

**Cal Poly Pomona Foundation, Inc.**

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

**June 30, 2023**

---

# 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>	70

## 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, 2023, 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinions*

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

### *Responsibilities of Management for the Financial Statements*

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

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

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

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

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

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

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

### *Required Supplementary Information*

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

opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Foundation's basic financial statements. The accompanying supplementary information on pages 55 to 69 is presented for purposes of additional analysis as required by an Administrative Directive dated June 24, 2003, Financial Reporting Requirements for Auxiliary Organizations, from the California State University Office of the Chancellor, and is not a required part of the basic financial statements.

The accompanying supplementary information on pages 55 to 69 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information on pages 55 to 69 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2023 on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.



Los Angeles, California  
September 27, 2023

## **Management's Discussion and Analysis**

# Cal Poly Pomona Foundation, Inc.

## Management's Discussion and Analysis ("MD&A") Year Ended June 30, 2023

### Introduction

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

The following discussion and analysis provides an overview of the financial position and activities of the Foundation for the year ended June 30, 2023.

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

### Overview of the Financial Statements

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

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

#### Statement of Net Position

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

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

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

#### Statement of Cash Flows

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

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

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

Cal Poly Pomona Foundation, Inc.

Management's Discussion and Analysis ("MD&A")  
Year Ended June 30, 2023

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

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

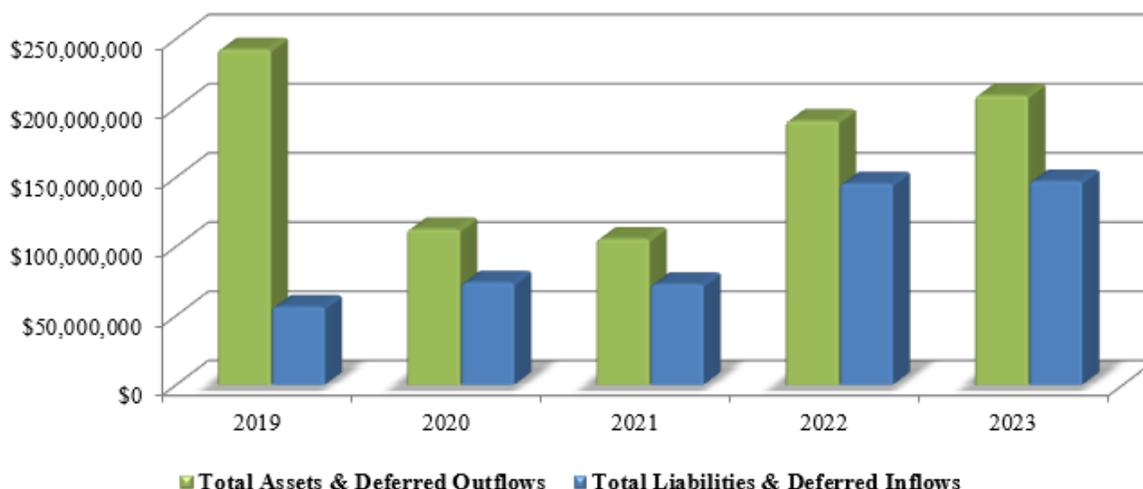
	2023 (in thousands)	2022 (in thousands)
<b>Assets</b>		
Current assets	\$ 63,449	\$ 47,480
Noncurrent assets		
Restricted cash and cash equivalents	5	74
Accounts receivable, net of current portion	2,313	2,313
Lease receivables, net of current portion	93,067	93,595
Long-term investments	1,433	1,334
Capital assets, net	39,004	43,088
Total noncurrent assets	<u>135,822</u>	<u>140,404</u>
<b>Total assets</b>	<u>199,271</u>	<u>187,884</u>
<b>Deferred outflows of resources</b>		
Net pension liability	6,750	2,427
Net OPEB liability	3,042	476
<b>Total deferred outflows of resources</b>	<u>9,792</u>	<u>2,903</u>
<b>Liabilities</b>		
Current liabilities	12,130	11,610
Noncurrent liabilities	39,361	29,945
<b>Total liabilities</b>	<u>51,491</u>	<u>41,555</u>
<b>Deferred inflows of resources</b>		
Net pension liability	3,404	7,825
Leases	91,018	92,897
Net OPEB liability	493	2,595
Split interest agreements	715	583
<b>Total deferred inflows of resources</b>	<u>95,630</u>	<u>103,900</u>
<b>Net position</b>		
Net investment in capital assets	20,984	22,773
Restricted unvested grant assets	222	2,402
Unrestricted	40,736	20,157
<b>Total net position</b>	<u>\$ 61,942</u>	<u>\$ 45,332</u>

Cal Poly Pomona Foundation, Inc.

Management's Discussion and Analysis ("MD&A")  
Year Ended June 30, 2023

Total assets and deferred outflows were \$209.1 million and \$190.8 million for fiscal years 2023 and 2022, respectively. The increase between 2023 and 2022 of \$18.3 million or 9.6% is attributed to the increase in current assets of \$16.0 million and \$6.9 million in pension and OPEB liabilities, and a decrease of \$4.1 million in net capital assets.

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



Total liabilities and deferred inflows were \$147.1 million and \$145.4 million for the fiscal years 2023 and 2022, respectively. The net increase of \$1.7 million is sprinkled throughout multiple areas such as an increase of \$9.6 million in non-current liabilities and a decrease of \$8.4 million in net pension liability, leases and net OPEB liability.

**Net Position**

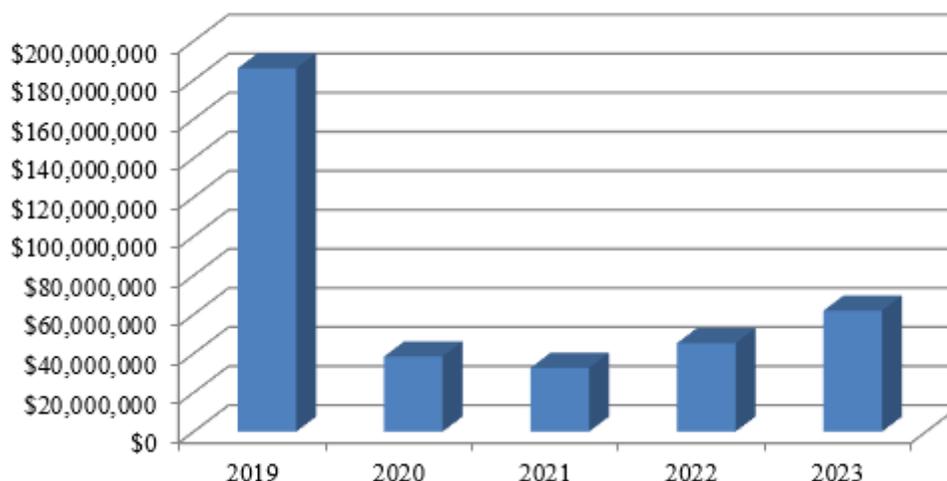
Net position represents the residual interest in the Foundation's assets after liabilities are deducted. The Foundation's net position is as follows:

	2023 (in thousands)	2022 (in thousands)
Net investment in capital assets	\$ 20,984	\$ 22,773
Restricted		
Expendable	222	2,402
Unrestricted	40,736	20,157
<b>Net position</b>	<b>\$ 61,942</b>	<b>\$ 45,332</b>

Management's Discussion and Analysis ("MD&A")  
Year Ended June 30, 2023

Net position increased by 36.6% or \$16.6 million primarily in unrestricted entrepreneurial activities of the Foundation as well as program activities. Net investment in capital assets decreased by \$1.8 million or 7.9%.

**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:

	2023 (in thousands)	2022 (in thousands)
<b>Operating revenues</b>		
Educational activities	\$ 19,232	\$ 7,442
Enterprise activities	49,902	37,247
Grants and contracts	19,093	18,436
Admin and real estate activities	10,465	11,271
<b>Total operating revenues</b>	<u>98,692</u>	<u>74,396</u>
<b>Operating expenses</b>	<u>83,092</u>	<u>64,143</u>
<b>Operating income</b>	<u>15,600</u>	<u>10,253</u>
<b>Nonoperating revenues (expenses)</b>		
Gain on PPP loan forgiveness	3,795	-
Investment income, net	2,137	(2,982)
Interest expense	(1,294)	(1,133)
Other nonoperating expenses	(3,628)	(1,019)
<b>Net nonoperating revenues (expenses)</b>	<u>1,010</u>	<u>(5,134)</u>
<b>Change in net position</b>	16,610	5,119
<b>Net position</b>		
Net position, beginning of year	45,332	40,213
Net position, end of year	<u>\$ 61,942</u>	<u>\$ 45,332</u>

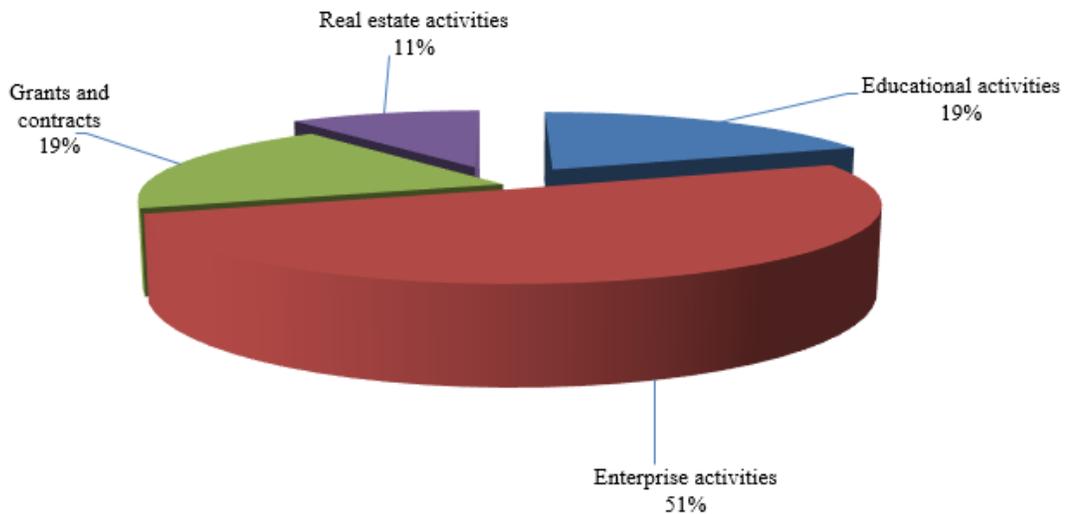
**Management's Discussion and Analysis ("MD&A")  
Year Ended June 30, 2023**

During the fiscal year 2023, total operating revenues increased 32.7% or \$24.3 million as student population continued to increase on campus than the previous years which heavily impacted enterprise activities, mainly catering events. Operating expenses increased 30% or \$18.9 million because of the increase in enterprise activities.

The net nonoperating revenues were approximately \$1.0 million. Net investment gain for the year was approximately \$2.1 million as the market continued to rebound with positive momentum.

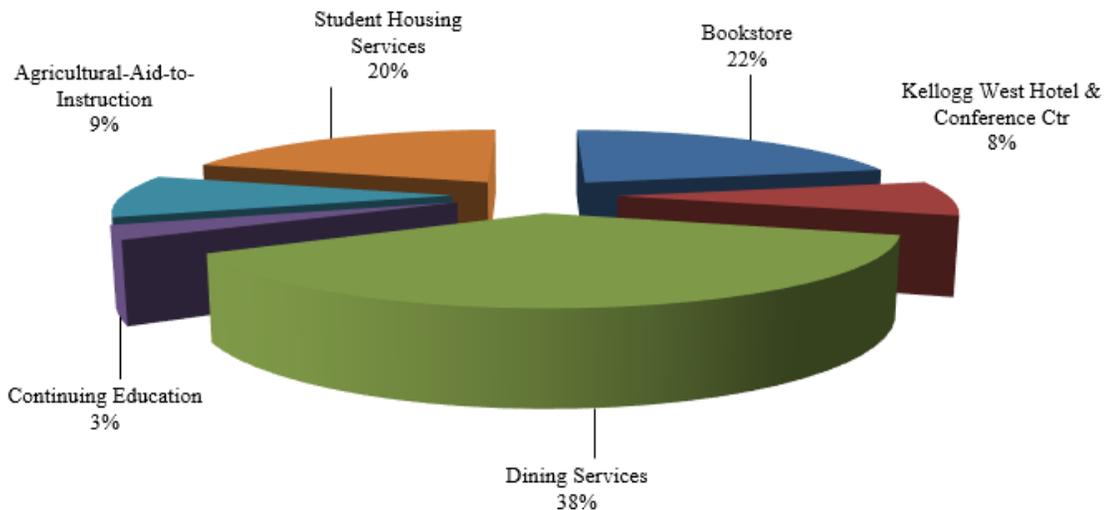
Operating revenues also include grants and contracts awarded by governmental and private institutions. Amounts administered by the Foundation are recorded as revenue and expense in the financial statements.

**Operating Revenues**



Auxiliary enterprise operating revenues consist of the following programs:

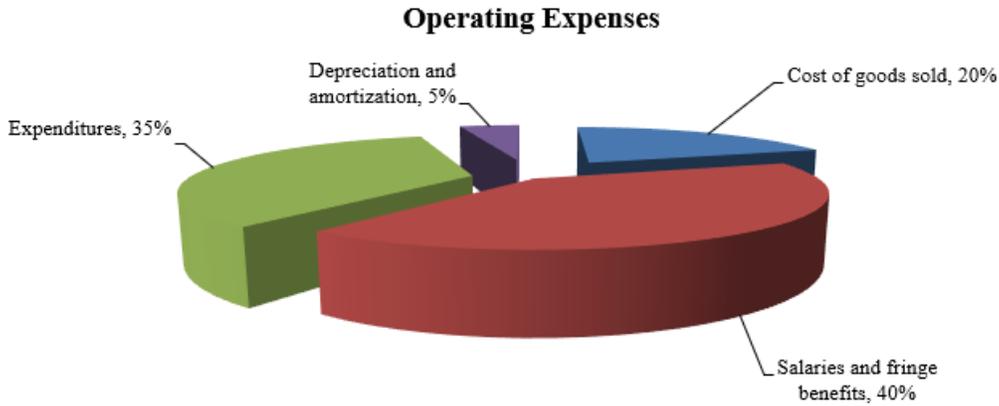
**Enterprise Revenues**



**Management's Discussion and Analysis ("MD&A")  
Year Ended June 30, 2023**

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

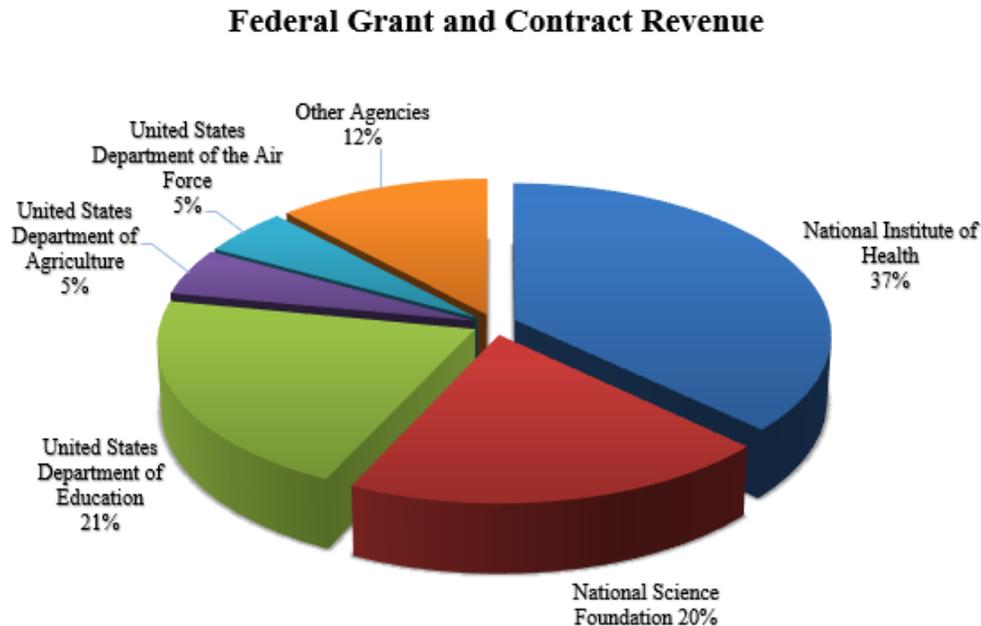
In fiscal year 2023, operating expenses consist of cost of goods sold of \$16.4 million, salaries and fringe benefits of \$34.1 million, payments to vendors of \$28.9 million, and depreciation and amortization of \$3.7 million.



**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 2022-23, University faculty and staff have secured over \$37.1 million in external funds representing 356 projects.

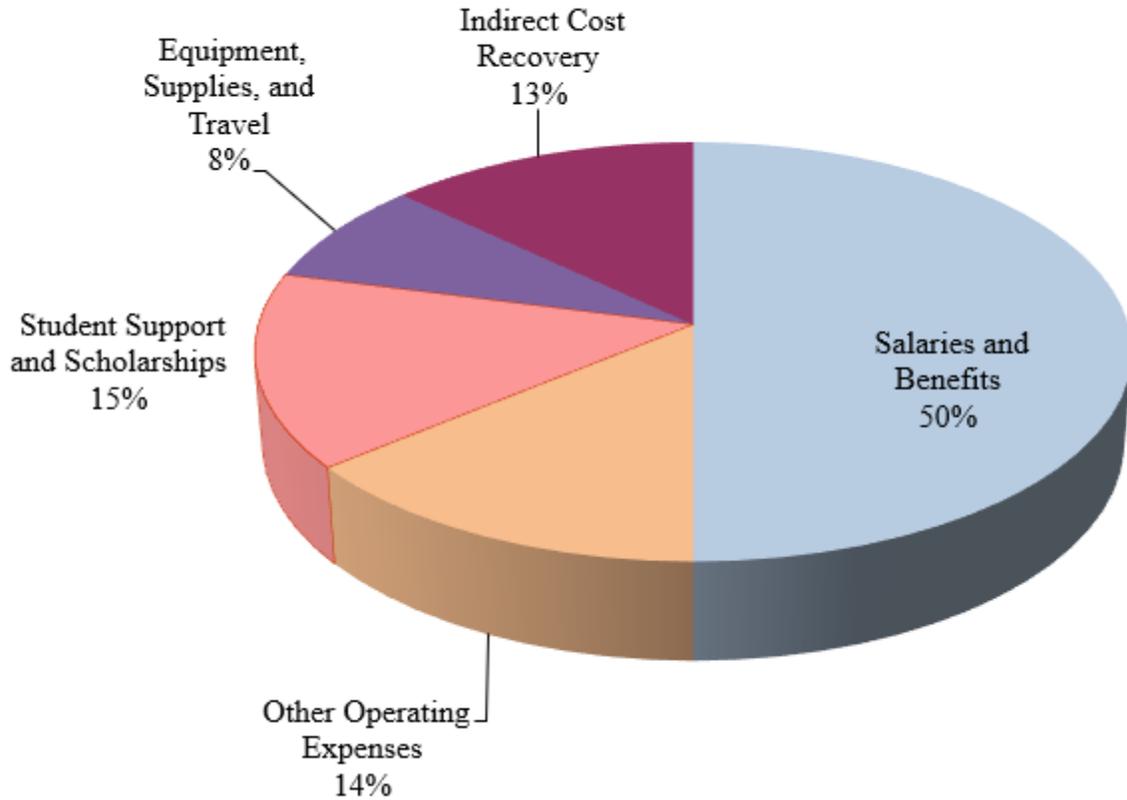
Federal grant and contract awards received represents 86% of the sponsored program activity and includes support from a variety of agencies including:



Management's Discussion and Analysis ("MD&A")  
Year Ended June 30, 2023

During the last two fiscal years, grants and contracts expenditures totaled \$31.8 million consisting of federal grants and contracts of \$25.0 million, state grants and contracts of \$4.7 million, and non-governmental grants and contracts of \$2.1 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 \$4.3 million in fiscal year 2022-23 and 2021-22. This income is used to pay for the pre-award operating costs of the Office of Research and Sponsored Programs and the Foundation's post award administrative fee, with the excess being returned to Academic Affairs for distribution back to the Academic/University units that generated the activity.

**Factors Impacting Future Periods**

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

## **Basic Financial Statements**

Cal Poly Pomona Foundation, Inc.

Statement of Net Position  
June 30, 2023

Assets	
Current assets	
Cash and cash equivalents	\$ 15,815,328
Short-term investments	31,544,944
Accounts receivable, current portion, net	7,130,695
Accounts receivable from related parties	5,687,463
Lease receivables, current portion	880,327
Inventories	1,788,820
Assets held for sale	349,807
Prepaid expenses and other assets	<u>251,613</u>
Total current assets	<u>63,448,997</u>
Noncurrent assets	
Restricted cash and cash equivalents	4,521
Accounts receivable, net of current portion	2,312,657
Lease receivables, net of current portion	93,066,892
Long-term investments	1,432,693
Capital assets, net	<u>39,004,146</u>
Total noncurrent assets	<u>135,820,909</u>
Total assets	<u>199,269,906</u>
Deferred outflows of resources	
Net pension liability	6,750,417
Net OPEB liability	<u>3,041,762</u>
Total deferred outflows of resources	<u>\$ 9,792,179</u>

**Cal Poly Pomona Foundation, Inc.**

**Statement of Net Position  
June 30, 2023**

Liabilities	
Current liabilities	
Accounts payable	\$ 2,848,002
Accounts payable to related parties	1,011,626
Accrued salaries and benefits payable	871,883
Accrued compensated absences	762,434
Unearned revenue	1,970,160
Lease liabilities, current portion	1,345,439
Other liabilities	<u>3,320,909</u>
Total current liabilities	<u>12,130,453</u>
Noncurrent liabilities	
Lease liabilities, net of current portion	17,654,843
Net pension liability	13,376,813
Net OPEB liability	7,604,028
Unitrust liability	<u>725,271</u>
Total noncurrent liabilities	<u>39,360,955</u>
Total liabilities	<u>51,491,408</u>
Deferred inflows of resources	
Net pension liability	3,403,656
Leases	91,018,444
Net OPEB liability	493,283
Split interest agreements	<u>715,310</u>
Total deferred inflows of resources	<u>95,630,693</u>
Net position	
Net investment in capital assets	20,984,450
Restricted unvested grant assets	221,587
Unrestricted	<u>40,733,947</u>
Total net position	<u><u>\$ 61,939,984</u></u>

See Notes to Financial Statements.

**Cal Poly Pomona Foundation, Inc.**

**Statement of Revenues, Expenses, and Changes in Net Position  
Year Ended June 30, 2023**

Operating revenues	
Educational activities	\$ 19,231,851
Enterprise activities	49,901,463
Grants and contracts	19,092,994
Real estate activities	<u>10,464,954</u>
Total operating revenues	<u>98,691,262</u>
Operating expenses	
Educational activities	7,717,490
Enterprise activities	40,615,942
Grants and contracts	17,121,606
Administrative and real estate activities	13,881,954
Depreciation and amortization	<u>3,756,290</u>
Total operating expenses	<u>83,093,282</u>
Operating income	<u>15,597,980</u>
Nonoperating revenues (expenses)	
Gain on PPP loan forgiveness	3,795,000
Investment income	2,137,032
Interest expense	(1,293,530)
Other nonoperating expenses	<u>(3,628,149)</u>
Net nonoperating revenues	<u>1,010,353</u>
Change in net position	16,608,333
Net position, beginning of year	<u>45,331,651</u>
Net position, end of year	<u><u>\$ 61,939,984</u></u>

See Notes to Financial Statements.

**Cal Poly Pomona Foundation, Inc.**

**Statement of Cash Flows  
Year Ended June 30, 2023**

Cash flows from operating activities	
Receipts from federal grants and contracts	\$ 15,638,642
Receipts from state and local grants and contracts	2,689,470
Receipts from nongovernmental grants and contracts	1,180,029
Payments to suppliers	(41,475,594)
Payments to employees	(24,778,490)
Payments for benefits	(8,565,332)
Sales and services of educational activities	18,847,079
Sales and services of enterprise activities	51,205,493
Other receipts	<u>3,681,673</u>
Net cash provided by operating activities	<u>18,422,970</u>
Cash flows from noncapital financing activities	
Other noncapital financing activities	<u>166,851</u>
Net cash provided by noncapital financing activities	<u>166,851</u>
Cash flows from capital and related financing activities	
Acquisitions of capital assets	(3,297,182)
Proceeds from sale or transfer of capital assets	3,624,966
Principal paid on capital debt and lease	(1,315,098)
Interest paid on capital debt and lease	(1,293,530)
Principal collections on lease receivable	830,564
Deferred inflow of leases	<u>(1,879,012)</u>
Net cash used in capital and related financing activities	<u>(3,329,292)</u>
Cash flows from investing activities	
Proceeds from sales and maturities of investments	27,763,179
Purchases of investments	(30,712,375)
Investment loss	<u>(118,031)</u>
Net cash used in investing activities	<u>(3,067,227)</u>
Net increase in cash and cash equivalents	12,193,302
Cash and cash equivalents, beginning	<u>3,626,547</u>
Cash and cash equivalents, end	<u><u>\$ 15,819,849</u></u>
Breakdown of ending cash balance	
Cash and cash equivalents	\$ 15,815,328
Restricted cash and cash equivalents	<u>4,521</u>
	<u><u>\$ 15,819,849</u></u>

Cal Poly Pomona Foundation, Inc.

Statement of Cash Flows  
Year Ended June 30, 2023

Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 15,597,980
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization	3,756,290
Lease receivable additions	(369,068)
PPP loan forgiveness	(3,795,000)
Change in assets and liabilities	
Accounts receivable, net	1,259,653
Prepaid expenses and other assets	206,447
Deferred outflows of resources	(6,889,018)
Accounts payable and accounts payable to related parties	(449,579)
Accrued salaries and benefits payable	13,667
Accrued compensated absences	(72,408)
Unearned revenue	241,136
Net other postemployment benefits liability	3,220,894
Net pension liability	10,971,197
Other liabilities	1,121,942
Deferred inflows of resources	<u>(6,391,163)</u>
Net cash provided by operating activities	<u>\$ 18,422,970</u>
Supplemental schedule of noncash activities	
Transfers of noncapital assets to the University	\$ 119,421
Transfers of capital assets to the University	<u>3,508,728</u>
Net transfers to the University	<u>\$ 3,628,149</u>

See Notes to Financial Statements.

**Cal Poly Pomona Foundation, Inc.**  
**Statement of Fiduciary Net Position**  
**June 30, 2023**

	<u>Bronco Bucks</u>
Assets	
Current assets	
Cash	<u>\$ 429,553</u>
Total assets	<u>429,553</u>
Net position	
Restricted:	
Funds held for others	<u>429,553</u>
Total net position	<u><u>\$ 429,553</u></u>

See Notes to Financial Statements.

Cal Poly Pomona Foundation, Inc.

Statement of Changes in Fiduciary Net Position  
Year Ended June 30, 2023

	<u>Bronco Bucks</u>
Additions	
Program income	<u>\$ 1,064,220</u>
Total additions	<u>1,064,220</u>
Deductions	
Distributions	<u>1,022,166</u>
Total deductions	<u>1,022,166</u>
Change in fiduciary net position	42,054
Fiduciary net position, beginning of year	<u>387,499</u>
Fiduciary net position, end of year	<u><u>\$ 429,553</u></u>

See Notes to Financial Statements.

## Cal Poly Pomona Foundation, Inc.

### Notes to Financial Statements June 30, 2023

#### Note 1 - Organization

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

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

##### Financial reporting entity

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

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

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

##### Basis of presentation

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

##### Basis of accounting

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

## Cal Poly Pomona Foundation, Inc.

### Notes to Financial Statements June 30, 2023

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

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

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

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

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

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

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

#### **Accounts receivable**

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

#### **Leases receivable**

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

#### **Inventories**

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

#### **Investments and endowment investments**

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

## Cal Poly Pomona Foundation, Inc.

### Notes to Financial Statements June 30, 2023

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

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

#### **Lease assets**

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

#### **Capital assets**

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

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

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

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

#### **Unearned revenue**

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

## Cal Poly Pomona Foundation, Inc.

### Notes to Financial Statements June 30, 2023

#### **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 reporting period and thus, will not be recognized as an inflow of resources (income) until then. The Foundation has a deferred gain on split interest agreements with charitable trusts and an advance refunding, resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

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

## Cal Poly Pomona Foundation, Inc.

### Notes to Financial Statements June 30, 2023

#### **Net position**

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

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

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

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

#### **Classification of revenues and expenses**

The Foundation considers operating revenues and expenses in the Statement of Revenues, Expenses, and Changes in Net Position to be those revenues and expenses that result from exchange transactions or from other activities that are connected directly to the Foundation's primary functions. Exchange transactions include charges for services rendered and the acquisition of goods and services. Certain other transactions are reported as nonoperating revenues and expenses in accordance with GASB Statement No. 33. These nonoperating activities include the Foundation's net investment income, interest expense, transfer of assets to the University, and transfer of assets to the Philanthropic Foundation.

#### **Income taxes**

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

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

#### **Estimates**

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

#### **Subsequent events**

The Foundation has evaluated subsequent events through September 27, 2023, which is the date the financial statements were available to be issued.

Cal Poly Pomona Foundation, Inc.

Notes to Financial Statements  
June 30, 2023

**Note 3 - Credit risk**

**Custodial credit risk**

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

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

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, 2023, all investments are in the name of the Foundation, and the Foundation is not exposed to custodial credit risk associated with its investments.

Following is a list of acceptable instruments to invest in as of June 30, 2023:

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

**Interest rate risk**

This is the risk of loss due to the fair value of an investment falling due to rising interest rates. As a means of limiting its exposure to fair value losses from rising interest rates, in accordance with its investment policies, the Foundation authorized investment of up to 10% of the market value of the asset class in non-investment grade debt provided that all such investments shall be made through mutual funds so as to diversify risk.

As of June 30, 2023, all mutual funds invested in fixed income securities, with total fair value of \$172,688, and have a duration between one and four years, were included in general investments.

**Cal Poly Pomona Foundation, Inc.**

**Notes to Financial Statements  
June 30, 2023**

**Credit risk**

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

The Foundation had the following investments subject to credit risk:

Investment type	Rating (S&P/Moody's)	Fair value
Fixed income mutual funds	AA- through AA+	\$ 172,688
Corporate bonds	BB- through BB+	8,464,615
US treasury securities	AAA	9,851

At June 30, 2023, 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	\$ -	\$ 172,688	\$ -	\$ -	\$ 172,688
Corporate bonds	8,242,932	-	-	221,683	8,464,615
U.S. treasury securities	-	-	-	9,851	9,851
	<u>\$ 8,242,932</u>	<u>\$ 172,688</u>	<u>\$ -</u>	<u>\$ 231,534</u>	<u>\$ 8,647,154</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, 2023**

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, 2023, 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, 2023, are composed of the following:

Cash on hand	\$ 3,374
Cash in bank	557,211
Cash and cash equivalents	15,254,743
Restricted cash and cash equivalents	4,521
	\$ 15,819,849

**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, 2023, cash held by financial institutions for the Foundation of \$15,811,954 was insured and collateralized as described above. At June 30, 2023 the book balance for the Foundation was \$557,211, cash and cash equivalents was \$15,254,743 and restricted cash and cash equivalents was \$4,521.

## Cal Poly Pomona Foundation, Inc.

### Notes to Financial Statements June 30, 2023

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, 2023, the Foundation's bank deposits exceeded the balance insured by the FDIC by \$2,620,251. 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, 2023, investments consist of the following:

Common stocks	\$ 17,946,876
Corporate bonds	8,464,615
U.S. treasury securities	9,851
Indexed annuity	255,177
Fixed income mutual funds	172,688
Local agency investment fund	100,172
Alternative investments	<u>6,028,258</u>
Total investments	<u>32,977,637</u>
Less short-term investments	<u>31,544,944</u>
Long-term investments	<u>\$ 1,432,693</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, 2023 due to the relative short maturities of these instruments.

**Cal Poly Pomona Foundation, Inc.**

**Notes to Financial Statements  
June 30, 2023**

At June 30, 2023, the investments are carried at fair value and are classified in the table below in one of the three categories as described above:

	Level 1	Level 2	Level 3	Investments measured at NAV	Total
Common stocks	\$ 17,946,876	\$ -	\$ -	\$ -	\$ 17,946,876
Corporate bonds	-	8,464,615	-	-	8,464,615
U.S. treasury securities	-	9,851	-	-	9,851
Indexed annuity	255,177	-	-	-	255,177
Fixed income mutual funds	172,688	-	-	-	172,688
Local agency investment fund	-	-	-	100,172	100,172
Alternative investments	-	-	-	6,028,258	6,028,258
<b>Total</b>	<b>\$ 18,374,741</b>	<b>\$ 8,474,466</b>	<b>\$ -</b>	<b>\$ 6,128,430</b>	<b>\$ 32,977,637</b>

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

At June 30, 2023, the Foundation has the following investments in limited partnerships that calculate net asset value ("NAV") per share:

Description	NAV	Unfunded commitments	Redemption terms	Redemption notice period
Private Equity Funds				
Hamilton Lane	\$ 2,558,920	\$ 616,666	None	None
Premier LCP X Offshore	4,000	396,000	None	None
Oak Street	18,171	281,949	None	None
Hedge Funds				
Coatue Offshore	254,589	-	Quarterly	45 Calendar Days
Hudson Bay Ltd - Advisory	576,256	-	Quarterly	60 Days
Schonfeld Ltd	677,994	-	Quarterly	45 Calendar Days
Seg Partners Offsh Class I	245,195	-	Quarterly	60 Days
Third Point	223,761	-	Quarterly	60 Days
Hedge Funds - Shares				
Blackstone BCRED	227,967	-	Monthly	3 Days
BREIT CL I	513,806	-	Monthly	3 Days
HP/Starboard Value Ltd	267,062	-	Quarterly	90 Calendar Days Tender Window
Partners Group Pe - I	460,537	-	Quarterly	Announcements
	<u>\$ 6,028,258</u>	<u>\$ 1,294,615</u>		

**Investment earnings**

Net investment income was \$2,137,032 for the year ended June 30, 2023, 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, 2023

**Note 6 - Accounts receivable**

The following is a summary of accounts receivable at June 30, 2023:

Real estate	\$	2,693,171
Enterprise activities		1,989,073
Grants and contracts		3,855,315
Educational activities		981,204
Less allowance for uncollectible amounts		<u>(75,411)</u>
Subtotal accounts receivable		<u>9,443,352</u>
Due from related parties		<u>5,687,463</u>
Total accounts receivable		<u>15,130,815</u>
Less due from related parties		5,687,463
Less current accounts receivable		<u>7,130,695</u>
Noncurrent accounts receivable	\$	<u><u>2,312,657</u></u>

**Cal Poly Pomona Foundation, Inc.**

**Notes to Financial Statements  
June 30, 2023**

**Note 7 - Capital assets**

The capital assets balance at June 30, 2023, consists of the following activity:

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Capital assets, not being depreciated				
Land	\$ 7,102,910	\$ -	\$ -	\$ 7,102,910
Construction in progress	21,909	698,461	155,556	564,814
<b>Total capital assets not being depreciated</b>	<b>7,124,819</b>	<b>698,461</b>	<b>155,556</b>	<b>7,667,724</b>
Capital assets being depreciated				
Buildings and building improvements	36,720,557	388,191	9,128	37,099,620
Orchards	143,638	-	-	143,638
Infrastructure	8,651,467	-	-	8,651,467
Equipment, furniture and vehicles	15,286,613	2,210,529	4,402,081	13,095,061
Right-of-use leases				
Land and building	21,410,300	-	-	21,410,300
Equipment, furniture and vehicles	31,339	-	-	31,339
<b>Total capital assets being depreciated</b>	<b>82,243,914</b>	<b>2,598,720</b>	<b>4,411,209</b>	<b>80,431,425</b>
<b>Total capital assets</b>	<b>89,368,733</b>	<b>3,297,181</b>	<b>4,566,765</b>	<b>88,099,149</b>
Less accumulated depreciation/amortization for				
Buildings and building improvements	30,208,207	695,044	-	30,903,251
Orchards	133,719	1,177	-	134,896
Infrastructure	3,008,709	216,253	-	3,224,962
Equipment, furniture and vehicles	11,218,514	1,133,236	941,799	11,409,951
Right-of-use leases				
Land and building	1,703,597	1,702,814	-	3,406,411
Equipment, furniture and vehicles	7,766	7,766	-	15,532
<b>Total accumulated depreciation</b>	<b>46,280,512</b>	<b>3,756,290</b>	<b>941,799</b>	<b>49,095,003</b>
<b>Depreciable assets, net</b>	<b>35,963,402</b>	<b>(1,157,570)</b>	<b>3,469,410</b>	<b>31,336,422</b>
<b>Total capital assets - net</b>	<b>\$ 43,088,221</b>	<b>\$ (459,109)</b>	<b>\$ 3,624,966</b>	<b>\$ 39,004,146</b>

For the year ended June 30, 2023 depreciation expense was \$2,045,710 and amortization expense was \$1,710,580. Decreases in capital assets was mainly attributable to capital asset transfers to the University during the year totaling \$3,508,728.

**Note 8 - Line of credit**

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

**Cal Poly Pomona Foundation, Inc.**

**Notes to Financial Statements  
June 30, 2023**

The Foundation could have selected interest periods of one, three, or six months for each advance. The Foundation had to maintain a zero balance on advances under the line of credit for a period of at least thirty (30) consecutive days during each 12-month period. The Foundation must have maintained a minimum unrestricted liquidity of no less than \$6,000,000 when extended at any time. For purposes of this note, minimum unrestricted liquidity is the sum of the total cash, cash equivalents, and investments less amounts listed on the Statement of Net Position that were Restricted for Nonexpendable and Expendable purposes.

**Note 9 - Gain on PPP loan forgiveness**

On May 19, 2021, the Foundation was granted a loan (the "Loan") from Newtek Small Business Finance, LLC in the aggregate amount of \$3,795,000, pursuant to the Paycheck Protection Program ("PPP") under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), which was enacted March 27, 2020. The Loan, which was in the form of a Note dated May 21, 2021 is set to mature on May 20, 2025, bearing interest at a rate of 1% per annum under the updated guidance of the CARES Act. Per the terms of the PPP Loan, a portion of the Loan's principal was eligible to be forgiven depending on how the Foundation used the funds. During the year ended June 30, 2022, the Foundation submitted its application for loan forgiveness and received notice in September 2022 from its lender that the forgiveness was approved for the full amount of the Loan. Accordingly, the Foundation derecognized the \$3,795,000 loan and recognized a corresponding gain on PPP Loan forgiveness which is included in the accompanying statement of revenues, expenses, and changes in net position. There is a six-year period during which the SBA can review the Foundation's forgiveness calculation.

**Note 10 - Lease receivables**

Lease receivable income was \$2,062,665 for the year ended June 30, 2023, which is comprised of \$830,564 of principal payments and \$1,232,101 of interest payments.

Lease receivables consists of the following as of June 30, 2023:

Name	Balance June 30, 2022	Additions	Principal payments	Balance June 30, 2023
Aeroscience	\$ 49,193	\$ -	\$ 15,088	\$ 34,105
American National Red Cross	19,023,451	-	172,863	18,850,588
Biomedix	48,819	369,068	65,434	352,453
Biomedix	201,838	-	43,441	158,397
Blair, Church & Flynn Consulting Engineers	42,662	-	20,812	21,850
Circle Wood	203,728	-	99,385	104,343
Mesa	790,921	-	250,815	540,106
Titan Oil Recovery, Inc.	167,626	-	69,309	98,317
Southern California Edison III	18,889,797	-	28,567	18,861,230
Southern California Edison IV	22,543,142	-	59,674	22,483,468
Southern California Edison V	32,447,538	-	5,176	32,442,362
	<u>\$ 94,408,715</u>	<u>\$ 369,068</u>	<u>\$ 830,564</u>	<u>\$ 93,947,219</u>

# Cal Poly Pomona Foundation, Inc.

## Notes to Financial Statements June 30, 2023

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
Aeroscience	S670W. Temple Ave., Pomona, CA91768	135	8/1/2022	7/31/2025	36	1.86%	\$ 1,133	3% - 2nd yr 3% - 3rd yr	\$ 1,334
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	\$ 43,721
Biomedix	S670W. Temple Ave., Pomona, CA91768	277	10/1/2021	9/30/2026	60	1.86%	\$ 3,816	3% - 2nd yr 3% - 3rd yr 4% - 4th yr 4% - 5th yr	\$ 3,931
Biomedix	S670W. Temple Ave., Pomona, CA91768	195 & 196	4/1/2023	3/31/2028	60	1.86%	\$ 5,904	Based on CPI rate	\$ 5,904
Blair, Church & Flynn Consulting Engineers	S670W. Temple Ave., Pomona, CA91768	110	6/15/2021	6/30/2024	36	1.86%	\$ 1,734	3% - 2nd yr 3% - 3rd yr	\$ 1,786
Circle Wood	S670W. Temple Ave., Pomona, CA91768	273 & 275	7/1/2019	6/30/2024	60	1.86%	\$ 7,804	3% - 2nd yr 3% - 3rd yr 3% - 4th yr 3% - 5th yr	\$ 8,527
Mesa	S670W. Temple Ave., Pomona, CA91768	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	\$ 21,948
Southern California Edison III	Lease land within the Innovation Village Project	-	4/14/2006	4/14/2081	900	1.30%	\$ 16,941	Based on CPI rate	\$ 22,830
Southern California Edison IV	Lease land within the Innovation Village Project	-	1/15/2009	1/15/2084	900	0.90%	\$ 16,154	Based on CPI rate	\$ 21,860
Southern California Edison V	Lease land within the Innovation Village Project	-	11/11/2014	4/1/2089	900	1.10%	\$ 26,461	Based on CPI rate	\$ 30,173
Titan Oil Recovery, Inc.	S670W. Temple Ave., Pomona, CA91768	270	11/1/2021	10/31/2024	36	1.86%	\$ 5,869	3% - 2nd yr 3% - 3rd yr	\$ 6,045

**Cal Poly Pomona Foundation, Inc.**

**Notes to Financial Statements  
June 30, 2023**

Future payments are 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>
2024	\$ 880,327	\$ 1,171,747	\$ 2,052,074
2025	782,081	1,157,060	1,939,141
2026	502,887	1,146,264	1,649,151
2027	493,912	1,138,312	1,632,224
2028	499,771	1,130,435	1,630,206
2029-2033	2,791,671	5,535,632	8,327,303
2034-2038	3,884,795	5,290,388	9,175,183
2039-2043	5,148,630	4,960,882	10,109,512
2044-2048	6,605,099	4,533,808	11,138,907
2049-2053	8,279,154	3,994,107	12,273,261
2054-2058	10,023,350	3,324,880	13,348,230
2059-2063	6,549,428	2,781,233	9,330,661
2064-2068	7,881,184	2,387,304	10,268,488
2069-2073	9,385,196	1,915,212	11,300,408
2074-2078	11,081,366	1,354,846	12,436,212
2079-2083	11,834,990	704,328	12,539,318
2084-2088	6,386,738	222,423	6,609,161
2089-2093	936,640	4,311	940,951
	<u>\$ 93,947,219</u>	<u>\$ 42,753,172</u>	<u>\$ 136,700,391</u>

**Note 11 - Lease liabilities**

Lease liabilities consists of the following as of June 30, 2023:

<u>Name</u>	<u>Balance June 30, 2022</u>	<u>Additions</u>	<u>Principal payments</u>	<u>Balance June 30, 2023</u>
Ricoh Copier/Printer	\$ 9,677	\$ -	\$ 2,321	\$ 7,356
Ricoh Copier/Printer	2,098	-	867	1,231
Ricoh Copier/Printer	6,476	-	2,679	3,797
Ricoh Copier/Printer	5,383	-	2,227	3,156
CTTI - Tech Park Ground	869,209	-	285,307	583,902
University Village (Phase III) Ground	19,422,537	-	1,021,697	18,400,840
	<u>\$ 20,315,380</u>	<u>\$ -</u>	<u>\$ 1,315,098</u>	<u>\$ 19,000,282</u>

**Cal Poly Pomona Foundation, Inc.**

**Notes to Financial Statements  
June 30, 2023**

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

<u>Description</u>	<u>Address</u>	<u>Lease start date</u>	<u>Lease end date</u>	<u>Lease term (months)</u>	<u>Current payment per month</u>
Ricoh Copier/Printer	Research Office 3801 W. Temple, Bldg. 1, RM 224, Pomona, CA 91768-2557	N/A	N/A	Month-to-month	\$ 216
Ricoh Copier/Printer	CPGE 3801 W. Temple, Bldg. 220C Pomona, CA 91768-2557	N/A	N/A	Month-to-month	\$ 316
Ricoh Copier/Printer	Kellogg West 3801 W. Temple Ave., Bldg. 76, Pomona, CA 91768-2557	8/23/2021	8/31/2026	60	\$ 193
Ricoh Copier/Printer	University Village 3801 W. Temple Ave., Pomona, CA 91768-2557	4/29/2021	8/31/2024	40	\$ 72
Ricoh Copier/Printer	Research Office 3801 W. Temple, Bldg. 1, RM 55, Pomona, CA 91768-2557	8/14/2019	8/31/2024	60	\$ 223
Ricoh Copier/Printer	Bronco Bookstore 3801 W. Temple Ave., Bldg. 66, Pomona, CA 91768-2557	10/29/2019	10/31/2024	60	\$ 186
Center for Training, Technology & Incubation - Tech Park Ground Lease	3650-3670 W. Temple Avenue, Pomona, CA 91768	8/1/2000	11/30/2024	292	\$ 23,868
University Village (Phase I, II, III) Ground Lease	3400 Poly Vista, Pomona CA 91768	5/1/2003	11/30/2035	391	\$ 85,141

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

<u>Fiscal year</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal and interest</u>
2024	\$ 1,345,439	\$ 333,700	\$ 1,679,139
2025	1,329,814	329,113	1,658,927
2026	1,386,462	303,717	1,690,179
2027	1,408,699	275,358	1,684,057
2028	1392014	244088	1,636,102
2029 - 2033	7,363,483	807,951	8,171,434
2034 - 2038	4,774,371	136,989	4,911,360
	<u>\$ 19,000,282</u>	<u>\$ 2,430,916</u>	<u>\$ 21,431,198</u>

**Cal Poly Pomona Foundation, Inc.**

**Notes to Financial Statements  
June 30, 2023**

**Note 12 - Long-term liabilities**

A schedule of changes in long-term liabilities for the year ended June 30, 2023 is shown below:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Amount due within one year
Lease liability	\$ 20,315,380	\$ -	\$ 1,315,098	\$ 19,000,282	\$ 1,345,439
PPP Loan	3,795,000	-	3,795,000	-	-
Compensated absences	834,842	7,310,264	7,382,672	762,434	762,434
Net pension liability	2,405,616	10,971,197	-	13,376,813	-
Unitrust liability	827,905	-	102,634	725,271	-
Net OPEB liability	4,383,134	4,580,814	1,359,920	7,604,028	-
	<u>\$ 32,561,877</u>	<u>\$ 22,862,275</u>	<u>\$ 13,955,324</u>	<u>\$ 41,468,828</u>	<u>\$ 2,107,873</u>

**Note 13 - 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, 2023, receivables from other activities and due from the University are \$5,115,589. Accounts payable include \$906,818 due to the University at June 30, 2023.

The Foundation made payments of \$10,319,348 to the University during the current fiscal year based on the agreements. Amounts paid to the Foundation during fiscal year 2022-23 totaled \$35,919,360.

During fiscal year 2022-23, the Foundation transferred assets totaling \$3,628,149 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 2022-23 totaled \$535,237. Amounts paid to the Foundation during fiscal year 2022-23 totaled \$2,639,300.

At June 30, 2023, accounts payable due to the Philanthropic Foundation totaled \$0. Accounts receivable due from the Philanthropic Foundation totaled \$525,147.

**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 2022-2023 totaled \$1,306,491. Amounts paid to the Foundation during fiscal year 2022-2023 totaled \$491,186.

At June 30, 2023, receivables from other activities and due from ASI are \$46,727. Accounts payable due from the Foundation to ASI at June 30, 2023 totaled \$104,808.

**Cal Poly Pomona Foundation, Inc.**

**Notes to Financial Statements  
June 30, 2023**

**Note 14 - Pension plan - California Public Employees' Retirement System ("CalPERS")**

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

**Plan description**

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

**Benefits provided**

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

The First Tier Plan closed to new entrants on or after June 26, 2011. The Second Tier Plan was closed to new entrants on or after December 31, 2012.

**Cal Poly Pomona Foundation, Inc.**

**Notes to Financial Statements  
June 30, 2023**

The Plan provisions and benefits in effect at June 30, 2023, are summarized as follows:

	<b>Miscellaneous Risk Pool</b>		
	<b>First Tier Plan</b>	<b>Second Tier Plan</b>	<b>PEPRA Misc Plan</b>
Hire date:	On or Before June 25, 2011	June 26, 2011 December 31, 2012	On or after January 1, 2013
Benefit formula:	2% at 55	2% at 60	2% at 62
Benefit vesting schedule:	5 years of service	5 years of service	5 years of service
Benefit payments:	Monthly for life	Monthly for life	Monthly for life
Retirement age:	55	60	62
Required employee contribution rate:	6.92%	6.93%	6.75%
Required employer contribution rate:	12.32%	8.63%	7.47%

**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, 2023 are presented above and the total Foundation contributions were \$2,015,253.

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

As of June 30, 2023, the Foundation reported net pension liabilities for its proportionate share of the Miscellaneous Risk Pool net pension liability totaling \$13,376,813. The net pension liability was measured as of June 30, 2022. 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, 2022, the Foundation's proportion was 0.0033100, which decreased from 0.0034400 in the prior year.

**Cal Poly Pomona Foundation, Inc.**

**Notes to Financial Statements  
June 30, 2023**

For the year ended June 30, 2023, the Foundation recognized pension expense of \$4,241,770. At June 30, 2023, the Foundation reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Contributions subsequent to the measurement date	\$ 2,015,253	\$ -
Differences between expected and actual experience	2,837,034	-
Net difference between projected and actual earnings on pension plan investments	311,034	208,318
Effect of change in proportion	-	1,606,968
Difference between contributions and proportionate share of contributions	-	1,588,370
Changes of assumptions	1,587,096	-
	<u>\$ 6,750,417</u>	<u>\$ 3,403,656</u>

The deferred outflow of resources related to pensions resulting from Foundation contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

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, 2022 measurement date is 3.7 years.

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

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

<b>Years Ending June 30</b>	<b>Deferred Outflows (Inflows) of Resources</b>
2024	\$ 375,712
2025	375,712
2026	554,405
2027	25,679
	<u>\$ 1,331,508</u>

## Cal Poly Pomona Foundation, Inc.

### Notes to Financial Statements June 30, 2023

During the fiscal year ended June 30, 2023, the Foundation made contributions to the pension plan after the measurement date of \$2,015,253, 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 assumptions

Amounts reported for the measurement period ended June 30, 2022 reflect several changes in assumptions, to more closely reflect actual experience:

- A decrease in the discount rate used from 7.15% in the prior period to 6.90% in the current period.
- A decrease in the consumer price inflation from 2.50% in the prior period to 2.30% in the current period.
- A decrease in the post retirement benefits increase from Control COLA up to 2.50% in the prior period to 2.30% in the current period.

#### Actuarial methods and assumptions

For the measurement period ended June 30, 2022, the total pension liability was determined by rolling forward the June 30, 2021 actuarial accounting valuation. The June 30, 2022 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 and review of actuarial assumptions	Derived using CalPERS' Membership Data for all Funds 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 90% of Scale MP 2016 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, 2023**

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

<b>Asset Class</b>	<b>Assumed Asset Allocation</b>	<b>Real Return Years 1 - 10<sup>1,2</sup></b>
Global equity - cap-weighted	30.00%	4.45%
Global equity non-cap-weighted	12.00	3.84
Private equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed securities	5.00	0.50
Investment grade corporates	10.00	1.56
High yield	5.00	2.27
Emerging market debt	5.00	2.48
Private debt	5.00	3.57
Real assets	15.00	3.21
Leverage	(5.00)	(0.59)

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

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

**Discount rate**

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

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

<b>Discount Rate</b>	<b>Net Pension Liability</b>
1% decrease (5.9%)	\$ 21,735,868
Current discount rate (6.9%)	13,376,813
1% increase (7.9%)	6,499,387

**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 15 - Other postretirement healthcare benefits (“OPEB”) plan**

**Plan description**

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

## Cal Poly Pomona Foundation, Inc.

### Notes to Financial Statements June 30, 2023

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

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

#### **Eligibility and benefits**

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

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, 2023**

**Schedule of changes in net OPEB liability**

<u>Total OPEB Liability</u>	
Service cost	\$ 92,370
Interest	1,077,426
Differences between expected and actual experience	(286,598)
Benefit payments, including refunds of employee contributions	<u>(675,951)</u>
Net change in Total OPEB Liability	207,247
Total OPEB Liability - beginning <a>	<u>16,816,083</u>
Total OPEB Liability - ending <b>	<u><u>\$ 17,023,330</u></u>
 <u>Plan Fiduciary Net Position</u>	
Contribution - employer	\$ 397,371
Net investment income	(2,263,832)
Benefit payments, including refunds of employee contributions	(675,951)
Administrative expense	(34,920)
Retro reimbursement of benefit payments	<u>(436,315)</u>
Net change in Plan Fiduciary Net Position	(3,013,647)
Plan Fiduciary Net Position - beginning <c>	<u>12,432,949</u>
Plan Fiduciary Net Position - ending <d>	<u>9,419,302</u>
Net OPEB Liability - beginning <a> - <c>	<u>4,383,134</u>
Net OPEB Liability - ending <b> - <d>	<u><u>\$ 7,604,028</u></u>

The total OPEB liability was determined by an actuarial valuation as of June 30, 2021 with a measurement date of June 30, 2022 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, 2023**

**Plan fiduciary net position**

Detailed information about the plan fiduciary net position as of June 30, 2022 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	2.26% annual inflation.
Payroll increases	3.25% annual increases.
Baseline cost	Pre-Medicare: \$7,247 per year Post-Medicare: \$4,602 per year
Administrative expenses	\$36,221 for the measurement period ending June 30, 2022.
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	6.38%	5.00%
2024	6.13%	5.00%
2025	5.88%	5.00%
2026	5.63%	5.00%
2027	5.50%	5.00%
2028	5.38%	5.00%
2029	5.25%	5.00%
2030	5.13%	5.00%
2031 to 2036	5.00%	5.00%
2037	4.88%	4.88%
2038 to 2048	4.75%	4.75%
2049	4.63%	4.63%
2050 to 2067	4.50%	4.50%
2068	4.25%	4.25%
2069 and later	4.00%	4.00%

**Cal Poly Pomona Foundation, Inc.**

**Notes to Financial Statements  
June 30, 2023**

Mortality rates used in this valuation are those described in the 2017 CalPERS experience study.

**Pre-Retirement:** CalPERS 2017 Mortality

**Post-Retirement:** CalPERS 2017 Mortality

<b>Age</b>	<b>Sample Mortality Rates</b>			
	<b>Active Employees</b>		<b>Retired Employees</b>	
	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>
55	0.17%	0.12%	0.44%	0.41%
60	0.26%	0.17%	0.67%	0.48%
65	0.36%	0.23%	0.93%	0.64%
70	0.62%	0.39%	1.34%	0.93%
75	1.06%	0.62%	2.32%	1.63%
80	1.66%	0.94%	3.98%	3.01%
85	0.00%	0.00%	7.12%	5.42%
90	0.00%	0.00%	13.04%	10.09%

**Long-term expected rate of return**

As of June 30, 2022, the long-term expected rates of return for each major investment class in the VEBA's portfolio are as follows:

<b>Investment class</b>	<b>Target allocation</b>	<b>Long-term expected RRR</b>
Equity	54.00%	5.66%
Fixed Income	38.00%	1.12%
REITS	8.00%	5.08%
	<u>100.00%</u>	

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

**Discount rate**

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

The arithmetic long-term expected real rates of return by asset class shown above is for the next 10 years. For the years thereafter, returns were based on historical average index real returns over the last 30 years assuming a similar equity/fixed investment mix and a 2.26% inflation rate. Investment expenses were assumed to be 10 basis points per year. These returns were matched with cash flows for benefits covered by plan assets and the Fidelity Municipal GO Index as of June 30, 2022 (Bond Buyer 20-Bond General Obligation index as of June 30, 2021) 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, 2023**

Below are the discount rates used and the Bond Buyer 20-Bond GO Index as of measurement dates of June 30, 2022 and 2021:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Discount Rate	6.50%	6.50%
Fidelity Municipal GO Index	3.69%	1.92%
Bond Buyer 2--Bond GO Index	N/A	2.16%

**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%	\$ 5,836,899	\$ (1,767,129)	-23%
Base	7,604,028	-	0%
-1%	9,730,178	2,126,150	28%

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%	\$ 9,635,889	\$ 2,031,861	27%
Base	7,604,028	-	0%
-1%	5,802,133	(1,801,895)	-24%

**Annual OPEB expense and net OPEB liability**

At June 30, 2023, the Foundation reported \$7,604,028 for the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2021. The Foundation's net OPEB liability was based on a projection of the Foundation's covered employee payroll of \$2,872,472.

Plan Fiduciary Net Position (plan assets) was valued as of the measurement date of June 30, 2022 and the total OPEB liability was determined based upon the actuarial valuation as of June 30, 2021. As of June 30, 2022, the Plan Fiduciary Net Position was \$9,419,302.

For the year ended June 30, 2023, the Foundation recognized OPEB expense of \$317,547. 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, 2023, the measurement of the Total OPEB Liability, plan membership included thirty-two (32) active plan members and one hundred fifteen (115) retired members and beneficiaries receiving benefit for a grand total one hundred forty-seven (147) plan participants.

**Cal Poly Pomona Foundation, Inc.**

**Notes to Financial Statements  
June 30, 2023**

**Deferred outflows/inflows of resources**

	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Differences between expected and actual experience in the measurement of the total OPEB liability	\$ 15,350	\$ 173,071
Changes in assumptions	381	320,212
Net difference between projected and actual earnings on OPEB plan investments	1,261,960	-
Contributions to OPEB plan after measurement date	1,764,071	-
Total	<b>\$ 3,041,762</b>	<b>\$ 493,283</b>

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

<b>Fiscal year ended June 30:</b>	<b>Deferred outflows/(inflows) of resources</b>
2024	\$ (172,083)
2025	170,479
2026	176,416
2027	609,596
2028	-
Thereafter	-
	<b>\$ 784,408</b>

During the fiscal year ended June 30, 2023, the Foundation made contributions to the OPEB plan after the measurement date of \$1,764,071, 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 16 - Assets held for sale**

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

At June 30, 2023, total assets held for sale include one faculty/staff house. Fair values of assets measured on a nonrecurring basis held for sale at June 30, 2023 were \$349,807. Assets held for sale are recorded at cost which approximates fair value. Cost to sell and unrealized losses are immaterial and will not be recognized until the assets are sold.

**Cal Poly Pomona Foundation, Inc.**

**Notes to Financial Statements  
June 30, 2023**

**Note 17 - 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, 2023**

	2022	2021	2020	2019	2018	2017	2016	2015
Foundation's proportion of the collective net pension liability	0.12669%	0.24413%	0.22170%	0.21743%	0.24325%	0.21200%	0.07771%	0.07957%
Foundation's proportionate share of the collective net pension liability (asset)	\$ 2,405,616	\$ 10,297,623	\$ 8,877,822	\$ 8,194,358	\$ 9,589,146	\$ 8,352,723	\$ 5,338,104	\$ 4,998,351
Foundation's covered-employee payroll	\$ 12,143,926	\$ 9,741,322	\$ 12,562,122	\$ 11,541,499	\$ 11,061,078	\$ 11,198,164	\$ 10,995,860	\$ 10,862,791
Foundation's proportionate share of the collective net pension liability (asset) as a percentage of its covered-employee payroll	19.8%	105.7%	70.7%	71.0%	86.7%	74.6%	48.5%	46.0%
Plan fiduciary net position as a percentage of the total pension liability	90.5%	85.4%	84.0%	85.6%	82.2%	86.1%	88.3%	89.1%

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

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

See Independent Auditor's Report.

**Cal Poly Pomona Foundation, Inc.**  
California Public Employees Retirement Plan  
Schedule of Foundation Contributions  
Plan Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 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	(2,015,253)	(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	\$ 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	20.9%	13.98%	15.36%	13.79%	18.71%	21.08%	15.95%	9.19%

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

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

*Changes in Assumptions:* The CalPERS Plan discount rate assumption was changed from 7.15% to 6.90% since the previous valuation. The consumer price inflation assumption was changed from 2.50% to 2.30% since the previous valuation. The post retirement benefits increase from Control COLA was changed from 2.50% to 2.30% since the previous valuation.

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, 2023

Plan Year Ended June 30	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>						
Service cost	\$ 92,370	\$ 197,238	\$ 187,854	\$ 182,673	\$ 142,277	\$ 148,176
Interest	1,077,426	1,141,658	1,104,006	1,051,769	894,698	1,051,372
Differences between expected and actual experience	(286,598)	79,980	(86,309)	(745,620)	1,014,722	1,680,006
Change of assumptions	-	(1,668,472)	14,502	985,763	890,259	(3,591,876)
Benefits payments, including refunds of employee contributions	(675,951)	(592,799)	(705,751)	(647,375)	(486,936)	(584,422)
<b>Net change in Total OPEB Liability</b>	<b>207,247</b>	<b>(842,395)</b>	<b>514,302</b>	<b>827,210</b>	<b>2,455,020</b>	<b>(1,296,744)</b>
<b>Total OPEB Liability - beginning</b>	<b>16,816,083</b>	<b>17,658,478</b>	<b>17,144,176</b>	<b>16,316,966</b>	<b>13,861,946</b>	<b>15,158,690</b>
<b>Total OPEB Liability - ending</b>	<b>\$ 17,023,330</b>	<b>\$ 16,816,083</b>	<b>\$ 17,658,478</b>	<b>\$ 17,144,176</b>	<b>\$ 16,316,966</b>	<b>\$ 13,861,946</b>
<b>Plan Fiduciary Net Position</b>						
Contributions - employer	\$ 397,371	\$ 436,315	\$ 1,705,751	\$ 1,647,375	\$ 1,000,000	\$ 1,111,120
Net investment income	(2,263,832)	2,841,138	420,836	449,772	567,209	743,578
Benefit payments, including refunds of employee contributions	(1,112,266)	(1,968,173)	(705,751)	(647,375)	(486,936)	(584,422)
Administrative expense	(34,920)	(36,221)	(34,779)	(49,278)	(39,162)	(33,384)
<b>Net change in Fiduciary Net Position</b>	<b>(3,013,647)</b>	<b>1,273,059</b>	<b>1,386,057</b>	<b>1,400,494</b>	<b>1,041,111</b>	<b>1,236,892</b>
<b>Plan Fiduciary Net Position - beginning</b>	<b>12,432,949</b>	<b>11,159,890</b>	<b>9,773,833</b>	<b>8,373,339</b>	<b>7,332,228</b>	<b>6,095,336</b>
<b>Plan Fiduciary Net Position - ending</b>	<b>\$ 9,419,302</b>	<b>\$ 12,432,949</b>	<b>\$ 11,159,890</b>	<b>\$ 9,773,833</b>	<b>\$ 8,373,339</b>	<b>\$ 7,332,228</b>
<b>Net OPEB Liability - ending</b>	<b>\$ 7,604,028</b>	<b>\$ 4,383,134</b>	<b>\$ 6,498,588</b>	<b>\$ 7,370,343</b>	<b>\$ 7,943,627</b>	<b>\$ 6,529,718</b>
<b>Plan Fiduciary Net Position as a Percentage of Total OPEB Liability</b>	55.33%	73.93%	63.20%	57.01%	51.32%	52.89%
<b>Covered employee payroll</b>	\$ 2,872,472	\$ 2,699,762	\$ 4,760,791	\$ 4,010,791	\$ 4,550,937	\$ 4,550,937
<b>Plan Net OPEB Liability as a Percentage of covered employee payroll</b>	264.72%	162.35%	136.50%	183.76%	174.55%	143.48%

Notes to the OPEB Required Supplementary Information:

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

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

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

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

See Independent Auditor's Report.

## **Supplementary Information**

**Cal Poly Pomona Foundation, Inc.**

**Schedule of Net Position  
June 30, 2023  
(For Inclusion in the California State University)**

**Assets:**

**Current assets:**

Cash and cash equivalents	\$	15,815,328
Short-term investments		31,544,944
Accounts receivable, net		12,818,158
Lease receivable, current portion		880,327
P3 receivable, current portion		-
Notes receivable, current portion		-
Pledges receivable, net		-
Prepaid expenses and other current assets		2,390,240

**Total current assets**

**63,448,997**

**Noncurrent assets:**

Restricted cash and cash equivalents		4,521
Accounts receivable, net		2,312,657
Lease receivable, net of current portion		93,066,892
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		1,432,693
Capital assets, net		20,984,450
Capital assets, net - lease ROU		18,019,696
Other assets		-

**Total noncurrent assets**

**135,820,909**

**Total assets**

**199,269,906**

**Deferred outflows of resources:**

Unamortized loss on debt refunding		-
Net pension liability		6,750,417
Net OPEB liability		3,041,762
Leases		-
P3		-
Others		-

**Total deferred outflows of resources**

**9,792,179**

**Cal Poly Pomona Foundation, Inc.**

**Schedule of Net Position  
June 30, 2023  
(For Inclusion in the California State University)**

**Liabilities:**

**Current liabilities:**

Accounts payable	3,859,628
Accrued salaries and benefits	871,883
Accrued compensated absences, current portion	762,434
Unearned revenues	1,970,160
Lease liabilities, current portion	1,345,439
SBITA liabilities - current portion	-
P3 liabilities - current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	3,320,909
<b>Total current liabilities</b>	<u>12,130,453</u>

**Noncurrent liabilities:**

Accrued compensated absences, net of current portion	-
Unearned revenues	-
Grants refundable	-
Lease liabilities, net of current portion	17,654,843
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	7,604,028
Net pension liability	13,376,813
Other liabilities	725,271
<b>Total noncurrent liabilities</b>	<u>39,360,955</u>
<b>Total liabilities</b>	<u>51,491,408</u>

**Deferred inflows of resources:**

P3 service concession arrangements	-
Net pension liability	3,403,656
Net OPEB liability	493,283
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Lease	91,018,444
P3	-
Others	715,310
<b>Total deferred inflows of resources</b>	<u>95,630,693</u>

**Net position:**

Net investment in capital assets	20,984,450
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	221,587
Capital projects	-
Debt service	-
Others	-
Unrestricted	40,733,947
<b>Total net position</b>	<u>\$ 61,939,984</u>

**Cal Poly Pomona Foundation, Inc.**

**Schedule of Revenues, Expenses, and Changes in Net Position  
Year Ended June 30, 2023  
(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		15,223,495
State		2,689,470
Local		-
Nongovernmental		1,180,029
Sales and services of educational activities		19,231,851
Sales and services of auxiliary enterprises, gross		49,901,463
Scholarship allowances (enter as negative)		-
Other operating revenues		10,464,954

<b>Total operating revenues</b>		<b>98,691,262</b>
---------------------------------	--	-------------------

**Expenses:**

**Operating expenses:**

Instruction		10,916,989
Research		7,661,709
Public service		71,789
Academic support		5,035,960
Student services		515,583
Institutional support		636,035
Operation and maintenance of plant		1,031
Student grants and scholarships		-

Auxiliary enterprise expenses		54,497,896
-------------------------------	--	------------

Depreciation and amortization		3,756,290
-------------------------------	--	-----------

<b>Total operating expenses</b>		<b>83,093,282</b>
---------------------------------	--	-------------------

<b>Operating income (loss)</b>		<b>15,597,980</b>
--------------------------------	--	-------------------

**Cal Poly Pomona Foundation, Inc.**

**Schedule of Revenues, Expenses, and Changes in Net Position  
Year Ended June 30, 2023  
(For Inclusion in the California State University)**

<b>Nonoperating revenues (expenses):</b>	
State appropriations, noncapital	-
Federal financial aid grants, noncapital	-
State financial aid grants, noncapital	-
Local financial aid grants, noncapital	-
Nongovernmental and other financial aid grants, noncapital	-
Other federal nonoperating grants, noncapital	-
Gifts, noncapital	-
Investment income (loss), net	2,137,032
Endowment income (loss), net	-
Interest expense	(593,450)
Interest expense - Leases	(700,080)
Other nonoperating revenues (expenses)	166,851
<b>Net nonoperating revenues (expenses)</b>	<b>1,010,353</b>
<b>Income (loss) before other revenues (expenses)</b>	<b>16,608,333</b>
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
<b>Increase (decrease) in net position</b>	<b>16,608,333</b>
<b>Net position:</b>	
Net position at beginning of year, as previously reported	45,331,651
Restatements	-
<b>Net position at beginning of year, as restated</b>	<b>45,331,651</b>
<b>Net position at end of year</b>	<b>\$ 61,939,984</b>

## Cal Poly Pomona Foundation, Inc.

### Other Information June 30, 2023 (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	4,521
<b>Noncurrent restricted cash and cash equivalents</b>	<b>4,521</b>
Current cash and cash equivalents	15,815,328
<b>Total</b>	<b>\$ 15,819,849</b>

#### 2.1 Composition of investments:

Investment Type	Current	Noncurrent	Total
Money market funds	\$ -	\$ -	\$ -
Repurchase agreements	-	-	-
Certificates of deposit	-	-	-
U.S. agency securities	-	-	-
U.S. treasury securities	-	231,534	231,534
Municipal bonds	-	-	-
Corporate bonds	8,242,932	-	8,242,932
Asset-backed securities	-	-	-
Mortgage-backed securities	-	-	-
Commercial paper	-	-	-
Supranational	-	-	-
Mutual funds	172,688	-	172,688
Exchange-traded funds	-	-	-
Equity securities	16,745,717	1,201,159	17,946,876
Alternative investments:			
Private equity (including limited partnerships)	2,581,091	-	2,581,091
Hedge funds	3,447,167	-	3,447,167
Managed futures	-	-	-
Real estate investments (including REITs)	-	-	-
Commodities	-	-	-
Derivatives	-	-	-
Other alternative investments	-	-	-
Other external investment pools	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-
State of California Local Agency Investment Fund (LAIF)	100,172	-	100,172
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Other investments:			
Indexed annuity	255,177	-	255,177
Total other investments	255,177	-	255,177
<b>Total investments</b>	<b>31,544,944</b>	<b>1,432,693</b>	<b>32,977,637</b>
Less endowment investments (enter as negative number)	-	-	-
<b>Total investments, net of endowments</b>	<b>\$ 31,544,944</b>	<b>\$ 1,432,693</b>	<b>\$ 32,977,637</b>

**Cal Poly Pomona Foundation, Inc.**

**Other Information  
June 30, 2023  
(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	231,534	-	231,534	-	-
Municipal bonds	-	-	-	-	-
Corporate bonds	8,242,932	-	8,242,932	-	-
Asset-backed securities	-	-	-	-	-
Mortgage-backed securities	-	-	-	-	-
Commercial paper	-	-	-	-	-
Supranational	-	-	-	-	-
Mutual funds	172,688	172,688	-	-	-
Exchange-traded funds	-	-	-	-	-
Equity securities	17,946,876	17,946,876	-	-	-
Alternative investments:					
Private equity (including limited partnerships)	2,581,091	-	-	-	2,581,091
Hedge funds	3,447,167	-	-	-	3,447,167
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	-	-	-	-	-
Commodities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other alternative investments	-	-	-	-	-
Other external investment pools	-	-	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	100,172	-	-	-	100,172
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments:					
Indexed annuity	255,177	255,177	-	-	-
Total other investments	255,177	255,177	-	-	-
<b>Total investments</b>	<b>\$ 32,977,637</b>	<b>\$ 18,374,741</b>	<b>\$ 8,474,466</b>	<b>\$ -</b>	<b>\$ 6,128,430</b>

**2.3 Investments held by the University under contractual agreements:**

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

Cal Poly Pomona Foundation, Inc.

Other Information  
June 30, 2023  
(For Inclusion in the California State University)

3.1 Capital Assets, excluding ROU assets:

Composition of capital assets, excluding ROU assets:

	Balance June 30, 2022	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2022 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2023
<b>Non-depreciable/Non-amortizable capital assets:</b>									
Land and land improvements	\$ 7,102,910	\$ -	\$ -	\$ -	\$ 7,102,910	\$ -	\$ -	\$ -	\$ 7,102,910
Works of art and historical treasures	-	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	21,909	-	-	-	21,909	698,461	(155,556)	-	564,814
Intangible assets:									
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Intangible assets in progress (PWIP)	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
Total Other intangible assets	-	-	-	-	-	-	-	-	-
<b>Total intangible assets</b>	-	-	-	-	-	-	-	-	-
<b>Total non-depreciable/non-amortizable capital assets</b>	<b>7,124,819</b>	-	-	-	<b>7,124,819</b>	<b>698,461</b>	<b>(155,556)</b>	-	<b>7,667,724</b>
<b>Depreciable/Amortizable capital assets:</b>									
Buildings and building improvements	36,720,557	-	-	-	36,720,557	388,191	(9,128)	-	37,099,620
Improvements, other than buildings	143,638	-	-	-	143,638	-	-	-	143,638
Infrastructure	8,651,467	-	-	-	8,651,467	-	-	-	8,651,467
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	15,286,613	-	-	-	15,286,613	2,210,529	(4,402,081)	-	13,095,061
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
Total Other intangible assets	-	-	-	-	-	-	-	-	-
<b>Total intangible assets</b>	-	-	-	-	-	-	-	-	-
<b>Total depreciable/amortizable capital assets</b>	<b>60,802,275</b>	-	-	-	<b>60,802,275</b>	<b>2,598,720</b>	<b>(4,411,209)</b>	-	<b>58,989,786</b>
<b>Total capital assets</b>	<b>67,927,094</b>	-	-	-	<b>67,927,094</b>	<b>3,297,181</b>	<b>(4,566,765)</b>	-	<b>66,657,510</b>
<b>Less accumulated depreciation/amortization:</b>									
Buildings and building improvements	(30,208,207)	-	-	-	(30,208,207)	(695,044)	-	-	(30,903,251)
Improvements, other than buildings	(133,719)	-	-	-	(133,719)	(1,177)	-	-	(134,896)
Infrastructure	(3,008,709)	-	-	-	(3,008,709)	(216,253)	-	-	(3,224,962)
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	(11,218,514)	-	-	-	(11,218,514)	(1,133,236)	941,799	-	(11,409,951)
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
Total Other intangible assets	-	-	-	-	-	-	-	-	-
<b>Total intangible assets</b>	-	-	-	-	-	-	-	-	-
<b>Total accumulated depreciation/amortization</b>	<b>(44,569,149)</b>	-	-	-	<b>(44,569,149)</b>	<b>(2,045,710)</b>	<b>941,799</b>	-	<b>(45,673,060)</b>
<b>Total capital assets, net excluding ROU assets</b>	<b>\$ 23,357,945</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23,357,945</b>	<b>\$ 1,251,471</b>	<b>\$ (3,624,966)</b>	<b>\$ -</b>	<b>\$ 20,984,450</b>

Cal Poly Pomona Foundation, Inc.

Other Information  
June 30, 2023  
(For Inclusion in the California State University)

Capital Assets, Right of Use

Composition of capital assets - Lease ROU, net:

	Balance June 30, 2022	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2022 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2023
<b>Non-depreciable/Non-amortizable lease assets:</b>									
Land and land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total non-depreciable/non-amortizable lease assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Depreciable/Amortizable lease assets:</b>									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	21,410,300	-	-	-	21,410,300	-	-	-	21,410,300
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	31,339	-	-	-	31,339	-	-	-	31,339
<b>Total depreciable/amortizable lease assets</b>	<b>21,441,639</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,441,639</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,441,639</b>
<b>Less accumulated depreciation/amortization:</b>									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	(1,703,597)	-	-	-	(1,703,597)	(1,702,814)	-	-	(3,406,411)
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	(7,766)	-	-	-	(7,766)	(7,766)	-	-	(15,532)
<b>Total accumulated depreciation/amortization</b>	<b>(1,711,363)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,711,363)</b>	<b>(1,710,580)</b>	<b>-</b>	<b>-</b>	<b>(3,421,943)</b>
<b>Total capital assets - lease ROU, net</b>	<b>\$ 19,730,276</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,730,276</b>	<b>\$ (1,710,580)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,019,696</b>

Composition of capital assets - SBITA ROU, net

	Balance June 30, 2022	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2022 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2023
<b>Depreciable/Amortizable SBITA assets:</b>									
Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total depreciable/amortizable SBITA assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Less accumulated depreciation/amortization:</b>									
Software	-	-	-	-	-	-	-	-	-
<b>Total accumulated depreciation/amortization</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total capital assets - SBITA ROU, net</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Cal Poly Pomona Foundation, Inc.**

**Other Information  
June 30, 2023  
(For Inclusion in the California State University)**

<u>Composition of capital assets - P3 ROU, net:</u>	<u>Balance June 30, 2022</u>	<u>Reclassifications</u>	<u>Prior Period Additions</u>	<u>Prior Period Reductions</u>	<u>Balance June 30, 2022 (Restated)</u>	<u>Additions</u>	<u>Remeasurements</u>	<u>Reductions</u>	<u>Balance June 30, 2023</u>
<b>Non-depreciable/Non-amortizable P3 assets:</b>									
Land and land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total non-depreciable/non-amortizable P3 assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Depreciable/Amortizable P3 assets:</b>									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
<b>Total depreciable/amortizable P3 assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Less accumulated depreciation/amortization:</b>									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
<b>Total accumulated depreciation/amortization</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total capital assets - P3 ROU, net</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total capital assets, net including ROU assets</b>									<u><u>\$ 39,004,146</u></u>

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

Depreciation and amortization expense - capital assets, excluding ROU assets	\$ 2,045,710
Amortization expense - Leases ROU	1,710,580
Amortization expense - SBITA ROU	-
Amortization expense - P3 ROU	-
Depreciation and Amortization expense - Others	-
<b>Total depreciation and amortization</b>	<u><u>\$ 3,756,290</u></u>

**Cal Poly Pomona Foundation, Inc.**

**Other Information  
June 30, 2023  
(For Inclusion in the California State University)**

**4 Long-term liabilities:**

	<b>Balance June 30, 2022</b>	<b>Prior Period Adjustments / Reclassifications</b>	<b>Balance June 30, 2022 (Restated)</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2023</b>	<b>Current Portion</b>	<b>Noncurrent Portion</b>
<b>1. Accrued compensated absences</b>	\$ 834,842	\$ -	\$ 834,842	\$ 7,310,264	\$ (7,382,672)	\$ 762,434	\$ 762,434	\$ -
<b>2. Claims liability for losses and loss adjustment expenses</b>	-	-	-	-	-	-	-	-
<b>3. Capital lease obligations (pre-ASC 842):</b>								
Gross balance	-	-	-	-	-	-	-	-
Unamortized net premium/(discount)	-	-	-	-	-	-	-	-
<b>Total capital lease obligations (pre ASC 842)</b>	-	-	-	-	-	-	-	-
<b>4. Long-term debt obligations:</b>								
4.1 Auxiliary revenue bonds (non-SRB related)	-	-	-	-	-	-	-	-
4.2 Commercial paper	-	-	-	-	-	-	-	-
4.3 Notes payable (SRB related)	-	-	-	-	-	-	-	-
4.4 Finance purchase of capital assets	-	-	-	-	-	-	-	-
4.5 Others:								
PPP loan	3,795,000	-	3,795,000	-	(3,795,000)	-	-	-
Total others	3,795,000	-	3,795,000	-	(3,795,000)	-	-	-
<b>Sub-total long-term debt</b>	<b>3,795,000</b>	<b>-</b>	<b>3,795,000</b>	<b>-</b>	<b>(3,795,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.6 Unamortized net bond premium/(discount)	-	-	-	-	-	-	-	-
<b>Total long-term debt obligations</b>	<b>\$ 3,795,000</b>	<b>\$ -</b>	<b>\$ 3,795,000</b>	<b>\$ -</b>	<b>\$ (3,795,000)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**5. Lease, SBITA, P3 liabilities:**

	<b>Balance June 30, 2022</b>	<b>Prior Period Adjustments / Reclassifications</b>	<b>Additions</b>	<b>Remeasurements</b>	<b>Reductions</b>	<b>Balance June 30, 2023</b>	<b>Current Portion</b>	<b>Noncurrent Portion</b>
Lease liabilities	\$ 20,315,380	\$ -	\$ -	\$ -	\$ (1,315,098)	\$ 19,000,282	\$ 1,345,439	\$ 17,654,843
SBITA liabilities	-	-	-	-	-	-	-	-
P3 liabilities - SCA	-	-	-	-	-	-	-	-
P3 liabilities - non-SCA	-	-	-	-	-	-	-	-
<b>Sub-total P3 liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Lease, SBITA, P3 liabilities</b>	<b>\$ 20,315,380</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,315,098)</b>	<b>\$ 19,000,282</b>	<b>\$ 1,345,439</b>	<b>\$ 17,654,843</b>
<b>Total long-term liabilities</b>						<b>\$ 19,762,716</b>	<b>\$ 2,107,873</b>	<b>\$ 17,654,843</b>

# Cal Poly Pomona Foundation, Inc.

## Other Information June 30, 2023 (For Inclusion in the California State University)

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

	Lease Liabilities			SBITA liabilities			Public-Private or Public-Public Partnerships (P3)			Total Leases, SBITA, P3 liabilities		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal Only	Interest Only	Principal and Interest
<b>Year ending June 30:</b>												
2024	\$ 1,345,439	\$ 333,700	\$ 1,679,139	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,345,439	\$ 333,700	\$ 1,679,139
2025	1,329,814	329,113	1,658,927	-	-	-	-	-	-	1,329,814	329,113	1,658,927
2026	1,386,462	303,717	1,690,179	-	-	-	-	-	-	1,386,462	303,717	1,690,179
2027	1,408,699	275,358	1,684,057	-	-	-	-	-	-	1,408,699	275,358	1,684,057
2028	1,392,014	244,088	1,636,102	-	-	-	-	-	-	1,392,014	244,088	1,636,102
2029 - 2033	7,363,483	807,951	8,171,434	-	-	-	-	-	-	7,363,483	807,951	8,171,434
2034 - 2038	4,774,371	136,989	4,911,360	-	-	-	-	-	-	4,774,371	136,989	4,911,360
2039 - 2043	-	-	-	-	-	-	-	-	-	-	-	-
2044 - 2048	-	-	-	-	-	-	-	-	-	-	-	-
2049 - 2053	-	-	-	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total minimum payments</b>	<b>\$ 19,000,282</b>	<b>\$ 2,430,916</b>	<b>\$ 21,431,198</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,000,282</b>	<b>\$ 2,430,916</b>	<b>\$ 21,431,198</b>
Less: amounts representing interest												(2,430,916)
<b>Present value of future minimum payments</b>												<b>19,000,282</b>
<b>Total Leases, SBITA, P3 liabilities</b>												<b>19,000,282</b>
Less: current portion												(1,345,439)
<b>Leases, SBITA, P3 liabilities, net of current portion</b>												<b>\$ 17,654,843</b>

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

	Auxiliary revenue bonds (non-SRB related)			All other long-term debt obligations			Total long-term debt obligations		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
<b>Year ending June 30:</b>									
2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-
2029 - 2033	-	-	-	-	-	-	-	-	-
2034 - 2038	-	-	-	-	-	-	-	-	-
2039 - 2043	-	-	-	-	-	-	-	-	-
2044 - 2048	-	-	-	-	-	-	-	-	-
2049 - 2053	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
<b>Total minimum payments</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Less: amounts representing interest									
<b>Present value of future minimum payments</b>									
Unamortized net premium (discount)									
<b>Total long-term debt obligations</b>									
Less: current portion									
<b>Long-term debt obligations, net of current portion</b>									

**7 Transactions with related entities:**

Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 665,776
Payments to University for other than salaries of University personnel	9,653,572
Payments received from University for services, space, and programs	35,919,360
Gifts-in-kind to the University from discretely presented component units	-
Gifts (cash or assets) to the University from discretely presented component units	3,628,149
Accounts payable to University	(906,818)
Other amounts payable to University	
Accounts receivable from University	5,115,589
Other amounts receivable from University	-

**8 Restatements**

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

**Cal Poly Pomona Foundation, Inc.**

**Other Information**

**June 30, 2023**

**(For Inclusion in the California State University)**

**9 Natural classifications of operating expenses:**

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	\$ 4,241,502	\$ 1,029,646	\$ 136,768	\$ 6,917	\$ -	\$ 5,502,156	\$ -	\$ 10,916,989
Research	3,775,473	718,730	61,547	-	-	3,105,959	-	7,661,709
Public service	36,855	11,834	1,644	1,993	-	19,463	-	71,789
Academic support	1,440,191	343,979	50,850	62,249	-	3,138,691	-	5,035,960
Student services	109,048	24,876	3,520	4,286	-	373,853	-	515,583
Institutional support	60,119	56,348	9,393	11,520	-	498,655	-	636,035
Operation and maintenance of plant	-	-	-	-	-	1,031	-	1,031
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expenses	15,201,249	5,146,774	681,804	836,059	-	32,632,010	-	54,497,896
Depreciation and amortization	-	-	-	-	-	-	3,756,290	3,756,290
<b>Total operating expenses</b>	<b>\$ 24,864,437</b>	<b>\$ 7,332,187</b>	<b>\$ 945,526</b>	<b>\$ 923,024</b>	<b>\$ -</b>	<b>\$ 45,271,818</b>	<b>\$ 3,756,290</b>	<b>\$ 83,093,282</b>

Select type of pension plan >>

**Defined Benefit Plan**

**10 Deferred outflows/inflows of resources:**

**1. Deferred Outflows of Resources**

Deferred outflows - unamortized loss on refunding(s)	\$ -
Deferred outflows - net pension liability	6,750,417
Deferred outflows - net OPEB liability	3,041,762
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	-
<b>Total deferred outflows of resources</b>	<b>\$ 9,792,179</b>

**2. Deferred Inflows of Resources**

Deferred inflows - P3 service concession arrangements	\$ -
Deferred inflows - net pension liability	3,403,656
Deferred inflows - net OPEB liability	493,283
Deferred inflows - unamortized gain on debt refunding(s)	-
Deferred inflows - nonexchange transactions	-
Deferred inflows - leases	91,018,444
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	715,310
Total deferred inflows - others	715,310
<b>Total deferred inflows of resources</b>	<b>\$ 95,630,693</b>

**11 Other nonoperating revenues (expenses)**

Other nonoperating revenues	\$ 3,795,000
Other nonoperating (expenses)	(3,628,149)
<b>Total other nonoperating revenues (expenses)</b>	<b>\$ 166,851</b>

Cal Poly Pomona Foundation, Inc.

Other Information  
 June 30, 2023  
 (For Inclusion in the California State University)

DPCU - Fiduciary Funds Net Position

Description	DPCU - Fiduciary Funds Net Position					Total
	Pension trust funds Net Position 992	Other employee benefit trust funds Net Position 993	Investment trust funds Net Position 994	Private-purpose trust funds Net Position 995	Custodial funds Net Position 996	
<b>Assets</b>						
<b>Current assets:</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 429,553	\$ 429,553
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	-	-	-	-	-	-
<b>Total current assets</b>	-	-	-	-	429,553	429,553
<b>Noncurrent assets:</b>						
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	-	-	-	-	-	-
<b>Total noncurrent assets</b>	-	-	-	-	-	-
<b>Total assets</b>	-	-	-	-	429,553	429,553
<b>Deferred outflows of resources:</b>						
Unamortized loss on debt refunding	-	-	-	-	-	-
Net pension liability	-	-	-	-	-	-
Net OPEB liability	-	-	-	-	-	-
Leases	-	-	-	-	-	-
P3	-	-	-	-	-	-
Others	-	-	-	-	-	-
<b>Total deferred outflows of resources</b>	-	-	-	-	-	-

Cal Poly Pomona Foundation, Inc.

Other Information  
June 30, 2023

(For Inclusion in the California State University)

Liabilities						
<b>Current liabilities:</b>						
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	-	-	-	-	-	-
<b>Total current liabilities</b>	-	-	-	-	-	-
<b>Noncurrent liabilities:</b>						
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	-	-	-	-	-	-
<b>Total noncurrent liabilities</b>	-	-	-	-	-	-
<b>Total liabilities</b>	-	-	-	-	-	-
<b>Deferred inflows of resources:</b>						
P3 service concession arrangements	-	-	-	-	-	-
Net pension liability	-	-	-	-	-	-
Net OPEB liability	-	-	-	-	-	-
Unamortized gain on debt refunding	-	-	-	-	-	-
Nonexchange transactions	-	-	-	-	-	-
Lease	-	-	-	-	-	-
P3	-	-	-	-	-	-
Others	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	-	-	-	-	-	-
<b>Total ending net position</b>						
Net position						
	\$	-	\$	-	\$	-
					429,553	\$
						429,553

Cal Poly Pomona Foundation, Inc.

Other Information  
 June 30, 2023  
 (For Inclusion in the California State University)

		DPCU - Fiduciary Funds Net Position					
GAAP Account	Description	Other employee benefit		Investment trust funds	Private-purpose trust	Custodial funds	Total
		Pension trust funds	trust funds		funds		
		Net Position 992	Net Position 993	Net Position 994	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	-	-	-	-	1,064,220	1,064,220
Additions		-	-	-	-	-	-
Additions		-	-	-	-	-	-
Additions		-	-	-	-	-	-
Additions		-	-	-	-	-	-
Additions		-	-	-	-	-	-
Additions		-	-	-	-	-	-
Additions		-	-	-	-	-	-
Additions		-	-	-	-	-	-
<b>Total Additions</b>		-	-	-	-	1,064,220	1,064,220
Deductions	Benefit payments to plan members	-	-	-	-	-	-
Deductions	Total administrative expenses	-	-	-	-	-	-
Deductions	Benefit payments	-	-	-	-	-	-
Deductions	Redemptions	-	-	-	-	-	-
Deductions	Distributions	-	-	-	-	1,022,166	1,022,166
Deductions		-	-	-	-	-	-
Deductions		-	-	-	-	-	-
Deductions		-	-	-	-	-	-
Deductions		-	-	-	-	-	-
Deductions		-	-	-	-	-	-
Deductions		-	-	-	-	-	-
Deductions		-	-	-	-	-	-
Deductions		-	-	-	-	-	-
Deductions		-	-	-	-	-	-
<b>Total Deductions</b>		-	-	-	-	1,022,166	1,022,166
Increase (decrease) in net position		-	-	-	-	42,054	42,054
Net position at beginning of year, as previously reported		-	-	-	-	-	-
Restatements		-	-	-	-	387,499	387,499
Net position at beginning of year, as restated		-	-	-	-	387,499	387,499
Net position at end of year		\$ -	\$ -	\$ -	\$ -	\$ 429,553	\$ 429,553

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

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

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate remaining fund information of the Cal Poly Pomona Foundation, Inc. (the "Foundation"), as of and for the year ended June 30, 2023, 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 27, 2023.

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 27, 2023



**Independent Member of Nexia International**

**[cohnreznick.com](http://cohnreznick.com)**