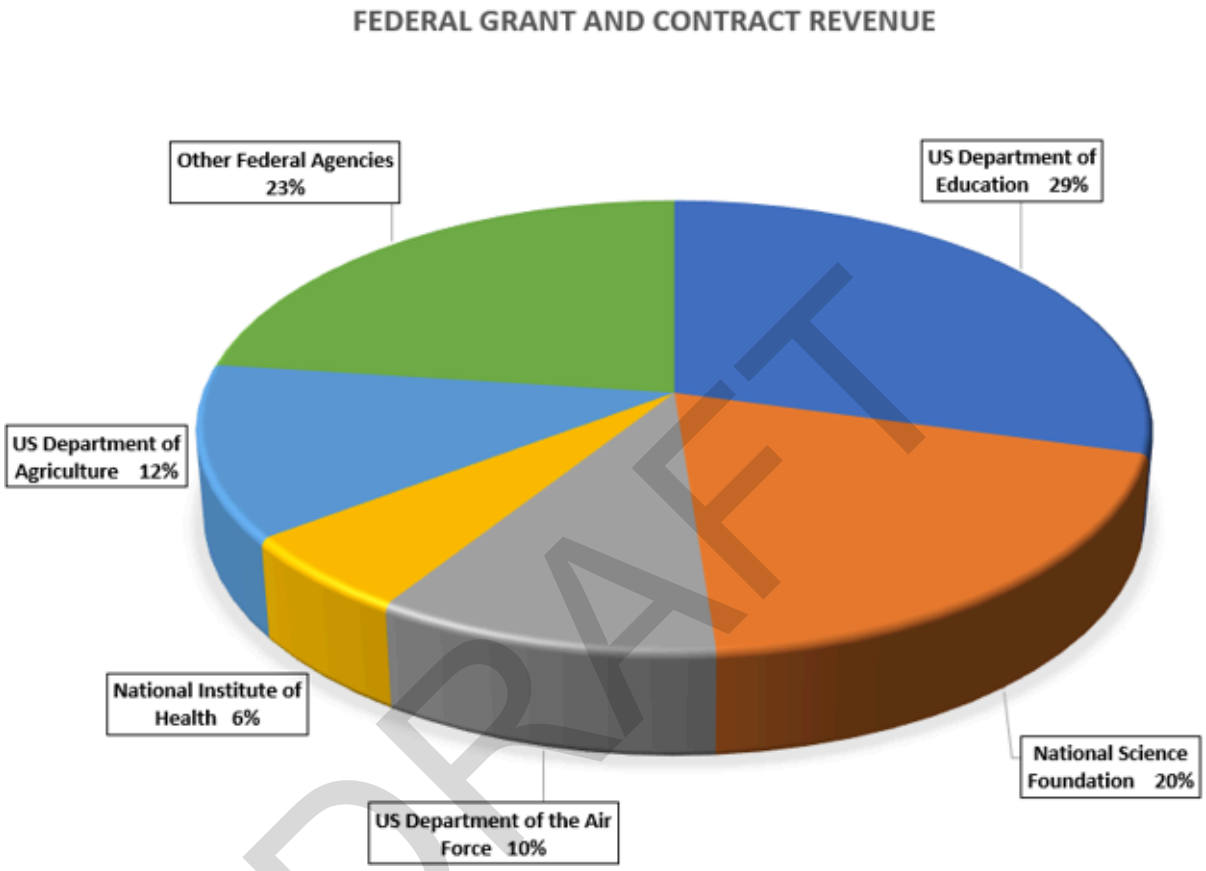


DRAFT

Grants and Contracts

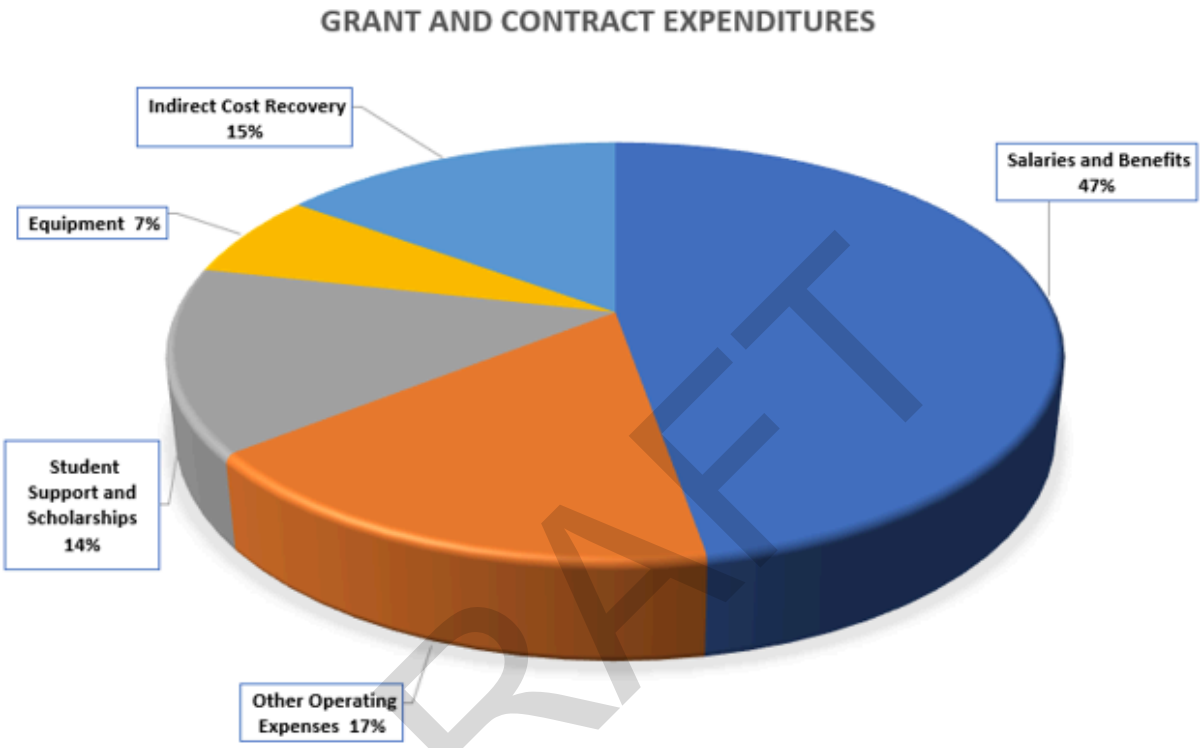
The Foundation is the recipient of all externally funded sponsored projects awarded on behalf of California State Polytechnic University, Pomona. For the fiscal year 2025-26, University faculty and staff have secured over $24.3 million in external funds representing 127 projects.

Federal grant and contract awards received represent 75.8% of the sponsored program activity and include support from a variety of agencies including:



DRAFT

During the last two fiscal years, grants and contracts expenditures totaled $55.2 million consisting of federal grants and contracts of $44.0 million, state grants and contracts of $7.4 million, and non-governmental grants and contracts of $3.8 million. Expenditures relating to grant and contract projects consisted of the following items:



DRAFT

The total amount of indirect cost recovery income collected from grant and contract projects totaled $7.3 million in fiscal years 2025-26 and 2024-25. 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.

Significant Capital Asset and Long-Term Financing Activity

Capital Assets

	Balance (in thousands) July 1 2025	Additions	Decreases	Depreciation	Balance (in thousands) June 30, 2026
Capital assets, not being depreciated					
Land	$ 22,703	-	-	-	$ 22,703
Construction in progress	6,111	4,181	(3,152)	-	7,140
Total capital assets not being depreciated	28,814	4,181	(3,152)	-	29,843
Capital assets being depreciated					
Buildings and building improvements	116,443	2,825	(36)	(4,538)	114,694
Orchards	6	-	-	(1)	5
Infrastructure	4,994	-	-	(216)	4,778
Equipment, furniture and vehicles	3,603	2,416	(1,615)	(1,098)	3,306
Right-of-use leases:					-
Land	14,815	-	-	(1,365)	13,450
Equipment and software	66	-	-	(54)	12
Total capital assets being depreciated	139,927	5,241	(1,651)	(7,272)	136,245
Total capital assets	168,741	9,422	(4,803)	(7,272)	166,088

DRAFT

Total capital assets were $166.0 million and $168.7 million for the fiscal years 2026 and 2025, respectively. The decrease of $2.7 million was primarily due to additions of $9.4 million, decreases of $4.8 million and change in accumulated depreciation and amortization of $7.3 million.

Additions of $9.4 million consisted of purchases of $8.9 million and transfers from construction in progress of $0.5 million. The purchases of $8.9 million included purchases of $4.2 million in construction in progress, $2.4 million in buildings & building improvements and $2.3 million in equipment, furniture and vehicles.

The purchases of construction in progress of $4.2 million consisted of $0.3 million for student housing, $3.5 million for renovations at Kellogg West Hotel and Conference Center, and $0.4 million for other administrative, real estate and commercial operations. The purchases of $2.4 million in buildings and building improvements consisted of $1.5 million in real estate assets held for sale, $0.7 million relating to student housing, and $0.2 million for other real estate building improvements. The purchases of $2.3 million in equipment, furniture and vehicles consisted of $0.3 million for student housing, $1.7 million for grants administration and $0.3 million for other administrative, real estate and commercial operations.

The decreases of $4.8 million are primarily related to disposals and transfers of net assets to the University of $4.3 million and $0.5 million in transfers from construction in progress to other asset categories.

Long Term Debt

On August 5, 2025, Enterprises issued California State University Systemwide Revenue Bonds, Series 2025A and 2025B, to refinance the commercial paper used to acquire a four-story student housing facility and adjacent parking lot on June 30, 2025. The facility consists of 178 suite-style apartment

units providing 636 beds for second-year, upper-division, and graduate students.

The bonds were issued in the aggregate principal amount of $119,215,000, together with an original issuance premium of $8,002,148, resulting in total proceeds of $127,217,148. The proceeds were used to redeem the commercial paper, fund capitalized interest, and pay issuance costs. The bonds bear stated interest rates ranging from 5.0% to 5.25%, have a true interest cost of approximately 4.6%, and mature through November 1, 2055.

The refinancing replaced $121,400,000 of commercial paper outstanding as of June 30, 2025, with revenue bonds having a principal amount of $119,215,000 and an unamortized premium of $7,735,410 as of June 30, 2026. As a result, the reported notes payable balance increased by $5,550,410 to $126,950,410. No principal payments on the revenue bonds were due or made during the year. Bond premium amortization totaled $266,738. See Note 10 for additional information regarding the bonds and future debt service requirements.

Currently Known Facts, Decisions, or Conditions

The effects of declining population trends have had continued influence within the higher education industry. Student 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.

DRAFT

Basic Financial Statements

DRAFT

Cal Poly Pomona Foundation, Inc.

Statement of Net Position
June 30, 2026

Assets		
Current assets		
Cash and cash equivalents	$	9,574,809
Short-term investments		55,026,177
Accounts receivable, current portion, net		11,489,354
Accounts receivable from related parties		4,288,382
Lease receivables, current portion		746,913
Inventories		1,619,615
Prepaid expenses and other assets		249,858
Total current assets		82,995,108
Noncurrent assets		
Restricted cash and cash equivalents		8,981
Accounts receivable, net of current portion		2,240,499
Lease receivables, net of current portion		91,520,978
Long-term investments		1,764,157
Capital assets, net		166,087,401
Total noncurrent assets		261,622,016
Total assets		344,617,124
Deferred outflows of resources		
Net pension liability		4,229,824
Net OPEB liability		357,782
Total deferred outflows of resources		4,587,606

DRAFT

Cal Poly Pomona Foundation, Inc.

Statement of Net Position
June 30, 2026

Liabilities	
Current liabilities	
Accounts payable	4,793,881
Accounts payable to related parties	2,175,404
Accrued salaries and benefits payable	1,021,292
Accrued compensated absences	2,371,475
Unearned revenue	2,154,147
Lease liabilities, current portion	1,408,699
Note payable, current portion	2,011,738
Other liabilities	4,524,567
Total current liabilities	20,461,203
Noncurrent liabilities	
Note payable	124,938,672
Lease liabilities, net of current portion	13,529,867
Net pension liability	12,319,375
Net OPEB liability	626,942
Unitrust liability	729,182
Total noncurrent liabilities	152,144,038
Total liabilities	172,605,241
Deferred inflows of resources	
Net pension liability	3,478,700
Leases	85,324,760
Net OPEB liability	613,139
Split interest agreements	1,045,499
Total deferred inflows of resources	90,462,098
Net position	
Net investment in capital assets	24,198,425
Restricted expendable - research	1,375,632
Unrestricted	60,563,334
Total net position	$ 86,137,391

DRAFT

See Notes to Financial Statements.

Cal Poly Pomona Foundation, Inc.

Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2026

Operating revenues	
Educational activities	$ 11,079,368
Enterprise activities	68,868,288
Grants and contracts	26,832,581
Administrative and real estate activities	13,219,491
Total operating revenues	119,999,728
Operating expenses	
Educational activities	11,309,768
Enterprise activities	52,542,628
Grants and contracts	25,008,465
Administrative and real estate activities	13,163,467
Depreciation and amortization	7,272,760
Total operating expenses	109,297,088
Operating income	10,702,640
Noncapital subsidies	
Transfer out	(379,906)
Total operating income and noncapital subsidies	10,322,734
Other nonoperating revenues (expenses)	
Investment income	8,486,256
Interest expense	(7,346,286)
Other nonoperating expenses	(4,507,889)
Net other nonoperating expenses	(3,367,919)
Change in net position	6,954,815
Net position, beginning of year	79,182,576
Net position, end of year	$ 86,137,391

DRAFT

See Notes to Financial Statements.

Cal Poly Pomona Foundation, Inc.

Statement of Cash Flows
Year Ended June 30, 2026

Cash flows from operating activities		
Receipts from federal grants and contracts	$	20,180,272
Receipts from state and local grants and contracts		3,785,276
Receipts from nongovernmental grants and contracts		2,867,033
Payments to suppliers		(55,540,298)
Payments to employees		(30,204,019)
Payments for benefits		(8,260,254)
Sales and services of educational activities		11,079,368
Sales and services of enterprise activities		67,636,663
Other receipts		4,192,958
Net cash provided by operating activities		15,736,999
Cash flows from noncapital financing activities		
Proceeds from long-term debt		127,217,148
Principal paid on long-term debt		(121,666,738)
Other noncapital financing activities		(2,596,111)
Principal collections on lease receivable		733,992
Net cash provided by noncapital financing activities		3,688,291
Cash flows from capital and related financing activities		
Proceeds from sale of capital assets		40,629
Acquisitions of capital assets		(8,983,108)
Principal paid on capital debt and leases		(1,428,136)
Interest paid on capital debt and leases		(7,346,286)
Net cash used in capital and related financing activities		(17,716,901)
Cash flows from investing activities		
Proceeds from sales and maturities of investments		53,868,533
Purchases of investments		(61,621,632)
Investment income		8,498,766
Net cash provided by investing activities		745,667
Net increase in cash and cash equivalents		2,454,056
Cash and cash equivalents, beginning		7,129,734
Cash and cash equivalents, end	$	9,583,790
Breakdown of ending cash balance		
Cash and cash equivalents	$	9,574,809
Restricted cash and cash equivalents		8,981
	$	9,583,790

DRAFT

Cal Poly Pomona Foundation, Inc.

Statement of Cash Flows
Year Ended June 30, 2026

Reconciliation of operating income to net cash provided by operating activities		
Operating income	$	10,702,640
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization		7,272,760
Change in assets and liabilities		
Accounts receivable, net		(1,529,712)
Prepaid expenses and other assets		63,640
Deferred outflows of resources		1,273,450
Accounts payable and accounts payable to related parties		2,168,340
Accrued salaries and benefits payable		110,377
Accrued compensated absences		(271,381)
Unearned revenue		298,087
Net other postemployment benefits liability		(629,234)
Net pension liability		(2,388,062)
Other liabilities		(1,991,052)
Deferred inflows of resources		657,146
Net cash provided by operating activities	$	15,736,999
Supplemental schedule of noncash transactions:		
Transfer of capital assets to related parties	$	(4,324,689)
Amortization of net bond premium/discount		(266,738)

DRAFT

See Notes to Financial Statements.

Cal Poly Pomona Foundation, Inc.

Statement of Fiduciary Net Position
June 30, 2026

Assets		
Current assets		
Cash	$	735,794
Total assets		735,794
Net position		
Restricted		
Funds held for others		735,794
Total net position	$	735,794

DRAFT

See Notes to Financial Statements.

Cal Poly Pomona Foundation, Inc.

Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2026

Additions	
Program income	$ 1,085,394
Total additions	1,085,394
Deductions	
Distributions	793,061
Total deductions	793,061
Change in fiduciary net position	292,333
Fiduciary net position, beginning of year	443,461
Fiduciary net position, end of year	$ 735,794

DRAFT

See Notes to Financial Statements.

Note 1 - Organization

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

Note 2 - Summary of significant accounting policies

Financial reporting entity

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

The Foundation's Board appointments require approval from the University President, and as a result, the Foundation follows the reporting principles promulgated by the Governmental Accounting Standards Board ("GASB"). The basic financial statements present the Statement of Net Position, Statement of 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.

DRAFT

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

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

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

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

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

Leases receivable
Leases receivable include receivables that are recognized at the net present value of the leased payments, 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.

DRAFT

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 3.5% plus the percentage change in the greater Higher Education Price Index ("HEPI").

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

Lease assets
Lease assets are assets which the Foundation leases for a term of more than one year. The value of the lease assets 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 $10,000 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.

DRAFT

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

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

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

Net OPEB liability
For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, the fiduciary net position of the Foundation's plan and additions to/ deductions from the Plan's 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. Assets associated with split-interest agreements are reported as part of investments in the accompanying statement of net position. The carrying amount of these assets was $1,773,138 at June 30, 2026. For the year ended June 30, 2026, the Foundation recognized $46,448 of interest income related to these investments.

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.

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.

DRAFT

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 noncapital subsidies and nonoperating revenues and expenses in accordance with GASB 33 and GASB 103. 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, 2025, the Foundation implemented the provisions of GASB Statement No. 103, Financial Reporting Model Improvements ("GASB 103"). This Statement

DRAFT

establishes improvements to the financial reporting model, including changes related to management's discussion and analysis, the presentation of unusual or infrequent items, and certain financial statement presentation and disclosure requirements. As a result, the Foundation revised the presentation of its financial statements, including the classification and display of noncapital subsidies, to conform to the new requirements. The adoption of this Statement did not have a material impact on the Foundation's financial statements.

Effective for the fiscal year beginning July 1, 2025, the Foundation implemented the provisions of GASB Statement No. 104, Disclosure of Certain Capital Assets (“GASB 104”). This Statement requires additional disclosures of certain capital assets, including separate disclosures of certain-right-to-use assets, subscription assets, intangible assets, and capital assets held for sale, when applicable. The adoption of this statement did not have a material impact on the Foundation’s financial statements.

Subsequent events

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

Note 3 - Credit risk

Custodial credit risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Foundation's deposits may not be returned. The cash and cash equivalents of the Foundation are maintained at financial institutions and are fully insured 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, 2026, all investments are in the name of the Foundation, and the Foundation is not exposed to custodial credit risk associated with its investments.

DRAFT

Following is a list of acceptable instruments to invest in as of June 30, 2026:

Description	General portfolio
Money market funds	X
Certificate of deposits	X
Common and preferred stocks	X
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	X
Real estate	X
Real assets	X
Alternative investments	X
Hedge funds	X
Private equity	X

DRAFT

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, 2026, all mutual funds and exchange-traded funds ("ETFs") were invested in fixed income securities with total fair values of $7,255,358 and $3,521,455 respectively. There are no ETFs with maturities of less than one year. Mutual funds of $48,881 and ETFs of $510,385 have a maturity of between one and five years. Mutual funds of $7,206,477 and ETFs of $3,011,070 have a maturity of between five to ten years and all 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	Not rated - AAA	$ 7,163,222
Fixed income ETFs	Below B - AAA	3,504,787
Government securities mutual funds	Not rated - AAA	92,136
Government securities ETFs	AA	16,668

At June 30, 2026, 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	$ -	$ 32,509	$ 7,130,713	$ -	$ 7,163,222
Fixed income ETFs	-	493,717	3,011,070	-	3,504,787
Government securities mutual funds	-	16,372	75,764	-	92,136
Government securities ETFs	-	16,668	-	-	16,668
	$ -	$ 559,266	$ 10,217,547	$ -	$ 10,776,813

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.

DRAFT

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	35-65%
Domestic equities	N/A
International equities	N/A
Fixed income - mutual funds	15-45%
Cash equivalents	0 - 20%
Real estate	0 - 10%
Real assets	0 - 10%
Alternative investments	10-30%
Hedge funds	N/A
Private equity	N/A

As of June 30, 2026, the Foundation was not exposed to concentration of credit risk as there were no investments in a single issuer in excess of 5%.

Note 4 - Cash and cash equivalents

Cash and cash equivalents as of June 30, 2026 are composed of the following:

Cash on hand	$	2,675
Cash in bank		3,937,288
Cash and cash equivalents		5,634,846
Restricted cash and cash equivalents		8,981
	$	9,583,790

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, 2026, cash held by financial institutions for the Foundation of $3,877,866 was insured and collateralized as described above. At June 30, 2026, the book balance for the Foundation was $3,937,288, cash and cash equivalents was $5,634,846 and restricted cash and cash equivalents was $8,981.

DRAFT

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, 2026, the Foundation's bank deposits exceeded the balance insured by the FDIC by $3,627,866. As of June 30,2026, the Foundation's cash and cash equivalents exceeded the balance insured by the FDIC by $5,384,846. 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.

The Foundation reported $735,794 of cash related to the Bronco Bucks fiduciary fund at June 30, 2026. Because these funds are maintained within the Foundation's pooled cash accounts, the fiduciary fund cash balance is not separately FDIC insured. The balance was uncollateralized at June 30, 2026. Accordingly, the entire fiduciary fund cash balance of $735,794 was uninsured and uncollateralized.

Note 5 - Investments

At June 30, 2026, investments consist of the following:

Equities	$	37,050,528
Fixed income mutual funds		7,255,358
Fixed income ETFs		3,521,455
Indexed annuity		214,905
Local agency investment fund		111,542
Alternative investments		8,636,546
Total investments		56,790,334
Less short-term investments		55,026,177
Long-term investments	$	1,764,157

DRAFT

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, 2026 due to the relative short maturities of these instruments.

At June 30, 2026, 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
Equities	$ 37,050,528	$ -	$ -	$ -	$ 37,050,528
Indexed annuity	-	-	-	214,905	214,905
Fixed income ETFs	3,521,455	-	-	-	3,521,455
Fixed income mutual funds	7,255,358	-	-	-	7,255,358
Local agency investment fund	-	-	-	111,542	111,542
Alternative investments	-	-	-	8,636,546	8,636,546
Total	$ 47,827,341	$ -	$ -	$ 8,962,993	$ 56,790,334

Equities, fixed income ETFs, and fixed income mutual funds categorized as Level 1 are valued based on prices quoted in active markets for those securities.

DRAFT

At June 30, 2026, the Foundation has the following investments that calculate NAV per share:

Description	NAV	Unfunded commitments	Redemption terms	Redemption notice period
Private Equity Funds				
Partners Group PE - P Esc	$ 536,434	$ -	Quarterly	Tender Window Announcements
LLR Equity Partners VII	313,687	612,000	None	None
Premier LCP X Offshore	283,317	186,090	None	None
Blue Owl Asset Special Opportunities Fund IX	171,703	81,053	None	None
Adams Street Co-Investment Fund VI	90,000	555,000	None	None
CommonFund (Capital Partners IV and VII, LP)	35,354	56,125	None	None
Hedge Funds				
Hamilton Lane Feeder Fund LP	2,248,982	-	None	None
Schonfeld Fundamental Equity Fund LLC	1,259,497	-	Quarterly	45 Days
Hudson Bay Ltd Trnche II MS	1,005,586	-	Quarterly	65 Days
Coatue Offshore	445,397	-	Quarterly	45 Calendar Days
Third Point	352,072	-	Quarterly	60 Days
HP/Starboard Value Ltd Esc	351,299	-	Quarterly	90 Days + 5 Business Days
SEG Partners Long/Short Equity I	287,681	-	Quarterly	60 Days
REITs				
Blackstone Real Estate Income Trust	584,122	-	Monthly	3 days
Blue Owl Capital Real Estate Fund VI	217,297	102,884	None	None
Private Credit Funds				
Blackstone Private Credit Fund (BCRED)	299,755	-	Monthly	3 days
Fortress Lending IV A	154,363	130,845	None	None
Index Annuity	214,905	-	On demand	Daily
Local agency investment fund	111,542	-	On demand	None
	$ 8,962,993	$ 1,723,997		

Investment earnings

Net investment income was $8,486,256 for the year ended June 30, 2026, 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.

DRAFT

Note 6 - Accounts receivable

The following is a summary of accounts receivable at June 30, 2026:

Real estate	$	2,384,875
Enterprise activities		5,182,757
Grants and contracts		1,335,967
Educational activities		4,973,657
Less allowance for uncollectible amounts		(147,403)
Subtotal accounts receivable		13,729,853
Due from related parties		4,288,382
Total accounts receivable		18,018,235
Less due from related parties		(4,288,382)
Less current accounts receivable		(11,489,354)
Noncurrent accounts receivable	$	2,240,499

DRAFT

Note 7 - Capital assets

The capital assets balance at June 30, 2026 consists of the following activity:

	Balance July 1, 2025	Increases	Decreases	Transfers	Balance June 30, 2026
Capital assets, not being depreciated					
Land	$ 22,702,910	$ -	$ -	$ -	$ 22,702,910
Construction in progress	6,111,423	4,180,863	(2,714,688)	(438,016)	7,139,582
Asset held for sale	-	1,487,569	-	-	1,487,569
Total capital assets not being depreciated	28,814,333	5,668,432	(2,714,688)	(438,016)	31,330,061
Capital assets being depreciated					
Buildings and building improvements	147,953,679	945,566	(46,968)	391,128	149,243,405
Orchards	143,638	-	-	-	143,638
Infrastructure	8,651,467	-	-	-	8,651,467
Equipment, furniture and vehicles	16,449,249	2,369,110	(2,124,991)	46,888	16,740,256
Right-of-use leases					
Land	21,410,300	-	-	-	21,410,300
Equipment and software	185,268	-	-	-	185,268
Total capital assets being depreciated	194,793,601	3,314,676	(2,171,959)	438,016	196,374,334
Total capital assets	223,607,934	8,983,108	(4,886,647)	-	227,704,395
Less accumulated depreciation/amortization for					
Buildings and building improvements	31,510,596	4,538,256	(11,397)	-	36,037,455
Orchards	137,251	1,297	-	-	138,548
Infrastructure	3,657,470	216,254	-	-	3,873,724
Equipment, furniture and vehicles	12,846,195	1,097,803	(509,930)	-	13,434,068
Right-of-use leases					
Land	6,594,844	1,365,519	-	-	7,960,363
Equipment and software	119,205	53,631	-	-	172,836
Total accumulated depreciation	54,865,561	7,272,760	(521,327)	-	61,616,994
Depreciable assets, net	139,928,040	(3,958,084)	(1,650,632)	438,016	134,757,340
Total capital assets - net	$168,742,373	$ 1,710,348	$ (4,365,320)	$ -	$166,087,401

For the year ended June 30, 2026, depreciation expense was $5,853,610 and amortization expense was $1,419,150. Included in the capital assets decreases were $4,324,689 of transfers to the University.

The Foundation purchases housing in support of the University's mission to develop affordable faculty/staff housing options to attract and retain employees for the University. At June 30, 2026, total assets held for sale include three faculty/staff houses. Historical cost measured on a nonrecurring basis held for sale at June 30, 2026 were $1,487,569. Assets held for sale are recorded at cost which approximates fair value. Cost to sell and unrealized losses are immaterial and will not be recognized until the assets are sold.

DRAFT

Note 8 - Lease receivables

Lease receivable income was $1,962,295 for the year ended June 30, 2026, which are comprised of $733,992 of principal payments and $1,228,303 of interest payments included in enterprise activities operating revenues on the accompanying statement of revenues, expenses and changes in net position.

Lease receivables consists of the following as of June 30, 2026:

Name	Balance June 30, 2025	Additions	Principal payments	Balance June 30, 2026
Acroscience	$ 1,413	$ -	$ 1,413	$ -
American National Red Cross	18,462,930	-	215,748	18,247,182
Biomedix	216,319	-	74,747	141,572
Biomedix	64,373	-	51,277	13,096
Blair, Church & Flynn Consulting Engineers	45,790	-	21,865	23,925
Titan Oil Recovery I, Inc.	266,771	-	69,853	196,918
Titan Oil Recovery II, Inc.	269,172	-	70,581	198,591
Southern California Edison III	18,802,969	-	29,703	18,773,266
Southern California Edison IV	22,330,813	-	87,933	22,242,880
Southern California Edison V	32,384,667	-	42,262	32,342,405
OTOR Technology Co.	156,666	-	68,610	88,056
	$ 93,001,883	$ -	$ 733,992	$ 92,267,891

DRAFT

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

Tenant	Address	Unit/Suite#	Lease Start Date	Lease End Date	Lease term (months)	Discount Rate	Base monthly rent	Increase % per year	Current payment per month
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
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

DRAFT

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

Fiscal year	Principal	Interest	Principal and interest
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	564,157	1,107,430	1,671,587
2032-2036	3,431,110	5,396,855	8,827,965
2037-2041	4,624,526	5,102,508	9,727,034
2042-2046	6,001,475	4,716,113	10,717,588
2047-2051	7,585,818	4,223,337	11,809,155
2052-2056	9,403,903	3,607,961	13,011,864
2057-2061	7,935,557	2,951,258	10,886,815
2062-2066	7,334,575	2,552,332	9,886,907
2067-2071	8,768,081	2,112,588	10,880,669
2072-2076	10,385,754	1,588,742	11,974,496
2077-2081	12,207,840	970,020	13,177,860
2082-2086	8,142,376	373,949	8,516,325
2087-2089	3,384,434	52,998	3,437,432
	$ 92,267,891	$ 39,293,132	$ 131,561,023

Note 9 - Lease liabilities

Lease liabilities consist of the following as of June 30, 2026:

Name	Balance June 30, 2025	Additions	Principal payments	Balance June 30, 2026
Ricoh Copier/Printer	$ 2,712	$ -	$ 2,325	$ 387
University Village (Phase III) Ground	16,322,317	-	1,384,138	14,938,179
Subtotal of leases (GASB 87)	16,325,029	-	1,386,463	14,938,566
SBITA - Adaptive (GASB 96)	41,673	-	41,673	-
Total of leases	$ 16,366,702	$ -	$ 1,428,136	$ 14,938,566

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	Kellogg West 3801 W. Temple Ave., Bldg. 76, Pomona, CA 91768-2557	8/23/2021	8/31/2026	60	$ 194
University Village (Phase I, II, III) Ground Lease	3400 Poly Vista, Pomona CA 91768	5/1/2003	11/30/2035	391	$ 85,141

DRAFT

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

Fiscal year	Principal	Interest	Principal and interest
2027	$ 1,408,699	$ 275,358	$ 1,684,057
2028	1,392,014	244,088	1,636,102
2029	1,414,034	216,925	1,630,959
2030	1,443,470	189,834	1,633,304
2031	1,476,091	162,147	1,638,238
2032-2036	7,804,258	376,035	8,180,293
	$ 14,938,566	$ 1,464,387	$ 16,402,953

Note 10 - Long-term liabilities

A schedule of changes in long-term liabilities for the year ended June 30, 2026 is shown below:

	Balance July 1, 2025	Additions	Reductions	Balance June 30, 2026	Amount due within one year
Lease liability	$ 16,366,702	$ -	$ 1,428,136	$ 14,938,566	$ 1,408,699
Compensated absences	2,642,856	-	271,381	2,371,475	2,371,475
Note payable	121,400,000	127,217,148	121,666,738	126,950,410	2,011,738
Net pension liability	14,707,437	-	2,388,062	12,319,375	-
Unitrust liability	720,276	8,906	-	729,182	-
Net OPEB liability	1,256,176	-	629,234	626,942	-
	$ 157,093,447	$ 127,226,054	$ 126,383,551	$ 157,935,950	$ 5,791,912

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

The Foundation's future payments of note payables are as follows:

Fiscal year	Principal	Interest	Principal and interest
2027	$ 1,745,000	$ 6,069,088	$ 7,814,088
2028	1,830,000	5,979,713	7,809,713
2029	1,925,000	5,885,837	7,810,837
2030	2,025,000	5,787,088	7,812,088
2031	2,130,000	5,683,212	7,813,212
2032-2036	12,405,000	26,660,938	39,065,938
2037-2041	15,920,000	23,138,062	39,058,062
2042-2046	20,450,000	18,614,813	39,064,813
2047-2051	26,425,000	12,633,469	39,058,469
2052-2056	34,360,000	4,699,011	39,059,011
	$ 119,215,000	$ 115,151,231	$ 234,366,231

DRAFT

As of June 30, 2026, the Foundation had an unamortized bond premium of $7,735,410. This premium will be amortized over the remaining life of the bond and recognized as an adjustment to interest expense. The note payable on the statement of net position includes the principal of $119,215,000 and the unamortized bond premium of $7,735,410 for a total of $126,950,410.

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, 2026, receivables from other activities and due from the University are $3,002,984. Accounts payable include $964,390 due to the University at June 30, 2026.

The Foundation made payments of $10,458,516 to the University during the current fiscal year based on the agreements. Amounts paid to the Foundation during fiscal year 2025-26 totaled $30,726,978.

During fiscal year 2025-26, the Foundation transferred capital assets to the University totaling $5,132,768 which was comprised of building improvements, equipment and renovations to various facilities at the University and the University assumed ownership and management of the building improvements, equipment and facilities. Capital assets of $4,752,862 are included in other nonoperating expenses on the accompanying statement of revenues, expenses and changes in net position. Non-capital assets of $379,906 are included in noncapital subsidies on the accompanying statement of revenues, expenses and changes in net position.

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 2025-26 totaled $658,592. Amounts paid to the Foundation during fiscal year 2025-26 totaled $3,944,337.

At June 30, 2026, accounts payable due to the Philanthropic Foundation totaled $0. Accounts receivable due from the Philanthropic Foundation totaled $465,490.

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 2025-26 totaled $1,381,544. Amounts paid to the Foundation during fiscal year 2025-26 totaled $246,192.

At June 30, 2026, receivables from other activities and due from ASI are $39,710. Accounts payable due from the Foundation to ASI at June 30, 2026 totaled $192,229.

Chancellor’s Office

At June 30, 2026, the Foundation recorded accounts receivable from the Chancellor’s Office totaling $780,198. Accounts payable due from the Foundation to Chancellor’s Office at June 30, 2026 totaled $1,018,785.

DRAFT

Note 12 - Pension plan - California Public Employees' Retirement System ("CalPERS")

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

Plan description

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

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.

DRAFT

The Plan provisions and benefits in effect at June 30, 2026, are summarized as follows:

	Miscellaneous Risk Pool		
	First Tier Plan	Second Tier Plan	PEPRA Misc Plan
Hire date:	On or Before 6/25/2011	6/26/2011 to12/31/2012	On or after 1/1/2013
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%	6.94%	7.75%
Required employer contribution rate:	13.94%	10.19%	7.96%

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, 2026 are presented above and the total Foundation contributions were $2,702,934.

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

As of June 30, 2026, the Foundation reported net pension liabilities for its proportionate share of the Miscellaneous Risk Pool net pension liability totaling $12,319,375. The net pension liability was measured as of June 30, 2025. 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, 2026, the Foundation's proportion was 0.0030882, which increased from 0.0030409 in the prior year.

DRAFT

For the year ended June 30, 2026, the Foundation recognized pension expense of $2,799,163. At June 30, 2026, the Foundation reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	$ 2,702,934	$ -
Differences between expected and actual experience	1,526,890	-
Net difference between projected and actual earnings on pension plan investments	-	1,724,237
Effect of change in proportion	-	816,907
Difference between contributions and proportionate share of contributions	-	937,556
Changes of assumptions	-	-
	$ 4,229,824	$ 3,478,700

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, 2027.

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, 2025 measurement date is 3.8 years.

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

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

Year Ending June 30	Deferred Outflows (Inflows) of Resources
2027	$ 545,392
2028	(825,372)
2029	(958,373)
2030	(713,457)
	$ (1,951,810)

DRAFT

During the fiscal year ended June 30, 2026, the Foundation made contributions to the pension plan after the measurement date of $2,702,934, 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, 2025 reflect no changes.

Actuarial methods and assumptions
For the measurement period ended June 30, 2025, the total pension liability was determined by rolling forward the June 30, 2024 actuarial accounting valuation. The June 30, 2025 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 Category, Entry Age, and Service
Mortality rate table	Derived using CalPERS' Membership Data for all Funds
Post retirement benefits increase	Contract COLA up to 2.00% 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) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

DRAFT

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

Asset Class	Assumed Asset Allocation (1)	Real Return (2)
Public Equity	37.00%	4.56%
Private Equity	17.00	5.56
Fixed Income	28.00	2.53
Real Assets	15.00	3.03
Private Debt	8.00	4.93
Strategic Leverage	(5)	1.40

1 Figures are based on the 2024 Mid-Cycle Asset Liability Management Study

2 An expected inflation of 2.30% used for this period.

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, actuarily determined. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount Rate		Net Pension Liability
1% decrease (5.9%)	$	22,938,591
Current discount rate (6.9%)		12,319,375
1% increase (7.9%)		3,579,872

Plan fiduciary net position

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

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

Plan description

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

DRAFT

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 postretirement 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.

DRAFT

Schedule of changes in net OPEB liability

Total OPEB Liability		
Service cost	$	103,800
Interest		885,509
Differences between expected and actual experience		954,086
Changes in assumptions		(281,632)
Benefit payments, including refunds of employee contributions		(788,469)
Net change in Total OPEB Liability		873,294
Total OPEB Liability - beginning <a>		13,907,446
Total OPEB Liability - ending <b>	$	14,780,740
Plan Fiduciary Net Position		
Contribution - employer	$	788,469
Net investment income		1,560,035
Benefit payments, including refunds of employee contributions		(788,469)
Administrative expense		(57,507)
Net change in Plan Fiduciary Net Position		1,502,528
Plan Fiduciary Net Position - beginning <c>		12,651,270
Plan Fiduciary Net Position - ending <d>		14,153,798
Net OPEB Liability - beginning <a> - <c>		1,256,176
Net OPEB Liability - ending <b> - <d>	$	626,942

DRAFT

The total OPEB liability was determined by an actuarial valuation and measurement date as of June 30, 2025 using the following assumptions, applied to all periods included in the measurement, unless otherwise specified.

Plan fiduciary net position

Detailed information about the plan fiduciary net position as of June 30, 2025 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	2.80% annual increases
Baseline cost	$904.59 Pre 65 Retiree & Spouse $389.42 Post 65 Retiree & Spouse
Administrative expenses	The administrative expense was $57,507 for the measurement period ending June 30, 2025.
Health plan participant	100% of eligible participants will participate

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

	Increase in premium rates	
Year beginning	**Pre-65**	**Post-65**
2025	Actual	Actual
2026	8.63%	6.15%
2027	8.13%	5.65%
2028	7.60%	5.33%
2029	7.04%	5.18%
2030	6.48%	5.03%
2031	5.92%	4.88%
2032	5.36%	4.74%
2033	4.80%	4.59%
2034	4.41%	4.41%
2035	4.30%	4.30%
2036-2074	4.01-4.30%	4.00-4.30%
2075+	4.00%	4.00%

DRAFT

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

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

Long-term expected rate of return

As of June 30, 2025, the long-term expected rates of return for each major investment class in the VEBA's portfolio are as follows:

Investment class	Target allocation	Long-term expected RRR
Fixed Income	39.00%	4.09%
Domestic Equity	45.00%	7.94%
International Equity	10.00%	8.90%
Real Estate	6.00%	10.15%
	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, 2025 (Bond Buyer 20-Bond General Obligation index as of June 30, 2024) was matched with cash flows not covered by plan assets to measure the reasonableness of the choice in discount rate.

DRAFT

Below are the discount rates used and the Bond Buyer 20-Bond GO Index as of measurement dates of June 30, 2025 and 2024:

	June 30, 2025	June 30, 2024
Discount Rate	6.50%	6.50%
Long-Term Expected Rate of Return on Plan Assets	6.50%	6.50%
Fidelity 20-year GO Bond Index	N/A	3.97%
Bond Buyer 20-year Bond GO Index	5.20%	N/A

Sensitivity analysis

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

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

Discount rate	Net OPEB Liability	$ Change	% Change
7.50	$ (725,794)	$ (1,352,736)	-216%
6.50% Base	626,942	-	0%
5.50%	2,221,745	1,594,803	254%

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

Trend Rate	Net OPEB Liability	$Change	% Change
+1%	$ (767,255)	$ (1,394,197)	-222%
Base	626,942	-	0%
-1%	2,276,452	1,649,510	263%

Annual OPEB expense and net OPEB liability

At June 30, 2026, the Foundation reported $626,942 for the net OPEB liability. The net OPEB liability and the total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation and measurement date of June 30, 2025. The Foundation's net OPEB liability was based on a projection of the Foundation's covered employee payroll of $2,567,385.

Plan Fiduciary Net Position (plan assets) was valued as of the measurement date of June 30, 2025 and the total OPEB liability was determined based upon the actuarial valuation as of June 30, 2025. As of June 30, 2025, the Plan Fiduciary Net Position was $14,153,798.

For the year ended June 30, 2026, the Foundation recognized OPEB income of $394,414. 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, 2026, the measurement of the Total OPEB Liability, plan membership included 25 active plan members and 105 retired members and beneficiaries receiving benefits for a grand total 130 plan participants.

DRAFT

Deferred outflows/inflows of resources

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience in the measurement of the total OPEB liability	$ 357,782	$ -
Changes in assumptions	-	105,612
Net difference between projected and actual earnings on OPEB plan investments	-	507,527
Contributions to OPEB plan after measurement date	-	-
Total	$ 357,782	$ 613,139

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

Fiscal year ending June 30:	Deferred outflows/(inflows) of resources
2027	$ 524,620
2028	(337,147)
2029	(294,923)
2030	(147,907)
2031	-
Thereafter	-
Total Deferred Resources	$ (255,357)

During the fiscal year ended June 30, 2026, the Foundation made contributions to the OPEB plan after the measurement date of $0, which will reduce the deferred outflows of resources and deferred inflows of resources above. Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net OPEB liability to be recognized in future periods in a systematic and rational manner in accordance with GASB 75. Investment gains or losses are recognized in OPEB expense over a five-year period and economic/demographic gains or losses and assumption changes or inputs are recognized over the average remaining service life for all active and inactive members.

Note 14 - Commitments and contingencies

Litigation

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

DRAFT

Required Supplementary Information

DRAFT

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, 2026

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Foundation's proportion of the collective net pension liability	0.30882%	0.30409%	0.29693%	0.22859%	0.12669%	0.24413%	0.22170%	0.21743%	0.24325%	0.21200%
Foundation's proportionate share of the collective net pension liability (asset)	$ 12,319,375	$ 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
Foundation's covered-employee payroll	$ 12,315,101	$ 10,858,462	$ 8,141,971	$ 9,642,240	$ 12,143,926	$ 9,741,322	$ 12,562,122	$ 11,541,499	$ 11,061,078	$ 11,198,164
Foundation's proportionate share of the collective net pension liability (asset) as a percentage of its covered-employee payroll	100.0%	135.4%	182.4%	138.7%	19.8%	105.7%	70.7%	71.0%	86.7%	74.6%
Plan fiduciary net position as a percentage of the total pension liability	84.3%	79.9%	78.0%	78.2%	90.5%	85.4%	84.0%	85.6%	82.2%	86.1%

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

DRAFT

Cal Poly Pomona Foundation, Inc.
California Public Employees' Retirement Plan
Schedule of Foundation Contributions
Plan Year Ended June 30, 2026

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 2,702,934	$ 2,405,922	$ 2,126,518	$ 2,015,253	$ 1,697,759	$ 1,495,924	$ 1,731,723	$ 2,159,281	$ 2,331,544	$ 1,786,168
Contributions in relation to the contractually required contribution	(2,702,934)	(2,405,922)	(2,126,518)	(2,015,253)	(1,697,759)	(1,495,924)	(1,731,723)	(2,159,281)	(2,331,544)	(1,786,168)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Foundation's covered-employee payroll	$ 12,315,101	$ 10,858,462	$ 8,141,971	$ 9,642,240	$ 12,143,926	$ 9,741,322	$ 12,562,122	$ 11,541,499	$ 11,061,078	$ 11,198,164
Contributions as a percentage of covered employee payroll	21.9%	22.2%	26.1%	20.9%	13.98%	15.36%	13.79%	18.71%	21.08%	15.95%

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 2025.
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.

DRAFT

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, 2026

Plan Year Ended June 30	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability									
Service cost	$ 103,800	$ 98,857	$ 96,989	$ 92,370	$ 197,238	$ 187,854	$ 182,673	$ 142,277	$ 148,176
Interest	885,509	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	954,086	-	(3,817,550)	(286,598)	79,980	(86,309)	(745,620)	1,014,722	1,680,006
Change of assumptions	(281,632)	-	(151,479)	-	(1,668,472)	14,502	985,763	890,259	(3,591,876)
Benefits payments, including refunds of employee contributions	(788,469)	(730,680)	(577,533)	(675,951)	(592,799)	(705,751)	(647,375)	(486,936)	(584,422)
Net change in Total OPEB Liability	873,294	239,638	(3,355,522)	207,247	(842,395)	514,302	827,210	2,455,020	(1,296,744)
Total OPEB Liability - beginning	13,907,446	13,667,808	17,023,330	16,816,083	17,658,478	17,144,176	16,316,966	13,861,946	15,158,690
Total OPEB Liability - ending	$ 14,780,740	$ 13,907,446	$ 13,667,808	$ 17,023,330	$ 16,816,083	$ 17,658,478	$ 17,144,176	$ 16,316,966	$ 13,861,946
Plan Fiduciary Net Position									
Contributions - employer	$ 788,469	$ 730,680	$ 1,577,533	$ 397,371	$ 436,315	$ 1,705,751	$ 1,647,375	$ 1,000,000	$ 1,111,120
Net investment income	1,560,035	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	(788,469)	(730,680)	(577,533)	(1,112,266)	(1,968,173)	(705,751)	(647,375)	(486,936)	(584,422)
Administrative expense	(57,507)	(42,265)	(43,857)	(34,920)	(36,221)	(34,779)	(49,278)	(39,162)	(33,384)
Net change in Fiduciary Net Position	1,502,528	1,421,379	1,810,589	(3,013,647)	1,273,059	1,386,057	1,400,494	1,041,111	1,236,892
Plan Fiduciary Net Position - beginning	$ 12,651,270	$ 11,229,891	9,419,302	12,432,949	11,159,890	9,773,833	8,373,339	7,332,228	6,095,336
Plan Fiduciary Net Position - ending	$ 14,153,798	$ 12,651,270	$ 11,229,891	$ 9,419,302	$ 12,432,949	$ 11,159,890	$ 9,773,833	$ 8,373,339	$ 7,332,228
Net OPEB Liability - ending	$ 626,942	$ 1,256,176	$ 2,437,917	$ 7,604,028	$ 4,383,134	$ 6,498,588	$ 7,370,343	$ 7,943,627	$ 6,529,718
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	96%	91%	82%	55%	74%	63%	57%	51%	53%
Covered employee payroll	$ 2,567,385	$ 2,574,528	$ 2,428,800	$ 2,872,472	$ 2,699,762	$ 4,760,791	$ 4,010,791	$ 4,550,937	$ 4,550,937
Plan Net OPEB Liability as a Percentage of covered employee payroll	24%	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.

DRAFT

Supplementary Information

DRAFT

Cal Poly Pomona Foundation, Inc.

Schedule of Net Position
June 30, 2026
(For Inclusion in the California State University)

Assets:		
Current assets:		
Cash and cash equivalents	$	9,574,809
Short-term investments		55,026,177
Accounts receivable, current portion, net		11,489,354
Accounts receivable from related parties		4,288,382
Lease receivables, current portion		746,913
Inventories		1,619,615
Prepaid expenses and other assets		249,858
Total current assets		**82,995,108**
Noncurrent assets:		
Restricted cash and cash equivalents		8,981
Accounts receivable, net of current portion		2,240,499
Lease receivables, net of current portion		91,520,978
Long-term Investments		1,764,157
Capital assets, net		152,625,032
Capital assets, net - lease ROU		13,449,542
Capital assets, net - SBITA ROU		12,827
Total noncurrent assets		**261,622,016**
Total assets		**344,617,124**
Deferred outflows of resources:		
Net pension liability		4,229,824
Net OPEB liability		357,782
Total deferred outflows of resources		**4,587,606**

DRAFT

Cal Poly Pomona Foundation, Inc.

Schedule of Net Position
June 30, 2026
(For Inclusion in the California State University)

Liabilities:	
Current liabilities:	
Accounts payable to related parties	2,175,404
Accrued salaries and benefits payable	1,021,292
Accrued compensated absences	2,371,475
Unearned revenue	2,154,147
Lease liabilities, current portion	1,408,699
Other liabilities	4,524,567
Accounts payable	4,793,881
Note payable, current portion	2,011,738
Total current liabilities	**20,461,203**
Noncurrent liabilities:	
Note Payable, net of current portion	124,938,672
Lease liabilities, net of current portion	13,529,867
Net pension liability	12,319,375
Net OPEB liability	626,942
Unitrust liability	729,182
Total noncurrent liabilities	**152,144,038**
Total liabilities	**172,605,241**
Deferred inflows of resources:	
Net pension liability	3,478,700
Leases	85,324,760
Net OPEB liability	613,139
Split interest agreements	1,045,499
Total deferred inflows of resources	**90,462,098**
Net position:	
Net investment in capital assets	24,198,425
Restricted for:	
Nonexpendable – endowments	—
Expendable:	
Scholarships and fellowships	—
Research	1,375,632
Loans	—
Capital projects	—
Debt service	—
Others	—
Unrestricted	60,563,334
Total net position	**$ 86,137,391**

DRAFT

Cal Poly Pomona Foundation, Inc.

Schedule of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2026
(For Inclusion in the California State University)

Revenues:		
Operating revenues:		
Educational activities revenue	$	11,079,368
Enterprise activities revenue		68,868,288
Grants and contracts, noncapital:		
Federal		20,180,272
State		3,785,276
Local		—
Nongovernmental		2,867,033
Other operating revenues		13,219,491
Total operating revenues		**119,999,728**
Expenses:		
Operating expenses:		
Instruction		12,153,968
Research		14,692,150
Public service		66,814
Academic support		7,456,418
Student services		747,782
Institutional support		1,198,892
Operation and maintenance of plant		2,206
Student grants and scholarships		—
Auxiliary enterprise expenses		65,706,098
Depreciation and amortization		7,272,760
Total operating expenses		**109,297,088**
Operating income (loss)		**10,702,640**
Noncapital Subsidies		(379,906)
Operating income and noncapital subsidies		**10,322,734**

DRAFT

Cal Poly Pomona Foundation, Inc.

Schedule of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2026
(For Inclusion in the California State University)

Nonoperating revenues (expenses):		
Federal Subsidies, capital received/(provided)		—
State appropriations, capital		—
Capital Subsidies received/(provided)		—
Grants and gifts, capital		—
Investment income (loss), net		8,486,256
Endowment income (loss), net		—
Interest Revenue		—
Interest Expense		(7,346,286)
Gains or losses on capital assets		(4,507,889)
Additions/reductions to permanent endowments		—
Net nonoperating revenues (expenses)		(3,367,919)
Increase (decrease) in net position		**6,954,815**
Net position:		
Net position at beginning of year, as previously reported		79,182,576
Restatements		—
Net position at beginning of year, as restated		**79,182,576**
Net position at end of year	**$**	**86,137,391**

DRAFT

Cal Poly Pomona Foundation, Inc.

Other Information
June 30, 2026
(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	$ 8,981
Noncurrent restricted cash and cash equivalents	**8,981**
Current cash and cash equivalents	9,574,809
Total	**$ 9,583,790**

2.1 Composition of investments:

Investment Type	Current	Noncurrent	Total
Money market funds	$ —	$ —	$ —
Repurchase agreements	—	—	—
Certificates of deposit	—	—	—
U.S. agency securities	—	—	—
U.S. treasury securities	—	—	—
Municipal bonds	—	—	—
Corporate bonds	—	—	—
Asset backed securities	—	—	—
Mortgage backed securities	—	—	—
Commercial paper	—	—	—
Supranational	—	—	—
Mutual funds	7,114,452	140,906	**7,255,358**
Exchange traded funds	26,441,796	107,963	**26,549,759**
Equity securities	12,721,841	1,300,383	**14,022,224**
Alternative investments:			
Private equity (including limited partnerships)	3,679,478	—	**3,679,478**
Hedge funds	3,701,531	—	**3,701,531**
Managed futures	—	—	—
Real estate investments (including REITs)	801,419	—	**801,419**
Commodities	—	—	—
Derivatives	—	—	—
Other alternative investment types	454,118	—	**454,118**
Other external investment pools	—	—	—
CSU Consolidated Investment Pool (formerly SWIFT)	—	—	—
State of California Local Agency Investment Fund (LAIF)	111,542	—	**111,542**
State of California Surplus Money Investment Fund (SMIF)	—	—	—
Other investments:			
Indexed Annuity	—	214,905	**214,905**
Total Other investments	—	214,905	**214,905**
Total investments	**55,026,177**	**1,764,157**	**56,790,334**
Less endowment investments (enter as negative number)	—	(1,764,157)	(1,764,157)
Total investments, net of endowments	**$ 55,026,177**	**$ —**	**$ 55,026,177**

DRAFT

Cal Poly Pomona Foundation, Inc.

Other Information
June 30, 2026
(For Inclusion in the California State University)

2.2 Fair value hierarchy in investments:

Investment Type	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	$ —	$ —	$ —	$ —	$ —
Repurchase agreements	—	—	—	—	—
Certificates of deposit	—	—	—	—	—
U.S. agency securities	—	—	—	—	—
U.S. treasury securities	—	—	—	—	—
Municipal bonds	—	—	—	—	—
Corporate bonds	—	—	—	—	—
Asset backed securities	—	—	—	—	—
Mortgage backed securities	—	—	—	—	—
Commercial paper	—	—	—	—	—
Supranational	—	—	—	—	—
Mutual funds	**7,255,358**	7,255,358	—	—	—
Exchange traded funds	**26,549,759**	26,549,759	—	—	—
Equity securities	**14,022,224**	14,022,224	—	—	—
Alternative investments:					
Private equity (including limited partnerships)	**3,679,478**	—	—	—	3,679,478
Hedge funds	**3,701,531**	—	—	—	3,701,531
Managed futures	—	—	—	—	—
Real estate investments (including REITs)	**801,419**	—	—	—	801,419
Commodities	—	—	—	—	—
Derivatives	—	—	—	—	—
Other alternative investment types	**454,118**	—	—	—	454,118
Other external investment pools	—	—	—	—	—
CSU Consolidated Investment Pool (formerly SWIFT)	—	—	—	—	—
State of California Local Agency Investment Fund (LAIF)	**111,542**	—	—	—	111,542
State of California Surplus Money Investment Fund (SMIF)	—	—	—	—	—
Other investments:					
Indexed Annuity	**214,905**	—	—	—	214,905
Total other investments:	**214,905**	—	—	—	214,905
Total investments	**$ 56,790,334**	**$ 47,827,341**	**$ —**	**$ —**	**$ 8,962,993**

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):	**$ —**	**$ —**	**$ —**

DRAFT

Cal Poly Pomona Foundation, Inc.

Other Information
June 30, 2026
(For Inclusion in the California State University)

3.1 Capital Assets, excluding ROU assets:

Composition of capital assets, excluding ROU assets:

	Balance June 30, 2025	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2025 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2026
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements	$ 22,702,910	$ —	$ —	$ —	$ 22,702,910	$ -	$ —	$ —	**$ 22,702,910**
Works of art and historical treasures	—	—	—	—	—	—	—	—	—
Construction work in progress (CWIP)	6,111,423	—	—	—	6,111,423	4,180,863	(2,714,688)	(438,016)	**7,139,582**
Intangible assets:									
Rights and easements	—	—	—	—	—	—	—	—	—
Patents, copyrights and trademarks	—	—	—	—	—	—	—	—	—
Intangible assets in progress (PWIP)	—	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—	—
Other intangible assets:									
Total Other intangible assets	—	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—	—
Total non-depreciable/non-amortizable capital assets	**$ 28,814,333**	**$ —**	**$ —**	**$ —**	**$ 28,814,333**	**$ 4,180,863**	**$ (2,714,688)**	**$ (438,016)**	**$ 29,842,492**
Depreciable/Amortizable capital assets:									
Buildings and building improvements	147,953,679	—	—	—	147,953,679	2,433,135	(46,968)	391,128	**150,730,974**
Improvements, other than buildings	143,638	—	—	—	143,638	—	—	—	**143,638**
Infrastructure	8,651,467	—	—	—	8,651,467	—	—	—	**8,651,467**
Leasehold improvements	—	—	—	—	—	—	—	—	—
Personal property:									
Equipment	16,449,249	—	—	—	16,449,249	2,369,110	(2,124,991)	46,888	**16,740,256**
Library books and materials	—	—	—	—	—	—	—	—	—
Intangible assets:									
Software and websites	—	—	—	—	—	—	—	—	—
Rights and easements	—	—	—	—	—	—	—	—	—
Patents, copyrights and trademarks	—	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—	—
Other intangible assets:									
	—	—	—	—	—	—	—	—	—
Total Other intangible assets	—	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—	—
Total depreciable/amortizable capital assets	**173,198,033**	—	—	—	**173,198,033**	**4,802,245**	**(2,171,959)**	**438,016**	**176,266,335**
Total capital assets	**202,012,366**	—	—	—	**202,012,366**	**8,983,108**	**(4,886,647)**	—	**206,108,827**
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Buildings and building improvements	(31,510,596)	—	—	—	(31,510,596)	(4,538,256)	11,397	—	**(36,037,455)**
Improvements, other than buildings	(137,251)	—	—	—	(137,251)	(1,297)	—	—	**(138,548)**
Infrastructure	(3,657,470)	—	—	—	(3,657,470)	(216,254)	—	—	**(3,873,724)**
Leasehold improvements	—	—	—	—	—	—	—	—	—
Personal property:									
Equipment	(12,846,195)	—	—	—	(12,846,195)	(1,097,803)	509,930	—	**(13,434,068)**
Library books and materials	—	—	—	—	—	—	—	—	—
Intangible assets:									
Software and websites	—	—	—	—	—	—	—	—	—
Rights and easements	—	—	—	—	—	—	—	—	—
Patents, copyrights and trademarks	—	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—	—
Other intangible assets:									
	—	—	—	—	—	—	—	—	—
Total Other intangible assets	—	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—	—
Total accumulated depreciation/amortization	**(48,151,512)**	—	—	—	**(48,151,512)**	**(5,853,610)**	**521,327**	—	**(53,483,795)**
Total capital assets, net excluding ROU assets	**$ 153,860,854**	**$ —**	**$ —**	**$ —**	**$ 153,860,854**	**$ 3,129,498**	**$ (4,365,320)**	**$ —**	**$ 152,625,032**

DRAFT

Cal Poly Pomona Foundation, Inc.

Other Information
June 30, 2026
(For Inclusion in the California State University)

Does the component unit have any capital assets held for sale? **Yes**

Date sale approved:	Item	Asset Category	Asset Cost (+)	Accumulated Depreciation (-)	NBV	Is asset pleadged as collateral?	Debt Outstanding Balance	Sale probable within one year?
8/1/2025	Faculty/Staff House - 649 Tangier Place	Building	455,949	—	$ 455,949	No	—	Yes
4/16/2026	Faculty/Staff House -192 Silverleaf Ct	Building	431,620	—	$ 431,620	No	—	Yes
3/10/2026	Faculty/Staff House - 661 Tangier Place	Building	600,000	—	$ 600,000	No	—	Yes

Capital Assets, Right of Use

Composition of capital assets - Lease ROU, net:	Balance June 30, 2025	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2025 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2026
Non-depreciable/Non-amortizable lease assets:									
Land and land improvements	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total non-depreciable/non-amortizable lease assets	—	—	—	—	—	—	—	—	—
Depreciable/Amortizable lease assets:									
Land and land improvements	—	—	—	—	—	—	—	—	—
Buildings and building improvements	21,410,300	—	—	—	21,410,300	—	—	—	**21,410,300**
Improvements, other than buildings	—	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—	—
Personal property:									
Equipment	31,339	—	—	—	31,339	—	—	—	**31,339**
Total depreciable/amortizable lease assets	**21,441,639**	—	—	—	**21,441,639**	—	—	—	**21,441,639**
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Land and land improvements	—	—	—	—	—	—	—	—	—
Buildings and building improvements	(6,594,844)	—	—	—	(6,594,844)	(1,365,519)	—	—	**(7,960,363)**
Improvements, other than buildings	—	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—	—
Personal property:									
Equipment	(29,413)	—	—	—	(29,413)	(2,321)	—	—	**(31,734)**
Total accumulated depreciation/amortization	**(6,624,257)**	—	—	—	**(6,624,257)**	**(1,367,840)**	—	—	**(7,992,097)**
Total capital assets - lease ROU, net	**$ 14,817,382**	$ —	$ —	$ —	**$ 14,817,382**	**$ (1,367,840)**	$ —	$ —	**$ 13,449,542**

DRAFT

Cal Poly Pomona Foundation, Inc.

Other Information
June 30, 2026
(For Inclusion in the California State University)

Composition of capital assets - SBITA ROU, net	Balance June 30, 2025	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2025 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2026
Depreciable/Amortizable SBITA assets:									
Software	$ 153,929	$ —	$ —	$ —	$ 153,929	$ —	$ —	$ —	$ 153,929
Total depreciable/amortizable SBITA assets	**153,929**	—	—	—	**153,929**	—	—	—	**153,929**
Less accumulated depreciation/amortization:									
Software	(89,792)	—	—	—	(89,792)	(51,310)	—	—	**(141,102)**
Total accumulated depreciation/amortization	**(89,792)**	—	—	—	**(89,792)**	**(51,310)**	—	—	**(141,102)**
Total capital assets - SBITA ROU, net	**$ 64,137**	**$ —**	**$ —**	**$ —**	**$ 64,137**	**$ (51,310)**	**$ —**	**$ —**	**$ 12,827**

Composition of capital assets - P3 ROU, net:	Balance June 30, 2025	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2025 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2026
Non-depreciable/Non-amortizable P3 assets:									
Land and land improvements	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total non-depreciable/non-amortizable P3 assets	—	—	—	—	—	—	—	—	—
Depreciable/Amortizable P3 assets:									
Land and land improvements	—	—	—	—	—	—	—	—	—
Buildings and building improvements	—	—	—	—	—	—	—	—	—
Improvements, other than buildings	—	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—	—
Personal property:									
Equipment	—	—	—	—	—	—	—	—	—
Total depreciable/amortizable P3 assets	—	—	—	—	—	—	—	—	—
Less accumulated depreciation/amortization:									
Land and land improvements	—	—	—	—	—	—	—	—	—
Buildings and building improvements	—	—	—	—	—	—	—	—	—
Improvements, other than buildings	—	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—	—
Personal property:									
Equipment	—	—	—	—	—	—	—	—	—
Total accumulated depreciation/amortization	—	—	—	—	—	—	—	—	—
Total capital assets - P3 ROU, net	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**

Total capital assets, net including ROU assets	**$ 166,087,401**

DRAFT

Cal Poly Pomona Foundation, Inc.

Other Information
June 30, 2026
(For Inclusion in the California State University)

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense - capital assets, excluding ROU assets	$ 5,853,610
Amortization expense - Leases ROU	1,367,840
Amortization expense - SBITA ROU	51,310
Amortization expense - P3 ROU	—
Depreciation and Amortization expense - Others	—
Total depreciation and amortization	**$ 7,272,760**

4 Long-term liabilities:

	Balance June 30, 2025	Prior Period Adjustments/Reclassifications	Balance June 30, 2025 (Restated)	Additions	Reductions	Balance June 30, 2026	Current Portion	Noncurrent Portion
1. Accrued compensated absences	**$ 2,642,856**	**$ —**	**$ 2,642,856**	**$ —**	**$ (271,381)**	**$ 2,371,475**	**$ 2,371,475**	**$ —**
2. Claims liability for losses and loss adjustment expenses	—	—	—	—	—	—	—	—
3. Capital lease obligations (pre-ASC 842):								
Gross balance	—	—	—	—	—	—	—	—
Unamortized net premium/(discount)	—	—	—	—	—	—	—	—
Total capital lease obligations (pre ASC 842)	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
4. Long-term debt obligations:								
4.1 Auxiliary revenue bonds (non-SRB related)	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
4.2 Commercial paper	121,400,000	—	121,400,000	—	(121,400,000)	—	—	—
4.3 Notes payable (SRB related)	—	—	—	119,215,000	—	119,215,000	1,745,000	**117,470,000**
4.4 Finance purchase of capital assets	—	—	—	—	—	—	—	—
4.5 Others:								
	—	—	—	—	—	—	—	—
Total others	—	—	—	—	—	—	—	—
Sub-total long-term debt	**121,400,000**	**—**	**121,400,000**	**119,215,000**	**(121,400,000)**	**119,215,000**	**1,745,000**	**117,470,000**
4.6 Unamortized net bond premium/(discount)	—	—	—	8,002,148	(266,738)	7,735,410	**266,738**	**7,468,672**
Total long-term debt obligations	**$ 121,400,000**	**$ —**	**$ 121,400,000**	**$ 127,217,148**	**$ (121,666,738)**	**$ 126,950,410**	**$ 2,011,738**	**$ 124,938,672**

5. Lease, SBITA, P3 liabilities:	Balance June 30, 2025	Prior Period Adjustments/Reclassifications	Additions	Remeasurements	Reductions	Balance June 30, 2026	Current Portion	Noncurrent Portion
Lease liabilities	$ 16,325,029	$ —	$ —	$ —	$ (1,386,463)	$ 14,938,566	$ 1,408,699	$ 13,529,867
SBITA liabilities	41,673	—	—	—	(41,673)	—	—	—
P3 liabilities - SCA	—	—	—	—	—	—	—	—
P3 liabilities - non-SCA	—	—	—	—	—	—	—	—
Sub-total P3 liabilities	—	—	—	—	—	—	—	—
Total Lease, SBITA, P3 liabilities	**$ 16,366,702**	**$ —**	**$ —**	**$ —**	**$ (1,428,136)**	**$ 14,938,566**	**$ 1,408,699**	**$ 13,529,867**
Total long-term liabilities						**$ 144,260,451**	**$ 5,791,912**	**$ 138,468,539**

DRAFT

Cal Poly Pomona Foundation, Inc.

Other Information
June 30, 2026
(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
Year ending June 30:												
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	216,925	1,630,959	—	—	—	—	—	—	1,414,034	216,925	1,630,959
2030	1,443,470	189,834	1,633,304	—	—	—	—	—	—	1,443,470	189,834	1,633,304
2031	1,476,091	162,147	1,638,238	—	—	—	—	—	—	1,476,091	162,147	1,638,238
2032 - 2036	7,804,258	376,035	8,180,293	—	—	—	—	—	—	7,804,258	376,035	8,180,293
2037 - 2041	—	—	—	—	—	—	—	—	—	—	—	—
2042 - 2046	—	—	—	—	—	—	—	—	—	—	—	—
2047 - 2051	—	—	—	—	—	—	—	—	—	—	—	—
2052 - 2056	—	—	—	—	—	—	—	—	—	—	—	—
Thereafter	—	—	—	—	—	—	—	—	—	—	—	—
Total minimum payments	**$ 14,938,566**	**$ 1,464,387**	**$ 16,402,953**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 14,938,566**	**$ 1,464,387**	**$ 16,402,953**
Less: amounts representing interest												(1,464,387)
Present value of future minimum lease payments												14,938,566
Total Leases, SBITA, P3 liabilities												14,938,566
Less: current portion												(1,408,699)
Leases, SBITA, P3 liabilities, net of current portion												**$ 13,529,867**

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
Year ending June 30:									
2027	$ 1,745,000	$ 6,069,088	$ 7,814,088	$ —	$ —	$ —	$ 1,745,000	$ 6,069,088	$ 7,814,088
2028	1,830,000	5,979,713	7,809,713	—	—	—	1,830,000	5,979,713	7,809,713
2029	1,925,000	5,885,837	7,810,837	—	—	—	1,925,000	5,885,837	7,810,837
2030	2,025,000	5,787,088	7,812,088	—	—	—	2,025,000	5,787,088	7,812,088
2031	2,130,000	5,683,212	7,813,212	—	—	—	2,130,000	5,683,212	7,813,212
2032 - 2036	12,405,000	26,660,938	39,065,938	—	—	—	12,405,000	26,660,938	39,065,938
2037 - 2041	15,920,000	23,138,062	39,058,062	—	—	—	15,920,000	23,138,062	39,058,062
2042 - 2046	20,450,000	18,614,813	39,064,813	—	—	—	20,450,000	18,614,813	39,064,813
2047 - 2051	26,425,000	12,633,469	39,058,469	—	—	—	26,425,000	12,633,469	39,058,469
2052 - 2056	34,360,000	4,699,011	39,059,011	—	—	—	34,360,000	4,699,011	39,059,011
Thereafter	—	—	—	—	—	—	—	—	—
Total minimum payments	**$ 119,215,000**	**$ 115,151,231**	**$ 234,366,231**	**$ —**	**$ —**	**$ —**	**$ 119,215,000**	**$ 115,151,231**	**$ 234,366,231**
Less: amounts representing interest									(115,151,231)
Present value of future minimum payments									119,215,000
Unamortized net premium/(discount)									7,735,410
Total long-term debt obligations									126,950,410
Less: current portion									(2,011,738)
Long-term debt obligations, net of current portion									**$ 124,938,672**

DRAFT

Cal Poly Pomona Foundation, Inc.

Other Information
June 30, 2026
(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	947,081
Payments to University for other than salaries of University personnel	9,511,435
Payments received from University for services, space, and programs	30,726,978
Gifts-in-kind to the University from discretely presented component units	—
Gifts (cash or assets) to the University from discretely presented component units	5,132,768
Accounts (payable to) University	(964,390)
Other amounts (payable to) University	—
Accounts receivable from University	3,002,984
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

		Debit/(Credit)
Restatement #1	N/A	
		$ —
		$ —
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	$ 4,661,351	$ 1,082,727	$ 162,284	$ 5,443	$ —	$ 6,242,163	$ —	**$ 12,153,968**
Research	6,391,444	939,801	77,500	—	—	7,283,405	—	**14,692,150**
Public service	17,412	1,391	—	—	—	48,011	—	**66,814**
Academic support	2,018,743	401,024	76,592	42,013	—	4,918,046	—	**7,456,418**
Student services	245,608	13,304	—	—	—	488,870	—	**747,782**
Institutional support	244,828	74,360	12,846	4,698	—	862,160	—	**1,198,892**
Operation and maintenance of plant	—	—	—	—	—	2,206	—	**2,206**
Student grants and scholarships	—	—	—	—	—	—	—	—
Auxiliary enterprise expenses	16,463,627	2,781,537	916,796	518,741	—	45,025,397	—	**65,706,098**
Depreciation and amortization	—	—	—	—	—	—	7,272,760	**7,272,760**
Total operating expenses	**$ 30,043,013**	**$ 5,294,144**	**$ 1,246,018**	**$ 570,895**	**$ —**	**$ 64,870,258**	**$ 7,272,760**	**$ 109,297,088**

DRAFT

Cal Poly Pomona Foundation, Inc.

Other Information
June 30, 2026
(For Inclusion in the California State University)

	Select type of pension plan >>		**Defined Benefit Plan**
10	**Deferred outflows/inflows of resources:**		
	1. Deferred Outflows of Resources		
	Deferred outflows - unamortized loss on refunding(s)	$	—
	Deferred outflows - net pension liability		4,229,824
	Deferred outflows - net OPEB liability		357,782
	Deferred outflows - leases		—
	Deferred outflows - P3		—
	Deferred outflows - others:		—
	Sales/intra-entity transfers of future revenues		—
	Gain/loss on sale leaseback		—
	Loan origination fees and costs		—
	Change in fair value of hedging derivative instrument		—
	Irrevocable split-interest agreements		—
	Total deferred outflows - others		—
	Total deferred outflows of resources	**$**	**4,587,606**
	2. Deferred Inflows of Resources		
	Deferred inflows - service concession arrangements	$	—
	Deferred inflows - net pension liability		3,478,700
	Deferred inflows - net OPEB liability		613,139
	Deferred inflows - unamortized gain on debt refunding(s)		—
	Deferred inflows - nonexchange transactions		—
	Deferred inflows - leases		85,324,760
	Deferred inflows - P3		—
	Deferred inflows - others:		—
	Sales/intra-entity transfers of future revenues		—
	Gain/loss on sale leaseback		—
	Loan origination fees and costs		—
	Change in fair value of hedging derivative instrument		—
	Irrevocable split-interest agreements		1,045,499
	Total deferred inflows - others		**1,045,499**
	Total deferred inflows of resources	**$**	**90,462,098**

DRAFT

Cal Poly Pomona Foundation, Inc.

Other Information
June 30, 2026
(For Inclusion in the California State University)

Description	DPCU - Fiduciary Funds Net Position					
	Pension trust funds Net Position 992	Other employee benefit trust funds Net Position 993	Investment trust funds Net Position 994	Private-purpose trust funds Net Position 995	Custodial funds Net Position 996	Total
Assets						
Current assets:						
Cash and cash equivalents	$ —	$ —	$ —	$ —	$ 735,794	$ 735,794
Short-term investments	—	—	—	—	—	—
Accounts receivable, net	—	—	—	—	—	—
Lease receivable, current portion	—	—	—	—	—	—
P3 receivable, current portion	—	—	—	—	—	—
Notes receivable, current portion	—	—	—	—	—	—
Pledges receivable, net	—	—	—	—	—	—
Prepaid expenses and other current assets	—	—	—	—	—	—
Total current assets	—	—	—	—	735,794	735,794
Noncurrent assets:						
Restricted cash and cash equivalents	—	—	—	—	—	—
Accounts receivable, net	—	—	—	—	—	—
Lease receivable, net of current portion	—	—	—	—	—	—
P3 receivable, net of current portion	—	—	—	—	—	—
Notes receivable, net of current portion	—	—	—	—	—	—
Student loans receivable, net	—	—	—	—	—	—
Pledges receivable, net	—	—	—	—	—	—
Endowment investments	—	—	—	—	—	—
Other long-term investments	—	—	—	—	—	—
Capital assets, net	—	—	—	—	—	—
Capital assets, net - lease ROU	—	—	—	—	—	—
Capital assets, net - SBITA ROU	—	—	—	—	—	—
Capital assets, net - P3 ROU	—	—	—	—	—	—
Other assets	—	—	—	—	—	—
Total noncurrent assets	—	—	—	—	—	—
Total assets	—	—	—	—	735,794	735,794
Deferred outflows of resources:						
Unamortized loss on debt refunding	—	—	—	—	—	—
Net pension liability	—	—	—	—	—	—
Net OPEB liability	—	—	—	—	—	—
Leases	—	—	—	—	—	—
P3	—	—	—	—	—	—
Others	—	—	—	—	—	—
Total deferred outflows of resources	—	—	—	—	—	—

DRAFT

Cal Poly Pomona Foundation, Inc.

Other Information
June 30, 2026
(For Inclusion in the California State University)

Liabilities						
Current liabilities:						
Accounts payable	—	—	—	—	—	—
Accrued salaries and benefits	—	—	—	—	—	—
Accrued compensated absences, current portion	—	—	—	—	—	—
Unearned revenues	—	—	—	—	—	—
Lease liabilities, current portion	—	—	—	—	—	—
SBITA liabilities - current portion	—	—	—	—	—	—
P3 liabilities - current portion	—	—	—	—	—	—
Long-term debt obligations, current portion	—	—	—	—	—	—
Claims liability for losses and loss adjustment expenses, current portion	—	—	—	—	—	—
Depository accounts	—	—	—	—	—	—
Other liabilities	—	—	—	—	—	—
Total current liabilities	—	—	—	—	—	—
Noncurrent liabilities:						
Accrued compensated absences, net of current portion	—	—	—	—	—	—
Unearned revenues	—	—	—	—	—	—
Grants refundable	—	—	—	—	—	—
Lease liabilities, net of current portion	—	—	—	—	—	—
SBITA liabilities, net of current portion	—	—	—	—	—	—
P3 liabilities, net of current portion	—	—	—	—	—	—
Long-term debt obligations, net of current portion	—	—	—	—	—	—
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—	—	—	—
Depository accounts	—	—	—	—	—	—
Net other postemployment benefits liability	—	—	—	—	—	—
Net pension liability	—	—	—	—	—	—
Other liabilities	—	—	—	—	—	—
Total noncurrent liabilities	—	—	—	—	—	—
Total liabilities	—	—	—	—	—	—
Deferred inflows of resources:						
Service concession arrangements	—	—	—	—	—	—
Net pension liability	—	—	—	—	—	—
Net OPEB liability	—	—	—	—	—	—
Unamortized gain on debt refunding	—	—	—	—	—	—
Nonexchange transactions	—	—	—	—	—	—
Lease	—	—	—	—	—	—
P3	—	—	—	—	—	—
Others	—	—	—	—	—	—
Total deferred inflows of resources	—	—	—	—	—	—
Net position						
Total ending net position	**$** —	**$** —	**$** —	**$** —	**$** 735,794	**$** 735,794

DRAFT

Cal Poly Pomona Foundation, Inc.

Other Information
June 30, 2026
(For Inclusion in the California State University)

		DPCU - Fiduciary Funds Net Position					
GAAP Account	Description	Pension trust funds Net Position 992	Other employee benefit trust funds Net Position 993	Investment trust funds Net Position 994	Private-purpose trust funds Net Position 995	Custodial funds Net Position 996	Total
Additions	Contributions from employers	$ —	$ —	$ —	$ —	$ —	$ —
Additions	Contributions from nonemployer contributing entities	—	—	—	—	—	—
Additions	Contributions from plan members	—	—	—	—	—	—
Additions	Contributions from all sources	—	—	—	—	—	—
Additions	Investment earnings	—	—	—	—	—	—
Additions	Investment costs	—	—	—	—	—	—
Additions	Program Income	—	—	—	—	1,085,394	**1,085,394**
Additions		—	—	—	—	—	—
Additions		—	—	—	—	—	—
Additions		—	—	—	—	—	—
Additions		—	—	—	—	—	—
Additions		—	—	—	—	—	—
Additions		—	—	—	—	—	—
Additions		—	—	—	—	—	—
Additions		—	—	—	—	—	—
Total Additions		—	—	—	—	**1,085,394**	**1,085,394**
Deductions	Benefit payments to plan members	—	—	—	—	—	—
Deductions	Total administrative expenses	—	—	—	—	—	—
Deductions	Benefit payments	—	—	—	—	—	—
Deductions	Redemptions	—	—	—	—	—	—
Deductions	Distributions	—	—	—	—	793,061	**793,061**
Deductions		—	—	—	—	—	—
Deductions		—	—	—	—	—	—
Deductions		—	—	—	—	—	—
Deductions		—	—	—	—	—	—
Deductions		—	—	—	—	—	—
Deductions		—	—	—	—	—	—
Deductions		—	—	—	—	—	—
Deductions		—	—	—	—	—	—
Total Deductions		—	—	—	—	**793,061**	**793,061**
Increase (decrease) in net position		—	—	—	—	**292,333**	**292,333**
Net position at beginning of year, as previously reported		—	—	—	—	443,461	**443,461**
Restatements		—	—	—	—	—	—
Net position at beginning of year, as restated		—	—	—	—	**443,461**	**443,461**
Net position at end of year		**$ —**	**$ —**	**$ —**	**$ —**	**$ 735,794**	**$ 735,794**

DRAFT

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, 2026, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated [DATE].

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

DRAFT

Purpose of this Report

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

Los Angeles, California
[DATE].

DRAFT

Audit Committee Meeting Schedule

Meets every quarter (September, December, February & May)
Audit Committee Thursday, September 3, 2026 10:30 am – 11:30 am Teams Meeting
Audit Committee Wednesday, December 9, 2026 1:00 pm – 2:30 pm Teams Meeting
Audit Committee Tuesday, February 9, 2027 1:00 pm – 2:30 pm Teams Meeting
Audit Committee Tuesday, May 18, 2027 1:00 pm – 2:30 pm Teams Meeting