

Cal Poly Pomona Foundation, Inc.

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

June 30, 2025

CohnReznick 

Cal Poly Pomona Foundation, Inc.

Index

	<u>Page</u>
Independent Auditor's Report	2
Management's Discussion and Analysis	6
Basic Financial Statements	
Statement of Net Position	14
Statement of Revenues, Expenses, and Changes in Net Position	16
Statement of Cash Flows	17
Statement of Fiduciary Net Position	19
Statement of Changes in Fiduciary Net Position	20
Notes to Financial Statements	21
Required Supplementary Information	
Schedule of Foundation's Proportionate Share of the Net Pension Liability	51
Schedule of Foundation Contributions	52
Schedule of Changes in Net OPEB Liability and Related Ratios	53
Supplementary Information	
Schedule of Net Position	55
Schedule of Revenues, Expenses, and Changes in Net Position	57
Other Information	59
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 <i>Government Auditing Standards</i>	71

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 to 12, the Schedule of Foundation's Proportionate Share of the Net Pension Liability on page 51, the Schedule of Foundation Contributions on page 52, and the Schedule of Changes in Net OPEB Liability and Related Ratios on page 53 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Foundation's basic financial statements. The accompanying supplementary information on pages 55 to 70 is presented for purposes of additional analysis as required by an Administrative Directive dated June 24, 2003, Financial Reporting Requirements for Auxiliary Organizations, from the California State University Office of the Chancellor, and is not a required part of the basic financial statements.

The accompanying supplementary information on pages 55 to 70 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 55 to 70 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 September 17, 2025 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.

CohnReznick LLP

Los Angeles, California
September 17, 2025

Management's Discussion and Analysis

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

Introduction

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

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

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

Overview of the Financial Statements

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

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

Statement of Net Position

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

Statement of Revenues, Expenses, and Changes in Net Position

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

Statement of Cash Flows

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

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

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

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

Cal Poly Pomona Foundation, Inc.

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

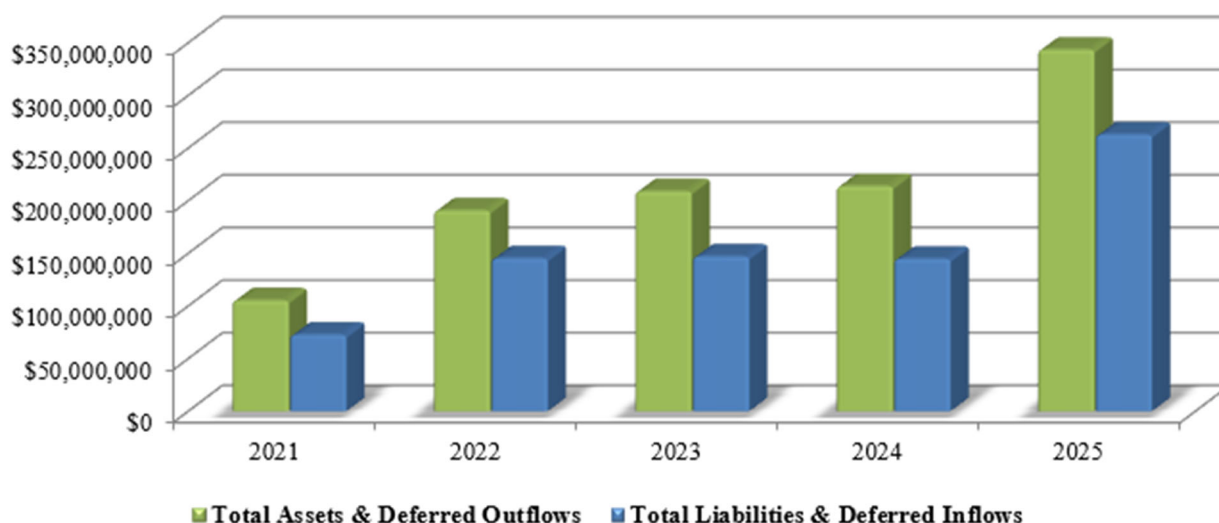
A summary of the Foundation's assets, deferred outflows, liabilities, deferred inflows, and net position is as follows:

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

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

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

Total Assets & Deferred Outflows, Liabilities & Deferred Inflows



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

Net Position

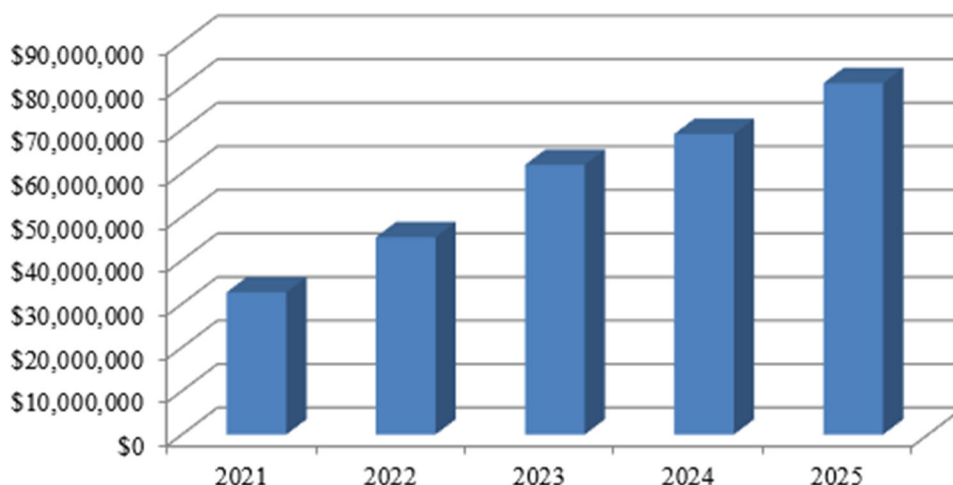
Net position represents the residual interest in the Foundation's assets after liabilities are deducted. The Foundation's net position is as follows:

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

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

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

Net Position



Statement of Revenues, Expenses, and Changes in Net Position

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

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

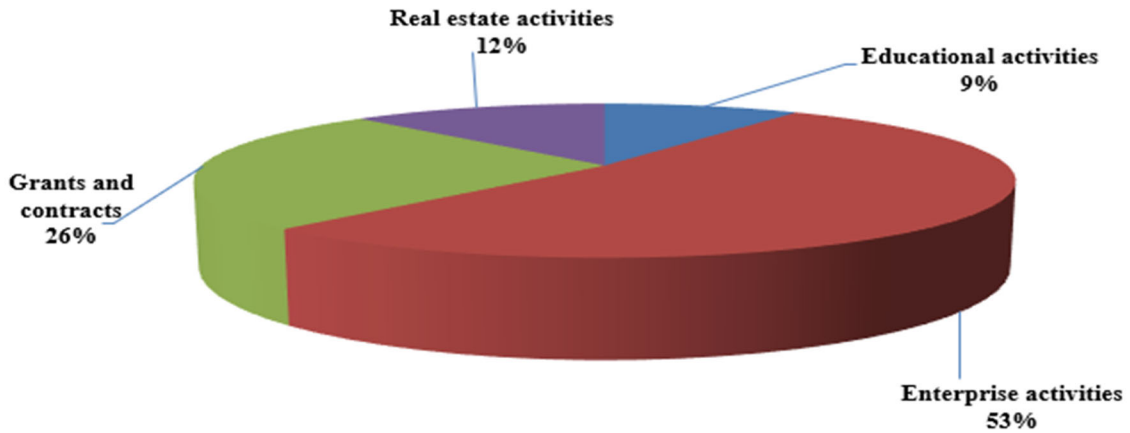
**Management's Discussion and Analysis ("MD&A")
Year Ended June 30, 2025**

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

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

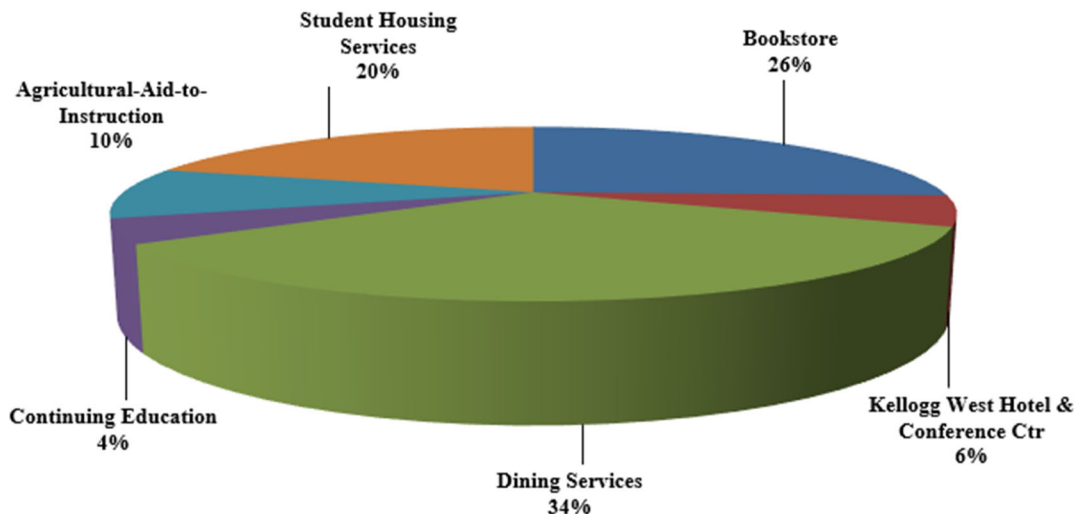
Operating revenues also include grants and contracts awarded by governmental and private institutions. Amounts administered by the Foundation are recorded as revenue and expense in the financial statements.

Operating Revenues



Auxiliary enterprise operating revenues consist of the following programs:

Enterprise Revenues



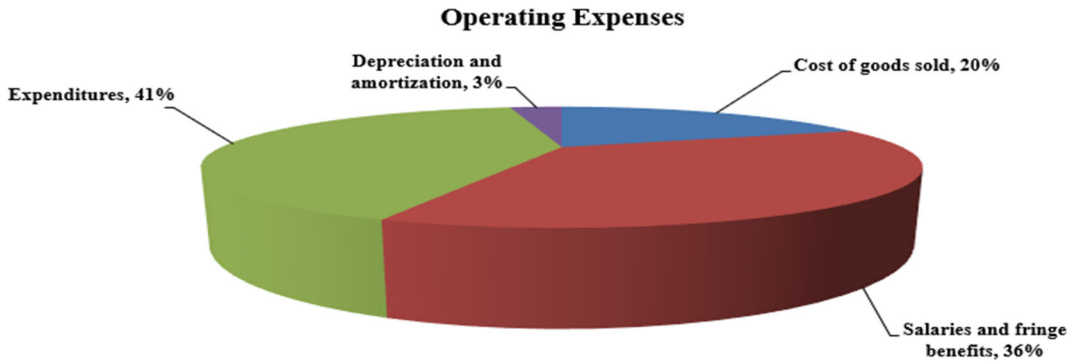
The Foundation entered into a master operating agreement and various supplemental operating agreements with the Trustees of the California State University in July 2018, on behalf of the

Cal Poly Pomona Foundation, Inc.

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

University that expires in May 2048 and allows the Foundation to operate various activities including the above enterprise activities. All activities of the Foundation are designed to support students, faculty and staff by providing convenient goods and services at reasonable prices. These services provide additional resources and support services to further the University's mission.

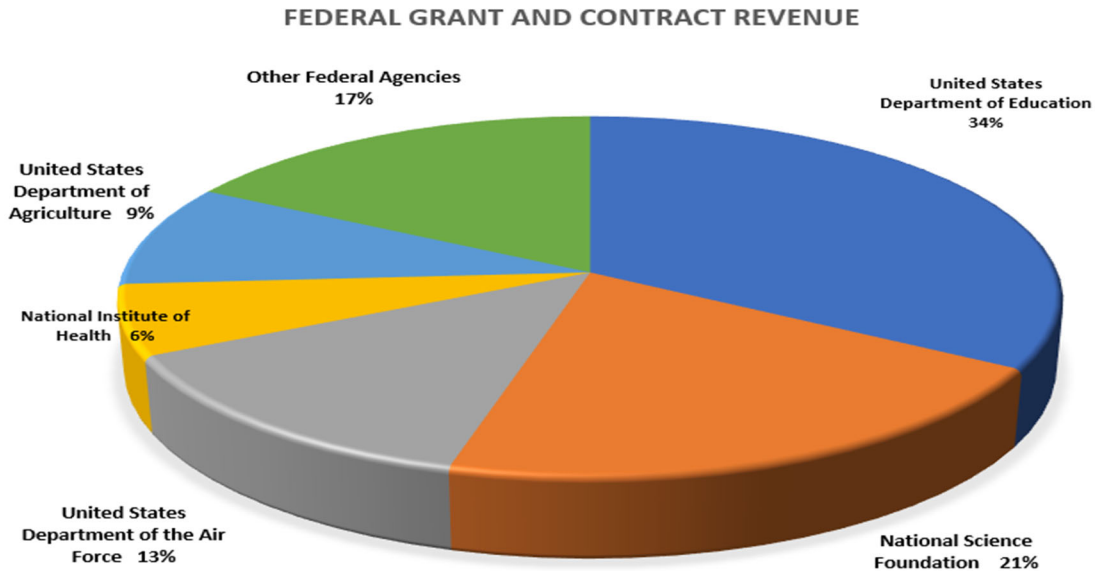
In fiscal year 2025, operating expenses consist of cost of goods sold of \$20.0 million, salaries and fringe benefits of \$37.0 million, payments to vendors of \$41.7 million, and depreciation and amortization of \$3.3 million.



Grants and Contracts

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

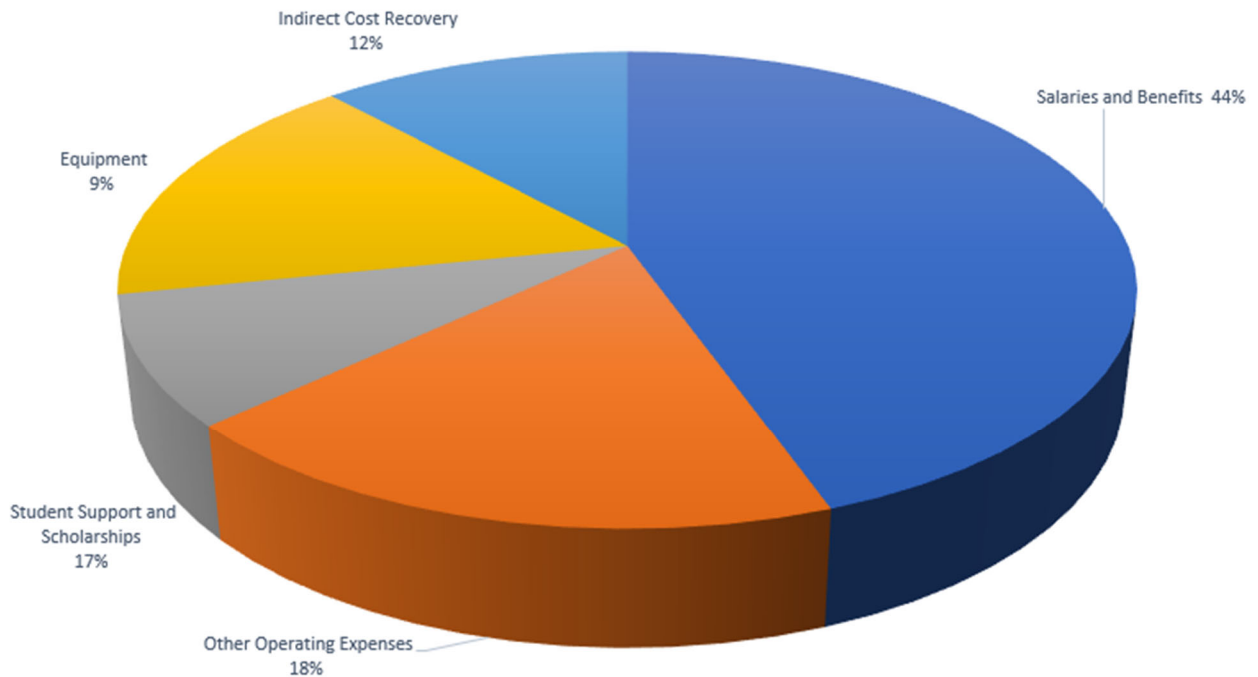
Federal grant and contract awards received represents 82% of the sponsored program activity and includes support from a variety of agencies including:



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

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

Grant and Contract Expenditures



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

Factors Impacting Future Periods

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

Basic Financial Statements

Cal Poly Pomona Foundation, Inc.

Statement of Net Position
June 30, 2025

Assets

Current assets

Cash and cash equivalents	\$ 7,099,128
Short-term investments	47,449,899
Accounts receivable, current portion, net	12,150,756
Accounts receivable from related parties	1,976,655
Lease receivables, current portion	1,010,617
Inventories	1,534,982
Prepaid expenses and other assets	<u>398,131</u>

Total current assets 71,620,168

Noncurrent assets

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

Total noncurrent assets 264,725,201

Total assets 336,345,369

Deferred outflows of resources

Net pension liability	5,042,656
Net OPEB liability	<u>818,400</u>

Total deferred outflows of resources 5,861,056

Cal Poly Pomona Foundation, Inc.

Statement of Net Position
June 30, 2025

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

Cal Poly Pomona Foundation, Inc.

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

Operating revenues	
Educational activities	\$ 10,272,482
Enterprise activities	57,700,280
Grants and contracts	28,508,014
Administrative and real estate activities	<u>13,415,486</u>
Total operating revenues	<u>109,896,262</u>
Operating expenses	
Educational activities	9,682,328
Enterprise activities	48,754,581
Grants and contracts	26,427,783
Administrative and real estate activities	13,779,075
Depreciation and amortization	<u>3,342,660</u>
Total operating expenses	<u>101,986,427</u>
Operating income	<u>7,909,835</u>
Nonoperating revenues (expenses)	
Investment income	5,220,446
Interest expense	(1,388,556)
Other nonoperating expenses	<u>(268,973)</u>
Net nonoperating revenues	<u>3,562,917</u>
Change in net position	11,472,752
Net position, beginning of year, as restated	<u>67,709,824</u>
Net position, end of year	<u>\$ 79,182,576</u>

See Notes to Financial Statements.

Cal Poly Pomona Foundation, Inc.

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

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

Cal Poly Pomona Foundation, Inc.

Statement of Cash Flows
Year Ended June 30, 2025

Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 7,909,835
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization	3,342,660
Change in assets and liabilities	
Accounts receivable, net	9,391,161
Prepaid expenses and other assets	(191,022)
Deferred outflows of resources	1,598,387
Accounts payable and accounts payable to related parties	(1,268,129)
Accrued salaries and benefits payable	67,401
Accrued compensated absences	489,382
Unearned revenue	84,816
Net other postemployment benefits liability	(1,181,741)
Net pension liability	(140,227)
Other liabilities	3,239,610
Deferred inflows of resources	<u>(3,223,129)</u>
Net cash provided by operating activities	<u>\$ 20,119,004</u>
Supplemental schedule of noncash transactions:	
Issuance of leases receivable and deferred inflow	<u>\$ 521,804</u>

See Notes to Financial Statements.

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

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

See Notes to Financial Statements.

Cal Poly Pomona Foundation, Inc.

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

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

See Notes to Financial Statements.

Cal Poly Pomona Foundation, Inc.

Notes to Financial Statements June 30, 2025

Note 1 - Organization

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

Note 2 - Summary of significant accounting policies

Financial reporting entity

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

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

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

Basis of presentation

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

Basis of accounting

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

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

Cal Poly Pomona Foundation, Inc.

Notes to Financial Statements June 30, 2025

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

Classification of current and noncurrent assets and liabilities

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

Federal grants and contracts

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

Cash and cash equivalents

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

Accounts receivable

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

Leases receivable

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

Inventories

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

Investments

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

The Foundation's general investment policy authorizes the investment of excess funds in a range of investments to seek an average total annual return of 2.0% plus the percentage change in the greater Higher Education Price Index ("HEPI").

Cal Poly Pomona Foundation, Inc.

Notes to Financial Statements June 30, 2025

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

Lease assets

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

Capital assets

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

Compensated absences

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

Deferred outflows of resources

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

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

Unearned revenue

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

Cal Poly Pomona Foundation, Inc.

Notes to Financial Statements June 30, 2025

Other liabilities

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

Pension liability

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

Net OPEB liability

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

Unitrust liability

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

Deferred inflows of resources

Deferred inflows of resources represent an acquisition of net position by the Foundation that is applicable to a future period and thus, will not be recognized as an inflow of resources (income) until then. The Foundation has a deferred gain on split interest agreements with charitable trusts.

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.

Net position

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

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

Cal Poly Pomona Foundation, Inc.

Notes to Financial Statements June 30, 2025

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

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

Classification of revenues and expenses

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

Income taxes

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

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

Estimates

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

New accounting pronouncement

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

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

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

Previously, the Foundation accrued vacation leave only. Sick leave, although earned monthly and carried forward without limit, was not accrued because it was not paid upon termination. Under GASB 101, the Foundation reviewed historical usage patterns and determined that a portion of accumulated

Cal Poly Pomona Foundation, Inc.

Notes to Financial Statements June 30, 2025

sick leave is more likely than not to be used. As a result, the Foundation now recognizes a liability for that portion in the enterprise fund financial statements.

The cumulative effect of adopting GASB 101 resulted in a decrease to beginning net position of \$1,329,208.

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

Subsequent events

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

Note 3 - Credit risk

Custodial credit risk

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

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

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Foundation will not be able to recover the value of its investments that are in the possession of the counterparty. As of June 30, 2025, all investments are in the name of the Foundation, and the Foundation is not exposed to custodial credit risk associated with its investments.

Cal Poly Pomona Foundation, Inc.

Notes to Financial Statements June 30, 2025

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

Description	General portfolio
Money market funds	X
Certificate of deposits	X
Common and preferred stocks	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

Interest rate risk

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

As of June 30, 2025, all mutual funds and exchange-traded funds (“ETFs”) were invested in fixed income securities with total fair values of \$5,981,021 and \$3,628,711, respectively. ETFs of \$446,428 have a maturity of one year. Mutual funds of \$46,729 and ETFs of \$16,821 have a maturity of between one and five years. Mutual funds of \$5,934,292 and ETFs of \$3,165,462 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.

Cal Poly Pomona Foundation, Inc.

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

The Foundation had the following investments subject to credit risk:

Investment type	Rating (S&P/Moody's)	Fair value
Fixed income mutual funds	B - AAA	\$ 5,892,784
Fixed income ETFs	Not rated - AAA	1,615,616
Government securities mutual funds	BB - AAA	88,237
Government securities ETFs	B - AAA	2,013,095

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

	1 year	1 - 5 years	5 - 10 years	Over 10 years	Total
Fixed income mutual funds	\$ -	\$ 30,460	\$ 5,862,324	\$ -	\$ 5,892,784
Fixed income ETFs	-	-	1,615,616	-	1,615,616
Government securities mutual funds	-	16,269	71,968	-	88,237
Government securities ETFs	446,428	16,821	1,549,846	-	2,013,095
	<u>\$ 446,428</u>	<u>\$ 63,550</u>	<u>\$ 9,099,754</u>	<u>\$ -</u>	<u>\$ 9,609,732</u>

Concentration of credit risk

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

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

Cal Poly Pomona Foundation, Inc.

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

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

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

As of June 30, 2025, the Foundation was not exposed to concentration of credit risk as there were no investments in a single issuer in excess of 5%.

Note 4 - Cash and cash equivalents

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

Cash on hand	\$ 2,494
Cash in bank	3,556,511
Cash and cash equivalents	3,540,123
Restricted cash and cash equivalents	30,606
	\$ 7,129,734

Cash in banks

The *California Government Code* requires California banks and savings and loan associations to secure the Foundation's deposits. Obligations pledged to secure deposits must be delivered to an institution other than the institution in which the deposit is made; however, the trust department of the same institution may hold them. Written custodial agreements are required that provide, among other things, that the collateral securities are held separate from the assets of the custodial institution. The pledge to secure deposits is administered by the California Superintendent of Banks. The market value of pledged securities must equal 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure an agency's deposits by pledging first trust deeds or first mortgages having a value of 150% of an agency's total deposits. All such collateral is considered to be held by the pledging financial institutions' trust departments or agents in the name of the Foundation. At June 30, 2025, cash held by financial institutions for the Foundation of \$5,180,444 was insured and collateralized as described above. At June 30, 2025, the book balance for the Foundation was \$3,556,511, cash and cash equivalents was \$3,540,123 and restricted cash and cash equivalents was \$30,606.

Cal Poly Pomona Foundation, Inc.

Notes to Financial Statements June 30, 2025

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

Note 5 - Investments

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

Equities	\$ 31,283,459
Fixed income mutual funds	5,981,021
Fixed income ETFs	3,628,711
Indexed annuity	233,594
Local agency investment fund	107,078
Alternative investments	<u>7,815,880</u>
Total investments	49,049,743
Less short-term investments	<u>47,449,899</u>
Long-term investments	<u>\$ 1,599,844</u>

Fair value measurements

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

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

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

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

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

Cal Poly Pomona Foundation, Inc.

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

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

	Level 1	Level 2	Level 3	Investments measured at NAV	Total
Equities	\$ 31,283,459	\$ -	\$ -	\$ -	\$ 31,283,459
Indexed annuity	-	-	-	233,594	233,594
Fixed income ETFs	3,628,711	-	-	-	3,628,711
Fixed income mutual funds	5,981,021	-	-	-	5,981,021
Local agency investment fund	-	-	-	107,078	107,078
Alternative investments	-	-	-	7,815,880	7,815,880
Total	\$ 40,893,191	\$ -	\$ -	\$ 8,156,552	\$ 49,049,743

Cal Poly Pomona Foundation, Inc.

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

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.

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

Description	NAV	Unfunded commitments	Redemption terms	Redemption notice period
Private Equity Funds				
Hamilton Lane Feeder Fund LP	\$ 2,438,503	\$ 377,493	None	None
Partners Group PE - P Esc	521,705	-	Quarterly	Tender Window Announcements
Premier LCP X Offshore	242,494	216,169	None	None
Blue Owl Asset Special Opportunities Fund IX	155,630	95,877	None	None
CommonFund (Capital Partners IV and VII, LP)	124,182	56,125	None	None
LLR Equity Partners VII	101,527	792,000	None	None
Adams Street Co-Investment Fund VI	-	600,000	None	None
Hedge Funds				
Schonfeld Fundamental Equity Fund LLC	1,048,474	-	Quarterly	45 Calendar Days
Hudson Bay Ltd Trnche II MS	942,180	-	Quarterly	65 Days
Coatue Offshore	340,163	-	Quarterly	45 Calendar Days
HP/Starboard Value Ltd Esc	310,088	-	Quarterly	90 Days + 5 Business Days
Third Point	302,256	-	Quarterly	60 Days
SEG Partners Long/Short Equity I	277,468	-	Quarterly	60 Days
REITs				
Blackstone Real Estate Income Trust	533,076	-	Monthly	3 days
Blue Owl Capital Real Estate Fund VI	119,001	177,140	None	None
Private Credit Funds				
Blackstone Private Credit Fund (BCRED)	285,614	-	Quarterly	3 days
Fortress Lending IV A	73,519	195,976	Monthly	None
Index Annuity				
	233,594	-	On demand	None
	<u>\$ 8,049,474</u>	<u>\$ 2,510,780</u>		

Investment earnings

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

Cal Poly Pomona Foundation, Inc.

Notes to Financial Statements
June 30, 2025

Note 6 - Accounts receivable

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

Real estate	\$	2,774,475
Enterprise activities		5,530,942
Grants and contracts		6,304,610
Educational activities		20,304
Less allowance for uncollectible amounts		<u>(118,463)</u>
Subtotal accounts receivable		14,511,868
Due from related parties		<u>1,976,655</u>
Total accounts receivable		16,488,523
Less due from related parties		(1,976,655)
Less current accounts receivable		<u>(12,150,756)</u>
Noncurrent accounts receivable	\$	<u>2,361,112</u>

Cal Poly Pomona Foundation, Inc.

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

Note 7 - Capital assets

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

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

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

Cal Poly Pomona Foundation, Inc.

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

Note 8 - Lease receivables

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

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

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

Cal Poly Pomona Foundation, Inc.

Notes to Financial Statements June 30, 2025

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

Cal Poly Pomona Foundation, Inc.

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

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

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

Note 9 - Lease liabilities

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

<u>Name</u>	<u>Balance June 30, 2024</u>	<u>Additions</u>	<u>Principal payments</u>	<u>Balance June 30, 2025</u>
Ricoh Copier/Printer	\$ 5,034	\$ -	\$ 2,322	\$ 2,712
Ricoh Copier/Printer	5	-	5	-
Ricoh Copier/Printer	928	-	928	-
CTTI - Tech Park Ground	295,650	-	295,650	-
University Village (Phase III) Ground	17,352,864	-	1,030,547	16,322,317
Subtotal of leases (GASB 87)	17,654,481	-	1,329,452	16,325,029
SBITA - Adaptive (GASB 96)	-	111,229	69,556	41,673
Total of leases	<u>\$ 17,654,481</u>	<u>\$ 111,229</u>	<u>\$ 1,399,008</u>	<u>\$ 16,366,702</u>

Cal Poly Pomona Foundation, Inc.

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

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

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

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

Fiscal year	Principal	Interest	Principal and interest
2026	\$ 1,428,136	\$ 305,946	\$ 1,734,082
2027	1,408,699	275,358	1,684,057
2028	1,392,014	244,088	1,636,102
2029	1,414,034	216,924	1,630,958
2030	1,443,470	189,834	1,633,304
2031-2035	7,661,536	522,826	8,184,362
2036	1,618,813	15,356	1,634,169
	<u>\$ 16,366,702</u>	<u>\$ 1,770,332</u>	<u>\$ 18,137,034</u>

Note 10 - Long-term liabilities

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

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

Cal Poly Pomona Foundation, Inc.

Notes to Financial Statements June 30, 2025

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

Note 11 - Transactions with related parties

California State Polytechnic University, Pomona

The Foundation and the University provide various services on each other's behalf. Such services are appropriately billed. At June 30, 2025, receivables from other activities and due from the University are \$1,605,064. Accounts payable include \$794,285 due to the University at June 30, 2025.

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

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

Cal Poly Pomona Philanthropic Foundation ("Philanthropic Foundation")

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

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

Cal Poly Pomona Associated Students ("ASI")

The Foundation and ASI provide various services on each other's behalf. Such services are appropriately billed. Amounts paid by the Foundation during fiscal year 2024-25 totaled \$1,476,280. Amounts paid to the Foundation during fiscal year 2024-25 totaled \$382,099.

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

Chancellor's Office

At June 30, 2025, the Foundation recorded accounts receivable from the Chancellor's Office totaling \$3,337. Accounts payable due from the Foundation to Chancellor's Office at June 30, 2025 totaled \$127,044.

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-

Cal Poly Pomona Foundation, Inc.

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

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.

The Plan provisions and benefits in effect at June 30, 2025, are summarized as follows:

	Miscellaneous Risk Pool		
	First Tier Plan	Second Tier Plan	PEPRA Misc Plan
Hire date:	On or Before June 25, 2011	6/26/2011 to December 31, 2012	On or after January 1, 2013
Benefit formula:	2% at 55	2% at 60	2% at 62
Benefit vesting schedule:	5 years of service	5 years of service	5 years of service
Benefit payments:	Monthly for life	Monthly for life	Monthly for life
Retirement age:	55	60	62
Required employee contribution rate:	6.93%	6.93%	8.25%
Required employer contribution rate:	13.88%	10.15%	8.18%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are determined annually through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Foundation is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2025 are presented above and the total Foundation contributions were \$2,387,317.

Cal Poly Pomona Foundation, Inc.

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

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

As of June 30, 2025, the Foundation reported net pension liabilities for its proportionate share of the Miscellaneous Risk Pool net pension liability totaling \$14,707,437. The net pension liability was measured as of June 30, 2024. The Foundation's proportion of the net pension liability was based on a projection of the Foundation's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2025, the Foundation's proportion was 0.0030409, which increased from 0.0029693 in the prior year.

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

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

The deferred outflow of resources related to pensions resulting from Foundation contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

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

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

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

Cal Poly Pomona Foundation, Inc.

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

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

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

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

Changes in benefit terms

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

Changes in assumptions

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

Actuarial methods and assumptions

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

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

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

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

Cal Poly Pomona Foundation, Inc.

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

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

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

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021-22 Asset Liability Management study.

Discount rate

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

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%)	\$ 24,587,427
Current discount rate (6.9%)	14,707,437
1% increase (7.9%)	6,574,750

Plan fiduciary net position

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

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

Cal Poly Pomona Foundation, Inc.

Notes to Financial Statements June 30, 2025

is eligible to enroll in the Plan on an annual basis during open enrollment or at any time the retiree experiences a qualifying event as defined by COBRA regulations.

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

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

Eligibility and benefits

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

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

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

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

Cal Poly Pomona Foundation, Inc.

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

Schedule of changes in net OPEB liability

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

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

Cal Poly Pomona Foundation, Inc.

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

Plan fiduciary net position

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

Actuarial methods and assumptions

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

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

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

Cal Poly Pomona Foundation, Inc.

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

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

Pre-Retirement: CalPERS 2021 Mortality

Post-Retirement: CalPERS 2021 Mortality

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

Long-term expected rate of return

As of June 30, 2024, 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
Domestic Equity	45.00%	8.51%
International Equity	10.00%	9.49%
Fixed Income	39.00%	4.70%
REITs	6.00%	9.33%
	100.00%	

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

Discount rate

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

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

Cal Poly Pomona Foundation, Inc.

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

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

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

Sensitivity analysis

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

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

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

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

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

Annual OPEB expense and net OPEB liability

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

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

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

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

Cal Poly Pomona Foundation, Inc.

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

Deferred outflows/inflows of resources

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

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
2026	\$ (893,113)
2027	420,359
2028	(189,240)
2029	(147,015)
2030	-
Thereafter	-
Total Deferred Resources	\$ (809,009)

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

Note 14 - Commitments and contingencies

Litigation

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

Required Supplementary Information

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

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

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

See Independent Auditor's Report.

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

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

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

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

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

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

See Independent Auditor's Report.

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

Plan Year Ended June 30	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service cost	\$ 98,857	\$ 96,989	\$ 92,370	\$ 197,238	\$ 187,854	\$ 182,673	\$ 142,277	\$ 148,176
Interest	871,461	1,094,051	1,077,426	1,141,658	1,104,006	1,051,769	894,698	1,051,372
Differences between expected and actual experience	-	(3,817,550)	(286,598)	79,980	(86,309)	(745,620)	1,014,722	1,680,006
Change of assumptions	-	(151,479)	-	(1,668,472)	14,502	985,763	890,259	(3,591,876)
Benefits payments, including refunds of employee contributions	(730,680)	(577,533)	(675,951)	(592,799)	(705,751)	(647,375)	(486,936)	(584,422)
Net change in Total OPEB Liability	239,638	(3,355,522)	207,247	(842,395)	514,302	827,210	2,455,020	(1,296,744)
Total OPEB Liability - beginning	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	\$ 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	\$ 730,680	\$ 1,577,533	\$ 397,371	\$ 436,315	\$ 1,705,751	\$ 1,647,375	\$ 1,000,000	\$ 1,111,120
Net investment income	1,463,644	854,446	(2,263,832)	2,841,138	420,836	449,772	567,209	743,578
Benefit payments, including refunds of employee contributions	(730,680)	(577,533)	(1,112,266)	(1,968,173)	(705,751)	(647,375)	(486,936)	(584,422)
Administrative expense	(42,265)	(43,857)	(34,920)	(36,221)	(34,779)	(49,278)	(39,162)	(33,384)
Net change in Fiduciary Net Position	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	\$ 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	\$ 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	\$ 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	91%	82%	55%	74%	63%	57%	51%	53%
Covered employee payroll	\$ 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	49%	100%	265%	162%	137%	184%	175%	143%

Notes to the OPEB Required Supplementary Information:

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

The average per capita claims cost was updated to reflect the actual 2024 and 2025 premiums. The healthcare cost trend rate was updated to reflect 2024 industry survey data.

The mortality, withdrawal, and retirement tables were updated to reflect the latest 2021 CalPERS Experience Studies. The population for curving and morbidity factors have also been updated to the 2021 CalPERS Experience Studies. All other assumptions remained the same.

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

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

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

See Independent Auditor's Report.

Supplementary Information

Cal Poly Pomona Foundation, Inc.
Schedule of Net Position
June 30, 2025
(For Inclusion in the California State University)

Assets:

Current assets:

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

Noncurrent assets:

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

Deferred outflows of resources:

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

Cal Poly Pomona Foundation, Inc.

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

Liabilities:

Current liabilities:

Accounts payable	4,800,945
Accrued salaries and benefits	910,915
Accrued compensated absences, current portion	2,642,856
Unearned revenues	1,856,060
Lease liabilities, current portion	1,386,463
SBITA liabilities - current portion	41,673
P3 liabilities - current portion	—
Long-term debt obligations, current portion	—
Claims liability for losses and loss adjustment expenses, current portion	—
Depository accounts	—
Other liabilities	6,524,525
Total current liabilities	18,163,437

Noncurrent liabilities:

Accrued compensated absences, net of current portion	—
Unearned revenues	—
Grants refundable	—
Lease liabilities, net of current portion	14,938,566
SBITA liabilities, net of current portion	—
P3 liabilities, net of current portion	—
Long-term debt obligations, net of current portion	121,400,000
Depository accounts	—
Net other postemployment benefits liability	1,256,176
Net pension liability	14,707,437
Other liabilities	720,276
Total noncurrent liabilities	153,022,455
Total liabilities	171,185,892

Deferred inflows of resources:

P3 service concession arrangements	—
Net pension liability	2,688,185
Net OPEB liability	880,291
Unamortized gain on debt refunding	—
Nonexchange transactions	—
Lease	87,357,765
P3	—
Others	911,716
Total deferred inflows of resources	91,837,957

Net position:

Net investment in capital assets	30,975,671
Restricted for:	
Nonexpendable – endowments	—
Expendable:	
Scholarships and fellowships	—
Research	1,738,986
Loans	—
Capital projects	—
Debt service	—
Others	—
Unrestricted	46,467,919
Total net position	\$ 79,182,576

Cal Poly Pomona Foundation, Inc.

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

Revenues:

Operating revenues:

Student tuition and fees, gross	\$	—
Scholarship allowances (enter as negative)		—

Grants and contracts, noncapital:

Federal	23,679,290
State	3,633,347
Local	—
Nongovernmental	1,195,377
Sales and services of educational activities	10,272,482
Sales and services of auxiliary enterprises, gross	57,700,280
Scholarship allowances (enter as negative)	—
Other operating revenues	13,415,486
Total operating revenues	109,896,262

Expenses:

Operating expenses:

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

Cal Poly Pomona Foundation, Inc.

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

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

Cal Poly Pomona Foundation, Inc.

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

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments		
All other restricted cash and cash equivalents	\$	30,606
Noncurrent restricted cash and cash equivalents		30,606
Current cash and cash equivalents		7,099,128
Total	\$	7,129,734

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	5,846,004	135,017	5,981,021
Exchange traded funds	3,611,890	16,821	3,628,711
Equity securities	30,069,047	1,214,412	31,283,459
Alternative investments:			
Private equity (including limited partnerships)	3,584,041	—	3,584,041
Hedge funds	3,220,629	—	3,220,629
Managed futures	—	—	—
Real estate investments (including REITs)	652,077	—	652,077
Commodities	—	—	—
Derivatives	—	—	—
Other alternative investment types	359,133	—	359,133
Other external investment pools	—	—	—
CSU Consolidated Investment Pool (formerly SWIFT)	—	—	—
State of California Local Agency Investment Fund (LAIF)	107,078	—	107,078
State of California Surplus Money Investment Fund (SMIF)	—	—	—
Other investments:			
Indexed Annuity	—	233,594	233,594
	—	—	—
	—	—	—
	—	—	—
	—	—	—
Total Other investments	—	233,594	233,594
Total investments	47,449,899	1,599,844	49,049,743
Less endowment investments (enter as negative number)	—	—	—
Total investments, net of endowments	\$ 47,449,899	\$ 1,599,844	\$ 49,049,743

Cal Poly Pomona Foundation, Inc.
Other Information
June 30, 2025
(For Inclusion in the California State University)

2.2 Fair value hierarchy in investments:

Investment Type	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	\$ —	\$ —	\$ —	\$ —	\$ —
Repurchase agreements	—	—	—	—	—
Certificates of deposit	—	—	—	—	—
U.S. agency securities	—	—	—	—	—
U.S. treasury securities	—	—	—	—	—
Municipal bonds	—	—	—	—	—
Corporate bonds	—	—	—	—	—
Asset backed securities	—	—	—	—	—
Mortgage backed securities	—	—	—	—	—
Commercial paper	—	—	—	—	—
Supranational	—	—	—	—	—
Mutual funds	5,981,021	5,981,021	—	—	—
Exchange traded funds	3,628,711	3,628,711	—	—	—
Equity securities	31,283,459	31,283,459	—	—	—
Alternative investments:					
Private equity (including limited partnerships)	3,584,041	—	—	—	3,584,041
Hedge funds	3,220,629	—	—	—	3,220,629
Managed futures	—	—	—	—	—
Real estate investments (including REITs)	652,077	—	—	—	652,077
Commodities	—	—	—	—	—
Derivatives	—	—	—	—	—
Other alternative investment types	359,133	—	—	—	359,133
Other external investment pools	—	—	—	—	—
CSU Consolidated Investment Pool (formerly SWIFT)	—	—	—	—	—
State of California Local Agency Investment Fund (LAIF)	107,078	—	—	—	107,078
State of California Surplus Money Investment Fund (SMIF)	—	—	—	—	—
Other investments:					
Indexed Annuity	233,594	—	—	—	233,594
	—	—	—	—	—
	—	—	—	—	—
	—	—	—	—	—
	—	—	—	—	—
Total other investments:	233,594	—	—	—	233,594
Total investments	\$ 49,049,743	\$ 40,893,191	\$ —	\$ —	\$ 8,156,552

2.3 Investments held by the University under contractual agreements:

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

Cal Poly Pomona Foundation, Inc.

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

Capital Assets, Right of Use

Composition of capital assets - Lease ROU, net:	Balance June 30, 2024	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2024 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2025
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	(5,110,008)	—	—	—	(5,110,008)	(1,484,836)	—	—	(6,594,844)
Improvements, other than buildings	—	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—	—
Personal property:									
Equipment	(25,047)	—	—	—	(25,047)	(4,366)	—	—	(29,413)
Total accumulated depreciation/amortization	(5,135,055)	—	—	—	(5,135,055)	(1,489,202)	—	—	(6,624,257)
Total capital assets - lease ROU, net	\$ 16,306,584	\$ —	\$ —	\$ —	\$ 16,306,584	\$ (1,489,202)	\$ —	\$ —	\$ 14,817,382

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

Cal Poly Pomona Foundation, Inc.

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

	Balance June 30, 2024	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2024 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2025
Composition of capital assets - P3 ROU, net:									
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

\$ 168,742,373

3.2 Detail of depreciation and amortization expense:

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

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

Cal Poly Pomona Foundation, Inc.
Other Information
June 30, 2025
(For Inclusion in the California State University)

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

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

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:									
2026	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
2027	—	—	—	121,400,000	—	121,400,000	121,400,000	—	121,400,000
2028	—	—	—	—	—	—	—	—	—
2029	—	—	—	—	—	—	—	—	—
2030	—	—	—	—	—	—	—	—	—
2031 - 2035	—	—	—	—	—	—	—	—	—
2036 - 2040	—	—	—	—	—	—	—	—	—
2041 - 2045	—	—	—	—	—	—	—	—	—
2046 - 2050	—	—	—	—	—	—	—	—	—
2051 - 2055	—	—	—	—	—	—	—	—	—
Thereafter	—	—	—	—	—	—	—	—	—
Total minimum payments	\$ —	\$ —	\$ —	\$ 121,400,000	\$ —	\$ 121,400,000	\$ 121,400,000	\$ —	\$ 121,400,000
Less: amounts representing interest									—
Present value of future minimum payments									121,400,000
Unamortized net premium/(discount)									—
Total long-term debt obligations									121,400,000
Less: current portion									—
Long-term debt obligations, net of current portion									<u>\$ 121,400,000</u>

Cal Poly Pomona Foundation, Inc.
Other Information
June 30, 2025
(For Inclusion in the California State University)

7 Transactions with related entities:

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

8 Restatements

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

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

Restatement #1 N/A

Debit/(Credit)

Restatement #2 N/A

\$ —
\$ —

\$ —
\$ —

9 Natural classifications of operating expenses:

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

Select type of pension plan >>

Defined Benefit Plan

Cal Poly Pomona Foundation, Inc.

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

10 Deferred outflows/inflows of resources:

1. Deferred Outflows of Resources

Deferred outflows - unamortized loss on refunding(s)	\$	—
Deferred outflows - net pension liability		5,042,656
Deferred outflows - net OPEB liability		818,400
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	\$	5,861,056

2. Deferred Inflows of Resources

Deferred inflows - service concession arrangements	\$	—
Deferred inflows - net pension liability		2,688,185
Deferred inflows - net OPEB liability		880,291
Deferred inflows - unamortized gain on debt refunding(s)		—
Deferred inflows - nonexchange transactions		—
Deferred inflows - leases		87,357,765
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		911,716
		—
		—
Total deferred inflows - others		911,716
Total deferred inflows of resources	\$	91,837,957

11 Other nonoperating revenues (expenses)

Other nonoperating revenues	\$	—
Other nonoperating (expenses)		(268,973)
Total other nonoperating revenues (expenses)	\$	(268,973)

Cal Poly Pomona Foundation, Inc.
Other Information
June 30, 2025
(For Inclusion in the California State University)

Description	DPCU - Fiduciary Funds Net Position						Total					
	Pension trust funds		Other employee benefit trust funds		Investment trust funds			Private-purpose trust funds		Custodial funds		
	Net Position 992		Net Position 993		Net Position 994			Net Position 995		Net Position 996		
Assets												
Current assets:												
Cash and cash equivalents	\$	—	\$	—	\$	—	\$	—	\$	443,461	\$	443,461
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		—		—		—		—		443,461		443,461
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		—		—		—		—		443,461		443,461
Deferred outflows of resources:												
Unamortized loss on debt refunding		—		—		—		—		—		—
Net pension liability		—		—		—		—		—		—
Net OPEB liability		—		—		—		—		—		—
Leases		—		—		—		—		—		—
P3		—		—		—		—		—		—
Others		—		—		—		—		—		—
Total deferred outflows of resources		—		—		—		—		—		—

Cal Poly Pomona Foundation, Inc.
Other Information
June 30, 2025
(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	\$ —	\$ —	\$ —	\$ —	\$ 443,461	\$ 443,461

Cal Poly Pomona Foundation, Inc.

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

		DPCU - Fiduciary Funds Net Position					
GAAP Account	Description	Pension trust funds	Other employee	Investment trust funds	Private-purpose trust	Custodial funds	Total
		Net Position 992	benefit trust funds Net Position 993	Net Position 994	funds Net Position 995	Net Position 996	
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	—	—	—	—	784,141	784,141
Additions		—	—	—	—	—	—
Additions		—	—	—	—	—	—
Additions		—	—	—	—	—	—
Additions		—	—	—	—	—	—
Additions		—	—	—	—	—	—
Additions		—	—	—	—	—	—
Additions		—	—	—	—	—	—
Additions		—	—	—	—	—	—
Total Additions		—	—	—	—	784,141	784,141
Deductions	Benefit payments to plan members	—	—	—	—	—	—
Deductions	Total administrative expenses	—	—	—	—	—	—
Deductions	Benefit payments	—	—	—	—	—	—
Deductions	Redemptions	—	—	—	—	—	—
Deductions	Distributions	—	—	—	—	790,520	790,520
Deductions		—	—	—	—	—	—
Deductions		—	—	—	—	—	—
Deductions		—	—	—	—	—	—
Deductions		—	—	—	—	—	—
Deductions		—	—	—	—	—	—
Deductions		—	—	—	—	—	—
Deductions		—	—	—	—	—	—
Deductions		—	—	—	—	—	—
Total Deductions		—	—	—	—	790,520	790,520
Increase (decrease) in net position		—	—	—	—	(6,379)	(6,379)
Net position at beginning of year, as previously reported		—	—	—	—	449,840	449,840
Restatements		—	—	—	—	—	—
Net position at beginning of year, as restated		—	—	—	—	449,840	449,840
Net position at end of year		\$ —	\$ —	\$ —	\$ —	443,461	\$ 443,461

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the business-type activities and the aggregate remaining fund information of the Cal Poly Pomona Foundation, Inc. (the "Foundation"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated September 17, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

CohnReznick LLP

Los Angeles, California
September 17, 2025



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