

CAL POLY POMONA FOUNDATION, INC.
CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Meeting of the Board of Directors, Number 356

September 26, 2013
2:00 pm – Garden Vista Room @ Kellogg West Conference Center & Lodge

AGENDA

ANNUAL MEETING

Roll Call

			Page
I.	<u>PRESIDENT'S REPORT</u>	Dr. J. Michael Ortiz, President	
A.	Election and Appointment of Board Members – 2013-2014 (ATTACHMENT 356-I-A) -Election of 2013-14 Board Members: Mr. Devon Graves, ASI (Student Director) Mr. Johndaniel Morales, ASI (Student Director) Mr. Jack Kulp, CEO TraFiX Devices (At Large Director) Dr. Sep Eskandari, Chair, Biological Sciences (Faculty Director) -Appointment of 2013-14 Board Members: Ms. Christine Hall, ASI President (Designated Director)	Dr. J. Michael Ortiz Chair	1 - 2
II.	<u>CONSENSUS ITEMS</u> <i>Consensus Items: Items in this section are considered to be routine and acted on by the committee in one motion. Each item of the Consent agenda approved by the committee shall be deemed to have been considered in full and adopted as recommended. Any committee member may request that a consent item be removed from the consent agenda to be considered as a separate action item. If no additional information is requested, the approval vote will be taken without discussion. An "A" distinguishes items requiring approval.</i>		
A.	Reading of Minutes 355 (ATTACHMENT 356-II-A) A	Dr. J. Michael Ortiz Chair	3 - 5
B.	Board Meeting Schedule – 2013-2014 (ATTACHMENT 356-II-B) A	G. Paul Storey Executive Director	6
C.	Board Committee Appointments – 2013-2014 (ATTACHMENT 356-II-C) A	G. Paul Storey Executive Director	7
D.	State Preschool Program Audit 2012-13 (ATTACHMENT 356-II-D) A	David Prenovost Senior Manager/CFO	8 - 40
E.	Investment Report 4th Quarter 2012-13 (ATTACHMENT 356-II-E) A	David Prenovost Senior Manager/CFO	41 - 57
F.	Financial Highlights –4th Quarter 2012-13 (ATTACHMENT 356-II-F)	David Prenovost Senior Manager/CFO	58 - 62
G.	Policy 123-Real Estate Acquisition and Development (ATTACHMENT 356-II-G) A	G. Paul Storey Executive Director	63 - 67
H.	Policy 122-Minimum Authorized Signatures (ATTACHMENT 356-II-H) A	David Prenovost Senior Manager/CFO	68 - 72
III.	<u>ACTION ITEMS</u>		
A.	Audited Financials Statements and Single Audit Report 2012-13 (ATTACHMENT 356-III-A)	David Prenovost Senior Manager/CFO	73 - 154
B.	Endowment Spending Distribution Approval (ATTACHMENT 356-III-B)	David Prenovost Senior Manager/CFO	155 - 160
C.	CPP Beer Brewing Program Microbrewery Model at CTTI (ATTACHMENT 356-III-C)	G. Paul Storey Executive Director	161 - 166

IV. **DISCUSSION ITEMS**

None

V. **INFORMATION ITEMS**

The following items provide information and reports by management staff to the committee. Staff and committee may engage in discussion on any item if requested by committee member or staff member.

A.	General Counsel Introduction and Presentation	G. Paul Storey Executive Director	167 - 173
B.	Sodexo Partnership Report	G. Paul Storey Executive Director	174 - 176
C.	CSU Compliance Audit Update	David Prenovost Senior Manager/CFO	177 - 183
D.	Capital Project Updates	G. Paul Storey Executive Director	184 - 192
E.	Executive Director's Report -NACAS Campus Visit	G. Paul Storey Executive Director	193 - 195

V. **OPEN FORUM**

Faculty Director Sep Eskandari is a professor in the Biological Sciences Department, and currently serves as the Chair of the department. He has been a faculty member at Cal Poly Pomona since Fall 2000. His connection to Cal Poly Pomona goes back a long way, however, as he pursued his undergraduate (chemistry, 1993) and master's (biology, 1995) studies at Cal Poly Pomona. After completing a Ph.D. in Physiology at UCLA (1999), and a post-doctoral fellowship also at UCLA (Physiology and Neurobiology, 2000), he returned to his home institution. In addition to maintaining an active research program (over 40 refereed journal articles), he regularly contributes to various department, college, and university committees.

At Large Director Jack Kulp Over 26 years ago Jack Kulp and his wife Sue, co-founded Traffix Devices Inc. Traffix Devices manufactures and distributes highway safety products for the traffic control and transportation industry. Traffix has since grown to 150 employees, dispersed throughout the country – from the corporate offices in San Clemente, to plants in Fairfield, Iowa; Adelanto, California; and Tijuana, Mexico; producing over 100 traffic control and safety products. Traffix Devices is now one of the largest producers of road safety products in the world – with most of Traffix products continuing to be manufactured in the United States.

Student Director Devon Graves grew up in Murrieta, California where he graduated from Vista Murrieta High school in 2011. Devon started as a student-athlete at Cal Poly Pomona where he was a red-shirt on the Men's Basketball team. In August 2012, Devon was appointed to the position of Associated Students Incorporated Attorney General. He finished his term as attorney general being named ASI 2012-13 'Rookie of the Year'. In June 2013, Devon was elected to serve as Chair of the California State Student Association (CSSA) for the 2013-14 year. Devon is currently in his Junior/third year at Cal Poly Pomona majoring in Political Science with a minor in Public Relations. He has post graduate plans to attend law school. Devon is supported by his family: father and mother, Xavier and Cynthia, and siblings Jamarr and Maya.

Student Director Johndaniel Morales is going into his last year, majoring in International Business & Marketing. He is currently the ASI Attorney General and Competition Chair for Enactus, an entrepreneur club under CBA. Last year he was on the E-Board of the Business Council and was a Student-At-Large for ASI's Facilities & Operations Committee and Personnel Review Committee. Before switching over to business, he was an art major. He still loves the arts but believes his real passion is for people and business. He feels that Cal Poly's "Learn By Doing" philosophy has really allowed him to thrive and grow as a person (and have fun while doing so). He believes in collaboration and serving a cause bigger than himself, which is why he chose not to work his last year of school and put all his energy into being as involved as possible instead. In his free time he likes to run and workout.

Designated Director Christine Hall is going into her fourth and final year at Cal Poly Pomona. She is studying Communication and has a minor in Spanish. The Los Angeles native has aspirations to further her education and pursue a Master's degree in Business Administration. She enjoys road trips, cooking, going to the movies, and napping. She has been extremely involved and taken on many leadership roles in her time at Cal Poly Pomona. These roles include: Orientation Leader, Front-desk Assistant at the Office of Financial Aid, Black History Month Committee Secretary, Black Advance Banquet Chair, Fundraising Chair for Shades of Queens, member of Chi Omega Fraternity for Women, ASI Vice President, and she currently serves as the 2013-14 ASI President.

CAL POLY POMONA FOUNDATION, INC.
California State Polytechnic University, Pomona

MINUTES OF MEETING NO. 355
OF THE
BOARD OF DIRECTORS
May 23, 2013

Pursuant to a written order by Dr. J. Michael Ortiz, delivered to each member of the Board of Directors on April 10, 2013, the Board of Directors of the CAL POLY POMONA FOUNDATION, INC. assembled and held a meeting on the campus of the California State Polytechnic University, Pomona, California, at 2:00 p.m. on May 23, 2013.

Present were; Dr. Ed Barnes, Mr. Evin Coukos, Dr. Marten denBoer, Ms. Susie Diaz, Ms. Rachel Dominguez, Dr. Winny Dong, Mr. Tom Goff, Mr. Jordon Kittleson, Mr. John McGuthry, Dr. Edward Merritt, Mr. Lowell Overton, Ms. Cassandra Reyes, Mr. Oliver Santos, Mr. Mickey Segal, Mr. David Speak, and Ms. Kathy Tully.

Absent were; Ms. Mei Lien Chang, Dr. Doug Freer, Dr. Richard Lapidus, Dr. J. Michael Ortiz, Mr. Christopher Osuala, Mr. James Priest, and Mr. Scott Warrington.

Ms. Anne McLoughlin, Mr. Dennis Miller, Ms. Debra Poe, Mr. David Prenovost, Ms. Karen Sandoval and Mr. G. Paul Storey were invited guests.

Board Vice Chairman Dr. Ed Barnes called the meeting to order at 2:10pm, on behalf of Dr. J. Michael Ortiz.

First order of business was the election of 2013-14 Board Members;

Ms. Cynthia Williams - election to Staff Director
Mrs. Mei Lien Chang – re-election to At-Large Member
Ms. Kathy Tully – re-election to At-Large Member
Mr. Lowell Overton – re-election to Community Member
Mr. Oliver Santos – re-election to Community Member
Mr. Thomas Goff – re-election to At-Large Member
Mr. Mickey Segal – re-election to At-Large Member

A motion was made by Marten denBoer to approve the election of 2013-14 Board Members. The motion was seconded by David Speak and approved, 16 Ayes, 0-Abstentions, 0-Nays.

I. PRESIDENT'S REPORT – none given

Dr. Ortiz was in Colorado attending the National Championship Track and Field Events to honor the largest number of Cal Poly athletes ever in attendance.

II. CONSENSUS ITEMS

- A. Reading of Board Meeting Minutes # 354
- B. Election of Officers – 2013-2014
- C. Financial Highlights-3rd Quarter 2012-13
- D. 2012-13 External & Financial Single Auditor Selection
- E. 2012-13 Child Care Auditor Selection
- F. Investment Report 3rd Quarter 2012-13

Ed Barnes stated the Consensus Items were approved by consent.

III ACTION ITEMS

- A. Budget 2013-2014

Paul Storey explained the Foundation Budget Process Policy #18 stipulates that Foundation Administration present annually the operating and capital proposed budgets, forecasts and supporting detailed schedules and information to the Board of Directors.

The Cal Poly Pomona Foundation's proposed operating budgets and forecast include: General Activities (Administration; Real Estate & Investments) Enterprise Activities (Bookstore/Dining Services/Kellogg West/Foundation Housing); Supplemental Programs (Research Office, Agriculture Units, Continuing Education and Unrestricted Foundation Programs); Designated Gifts; Reserves and Capital Budgets; along with the Summary of Sources and Uses and Working Capital; Statement of Activities; Debt Service Coverage; and Long Term Cash Plan/Reserves.

The proposed restricted and unrestricted budget is projected to generate a surplus of \$13.1 million based upon budgeted revenues of \$74.8 million and budgeted expenditures of \$61.6 million. The proposed unrestricted operating revenues of \$53.3 million and offset by the expenditures of \$51.8 million generate a net surplus of \$1,486,778.

The budget includes contributing 10.05% to the CALPERS 2% at 55 years of age retirement Risk Pool for employees hired on or before June 26, 2011, and 8.049% for employees hired thereafter to the CALPERS 2% at 60 retirement Risk Pool and 6.25% for employees hired on or after January 1, 2013, for a total of approximately \$790,000; and no change to salary grades ranges and a 3% or approximately \$143,000 wage adjustment for eligible employees, \$1.0 million to the VEBA Trust, capital expenditures of \$3.82 million and carryover of \$489K for a total of \$4.3million, principal debt payment of \$780,000, contribution to reserves \$2.5 million and the Designated Gift of \$1,626,640 to the University.

A motion was made by Marten denBoer to approve the Proposed Operating and Capital Budgets for fiscal year 2013-14 and forecasts for fiscal year 2012-13 for General Activities, Enterprise Activities, Supplemental Programs, Designated Gifts, Reserves and the long-range cash plan/reserve. The motion was seconded by David Speak and approved 16 Ayes, 0-Abstentions, 0-Nays.

B. 457 Plan Employee Conversion

Dennis Miller explained the PARS Vacation/Sick Leave Conversion Program allows the Foundation to provide eligible employees a supplemental retirement plan by contributing unused vacation and sick leave into a PARS account on a tax-deferred basis. A conservative forecast for unused sick leave conversion is \$61,710 and \$82,165 for unused vacation. When employees convert unused vacation time, there is no cost for Foundation as the amounts have already been earned and accrued. In addition, there is a reduction in payroll taxes of about 9% for these conversions.

A motion was made by Tom Goff to approve the funding for the PARS Vacation/Sick Leave Conversion Plan effective July 1, 2013. The motion was seconded by Oliver Santos and approved, 16 Ayes, 0-Abstentions, 0-Nays.

C. Dining Service/Bookstore Summer and Fall Operating Hours

Paul Storey explained the Program Committee was asked to review planned hours of operation for the time periods indicated at their May 6th meeting. There were a couple of questions from the committee that needed clarification prior to approval of these hours of operation, specifically regarding the closure of Denny's/Vista over the summer months.

In order to ensure the needs of resident students at the suites are met over the summer, the Foundation proposes the following; The Bronco Student Center will open additional venues, including QDoba, Subway, Poly Fresh, and Peets/Freshens. Los Olivos will remain open throughout the summer during periods when resident student meal plans are active. The only exception would be the July 4 holiday. The Poly Trolley food truck will be in operation, and will make the area in and around building 52 a regular stop. Vista Market will be open 7 days a week from 11 am to 7 pm. Denny's Diner will be open Monday thru Thursday 11 am to 5 pm.

A motion was made by Susie Diaz to approve the hours of operation proposed by Foundation Management. The motion was seconded by Marten denBoer and approved, 16 Ayes, 0-Abstentions, 0-Nays.

D. Policy 157 Update

David Prenovost requested changes be made to the Foundation Purchasing and Capitalization Policy #157 in order to be in-line with the changes made to Policy #118 that was approved at the last board meeting in February.

A motion was made by Marten denBoer to approve the suggested changes to the Foundation Purchasing and Capitalization Policy #157. The motion was seconded by Susie Diaz and approved, 16 Ayes, 0-Abstentions, 0-Nays.

IV. DISCUSSION ITEMS

None

V. INFORMATION ITEMS

A. 2013 CSU Auxiliary Compliance Audit

David Prenovost explained the compliance audit fieldwork began on March 25, 2013 and ended April 26, 2013. The CSU auditors interviewed key personnel and reviewed Federal Statutes, California code of regulations, Trustee resolutions, Executive Orders, Campus and Foundation policies/practices and sound business practices to develop a risk assessment and scope to produce an audit program.

An informal exit conference was held by the CSU auditors on April 26, 2013 and preliminary observations were presented for further discussion and clarification. The auditors will prepare a draft report and a final report within the calendar year that will include the Foundation's responses and timeline for implementing any corrective action.

B. Executive Director's Report

1. The W.K. Kellogg Foundation conducted a financial audit on the Kellogg grant mid-May. The auditor stated the audit went well; he will be issuing a report soon, and mentioned the Kellogg Foundation was very pleased with their relationship with Cal Poly Pomona.
2. Faculty/Staff Housing update; Kellogg Track has 3 houses in escrow, appraising at approximately \$240,000. The Fair Oaks Track has 3 homes in escrow and 2 homes available for sale for new faculty. These homes are appraising in the \$270,000 range.
3. The Foundation Dining Services Operations has received an Honorable Mention Award by the National Association of College and University Food Services.
4. Paul invited Board members to a reception immediately following this meeting, served by the new Poly Trolley Food Truck.

OPEN FORUM

Ed Barnes recognized and thanked Board members whose terms have ended;

- Dr. Ed Merritt – Term as Faculty Director ended – 4 years of service
- Ms. Cassandra Reyes – Term as Staff Director ended - 6 years of service
- Mr. Christopher Osuala – Term as ASI President ended
- Mr. Evin Coukos – Term as Student Director ended
- Mr. Jordan Kittleson – Term as Student Director ended
- Mr. Phil Sales – Term as Audit Committee member ended

Meeting adjourned at 3:30 p.m.

Respectfully submitted,


Dr. Winny Dorg,
Secretary/Treasurer

CAL POLY POMONA FOUNDATION, INC.

Quality Service Supporting Quality Education

2013-2014 Committee Assignments

Finance Committee

Dr. Ed Barnes, *Chair*
Ms. Christine Hall
Dr. Marten denBoer
Ms. Rachel Dominguez
Dr. Doug Freer
Mr. Scott Warrington
Dr. David Speak
Mr. John McGuthry
Mr. Jack Kulp
Mr. Oliver Santos
Mr. Mickey Segal
*Mr. Darwin Labordo

Personnel Committee

Dr. Ed Barnes, *Chair*
Mrs. Mei Lien Chang
Mr. Devon Graves
Dr. Winny Dong
Mr. James Priest
Dr. Sep Eskandari
Dr. Richard Lapidus
Ms. Susie Diaz
*Ms. Sharon Reiter

Audit Committee

*Ms. Joice Xiong, *Chair*
Mr. James Priest
Mr. Devon Graves
*Mr. Darwin Labordo

Nominating Committee

Will be appointed April 2014

Investment Committee

Mr. Thomas Goff, *Chair*
Dr. Ed Barnes
Dr. Richard Lapidus
Ms. Kathy Tully
*Mr. Darwin Labordo

Program Committee

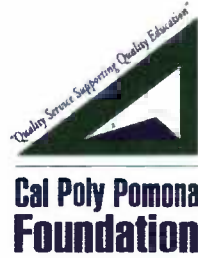
Dr. Doug Freer, *Chair*
Dr. Winny Dong
Mr. Johndaniel Morales
Mr. John McGuthry
Mr. Scott Warrington
Ms. Cynthia Williams
Dr. Sep Eskandari
Mr. Lowell Overton
Ms. Susie Diaz
*Mr. Frank Ewers

Executive Committee

Dr. J. Michael Ortiz
Dr. David Speak
Dr. Ed Barnes
Ms. Rachel Dominguez
Ms. Christine Hall
Mr. Oliver Santos

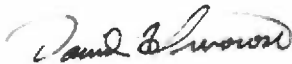
* *Non-Board Member*

Memorandum



Date: September 26, 2013

To: Board of Directors
Cal Poly Pomona Foundation, Inc.

From: 
David F. Prenovost
Senior Managing Director/Chief Financial Officer

Subject: **2012-2013 STATE PRESCHOOL PROGRAM AUDIT**

GYL Decauwer, LLP has completed the audit of the State Preschool Program grants from the California Department of Education for the fiscal year ended June 30, 2013. The audit report and the results of the audit are as follows:

1. Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.


The results of GYL Decauwer's tests disclosed an instance of noncompliance relating to the calculation of attendance that is required to be reported under Government Auditing Standards and will be reported accordingly. In addition, there were no matters involving the internal control over financial reporting and its operation that GYL Decauwer considered to be material weaknesses.

PROPOSED ACTION:

WHEREAS, The Foundation is requesting the Board of Directors accept GYL Decauwer's State Preschool Program Audit Report for the fiscal year ended June 30, 2013,

NOW, THEREFORE, BE IT RESOLVED that the Cal Poly Pomona Foundation, Inc., Board of Directors accepts the GYL Decauwer's State Preschool Program Audit Report.

Passed and adopted this 26th day of September 2013.

By: 
Rachel Dominguez, Secretary
Board of Directors
Cal Poly Pomona Foundation, Inc.

September 3, 2013

To the Management and the Audit Committee of the Board of Directors of the Cal Poly Pomona Foundation, Inc. State Preschool, General Child Care and Prekindergarten Programs

We have audited the financial statements of Cal Poly Pomona Foundation, Inc. State Preschool, General Child Care and Prekindergarten Programs for the year ended June 30, 2013, and have issued our report thereon dated September 3, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 5, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Cal Poly Pomona Foundation, Inc. State Preschool, General Child Care and Prekindergarten Programs are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2012. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the allocation of costs is utilized to allocate costs to each program. We evaluated the key factors and assumptions used to develop the cost allocation in determining that it is reasonable in relation to the financial statements taken as a whole. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

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your
Success
is our
DESTINATION

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 3, 2013.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors of Cal Poly Pomona Foundation, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

GYL Decauwer LLP

GYL Decauwer
Ontario, California



Client: *Cal Poly Pomona Foundation, Inc.*
 Engagement: *Cal Poly Pomona Foundation, Inc. 6/30/13*
 Period Ending: *6/30/2013*
 Workpaper: *Adjusting Journal Entries Report*

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		LR-1		
Reclassify CSPP reserve account.				
2500-60	GRANTS & CONTRACTS PAYABLE		102.03	
2600-10	SDE RESERVES			102.03
Total			<u><u>102.03</u></u>	<u><u>102.03</u></u>
Adjusting Journal Entries JE # 2		130-3		
Record supplemental revenue and expenditures.				
7135-70	INDIRECT COSTS		36,670.06	
7190-70	MISCELLANEOUS		62,779.00	
7272-70	SALARIES/REIMBURSED		79,167.83	
7311-70	STAFF BENEFITS/REIMBURSED		26,911.34	
7326-70	SUPPLIES/EXPENDABLE		21,792.16	
4700-70	SUPPLEMENTAL REVENUE			227,320.39
Total			<u><u>227,320.39</u></u>	<u><u>227,320.39</u></u>

Client: **80244.1 - Cal Poly Pomona Foundation, Inc.**
 Engagement: **80244.1 - Cal Poly Pomona Foundation, Inc. 6/30/13**
 Period Ending: **6/30/2013**
 Trial Balance: **130-1 - Trial Balance**
 Workpaper: **140-2 - Reclassifying Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Reclassifying Journal Entries JE # 3		TB		
Reclass Due from ASI balance.				
1100-30	ACCTS RECEIVABLE-INVOICES		13,064.31	
2500-10	DUE TO ASI		521.26	
1100-10	ACCTS RECEIVABLE-PARENT FEES			521.26
1128-30	DUE FROM ASI			13,064.31
Total			<u><u>13,585.57</u></u>	<u><u>13,585.57</u></u>
Reclassifying Journal Entries JE # 4		AC-1		
Reclassify revenue to reconcile revenues.				
4600-30	EARNED EQUITIES -FUND 2		13,065.00	
5102-10	SUBSIDIZED REVENUES		521.00	
4600-10	EARNED EQUITIES -FUND 2			521.00
5102-30	SUBSIDIZED REVENUES			13,065.00
Total			<u><u>13,586.00</u></u>	<u><u>13,586.00</u></u>

**CAL POLY POMONA FOUNDATION, INC.
STATE PRESCHOOL, GENERAL CHILD CARE
AND PREKINDERGARTEN PROGRAMS**

FINANCIAL STATEMENTS

For The Year Ended June 30, 2013
(Summarized Totals for 2012)



**CAL POLY POMONA FOUNDATION, INC.
STATE PRESCHOOL, GENERAL CHILD CARE
AND PREKINDERGARTEN PROGRAMS**

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**CAL POLY POMONA FOUNDATION, INC.
STATE PRESCHOOL, GENERAL CHILD CARE
AND PREKINDERGARTEN PROGRAMS**

GENERAL INFORMATION

NAME OF AGENCY:	Cal Poly Pomona Foundation, Inc.	
PROGRAM:	State Preschool	CSPP-2150
	Prekindergarten and Family	
	Literacy Support	CPKS-2025
	General Child Care and Development	CCTR-2075
TYPE OF AGENCY:	Non-Profit State of California Foundation	
ADDRESS OF AGENCY:	Cal Poly Pomona Foundation, Inc. State Preschool Office 3801 W. Temple Ave., Building 116 Pomona, California 91768	
NAME AND ADDRESS OF:		
Chief Financial Officer:	David Prenovost Cal Poly Pomona Foundation, Inc. 3801 West Temple Avenue, Building 55 Pomona, California 91768	
Preschool Director:	Yvonne Bailey	
TELEPHONE NUMBER:	Foundation Office	(909) 869-2948
	State Preschool Office	(909) 869-2284
PERIOD COVERED BY THE EXAMINATION:	July 1, 2012 to June 30, 2013	
NUMBER OF DAYS OF OPERATION OF AGENCY:	245 days	CSPP-2150
	245 days	CCTR-2075
SCHEDULE HOURS OF OPERATION EACH DAY:	Opening time: 8:45 a.m.	1:00 p.m.
	Closing time: 12:30 a.m.	5:00 p.m.
	Number of days per week:	5

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Cal Poly Pomona Foundation, Inc.
State Preschool, General Child Care and Prekindergarten Programs
Pomona, California

Report on the Financial Statements

We have audited the accompanying financial statements of Cal Poly Pomona Foundation, Inc. State Preschool, General Child Care and Prekindergarten Programs, which comprise the financial position as of June 30, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis for our opinion.

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DESTINATION

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cal Poly Pomona Foundation, Inc. State Preschool, General Child Care and Prekindergarten Programs as of June 30, 2013, and the results of its activities and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Cal Poly Pomona Foundation, Inc. State Preschool, General Child Care and Prekindergarten Programs 2012 fiscal year financial statements, and our report dated September 11, 2012, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The accompanying supplementary information presented on pages 9 - 23, is presented for purposes of additional analysis, and is not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and in conformity with the *Audit Guide of Child Development and Nutrition Programs* issued by the California Department of Education. In our opinion, the information is fairly stated, in all material respects, in relation to the 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 3, 2013, on our consideration of Cal Poly Pomona Foundation, Inc. State Preschool, General Child Care and Prekindergarten Programs' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in consideration of Cal Poly Pomona Foundation, Inc. State Preschool, General Child Care and Prekindergarten Programs' internal control over financial reporting and compliance.

Day & Decauwer LLP

GYL Decauwer LLP

Ontario, California

September 3, 2013



CPAs & Business Consultants

**CAL POLY POMONA FOUNDATION, INC.
STATE PRESCHOOL, GENERAL CHILD CARE
AND PREKINDERGARTEN PROGRAMS**

STATEMENT OF FINANCIAL POSITION

June 30, 2013

(Summarized Totals for 2012)

ASSETS	2013	2012
Claims on cash	\$	\$ 15,078
Grants and contracts receivable	82,092	42,443
Due from ASI	49,705	44,154
Total Assets	\$ 131,797	\$ 101,675
LIABILITIES AND NET ASSETS		
Claims on cash	\$ 81,883	\$ 75,332
Accounts payable	40,412	16,381
Accrued expenses	9,400	9,962
SDE reserves	102	9,962
Total Liabilities	131,797	101,675
Total Liabilities and Net Assets	\$ 131,797	\$ 101,675

See accompanying notes to the financial statements

**CAL POLY POMONA FOUNDATION, INC.
STATE PRESCHOOL, GENERAL CHILD CARE
AND PREKINDERGARTEN PROGRAMS**

STATEMENT OF ACTIVITIES

For the year ended June 30, 2013

(Summarized Totals for 2012)

	2013	2012
REVENUE		
State apportionments	\$ 302,291	\$ 435,736
Federal awards	135,798	59,819
Transfer from CD reserves	9,880	
Other grants	227,320	
Parent fees-certified	33,359	47,246
Parent fees-non certified	101,349	81,824
Interest income	45	735
Total Revenue	810,042	625,360
EXPENSES		
Program Services		
Child care services	730,209	567,037
Support Services		
Administrative costs	79,833	58,323
Total Expenses	810,042	625,360
CHANGES IN NET ASSETS		
Unrestricted Net Assets - beginning of year		
Unrestricted Net Assets - end of year	\$	\$

See accompanying notes to the financial statements

**CAL POLY POMONA FOUNDATION, INC.
STATE PRESCHOOL, GENERAL CHILD CARE
AND PREKINDERGARTEN PROGRAMS**

STATEMENT OF CASH FLOWS

For the year ended June 30, 2013

(Summarized Totals for 2012)

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Decrease (increase) in operating assets		
Grants and contracts receivable	\$ (39,649)	\$ (19,952)
Parent fees receivable	(5,551)	(41,075)
Increase (decrease) in operating liabilities		
Accounts payable	(34,920)	11,614
Accrued expenses	(6,981)	
SDE reserves	(9,860)	(17,879)
Net cash provided by (used in) operating activities	(96,961)	(67,292)
 CASH FLOWS FROM INVESTING ACTIVITIES		
None		
 CASH FLOWS FROM FINANCING ACTIVITIES		
None		
 Cash and cash equivalents - beginning of year	15,078	82,370
 Cash and cash equivalents - end of year	\$ (81,883)	\$ 15,078

See accompanying notes to the financial statements

**CAL POLY POMONA FOUNDATION, INC.
STATE PRESCHOOL, GENERAL CHILD CARE
AND PREKINDERGARTEN PROGRAMS**

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 1 Summary of Significant Accounting Policies

Revenues - The State Preschool, General Child Care and Prekindergarten Programs (“Programs”), component units of Cal Poly Pomona Foundation, Inc. (“Foundation”), are funded by the California Department of Education. The purpose of the programs is to provide day care and child development services. The component units have earned revenue of \$447,969. As required by the California Department of Education, Cal Poly Pomona Foundation, Inc. is mandated to obtain an audit of the component unit and submit the audited financial statements and supplementary information of the component unit as well as the audited financial statements of the entire Foundation.

Property and Equipment - Property, plant and equipment are stated at cost or, if donated, at their estimated fair market value at the date of donation. Depreciation is provided using the straight-line method over the assets’ estimated useful lives. It is the Foundation’s policy to capitalize equipment and property with a cost of \$5,000 or greater.

Property and equipment acquired by the Foundation’s Programs are considered owned by Cal Poly Pomona Foundation, Inc. However, government funding sources maintain an equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets.

Income Taxes - No provision for income taxes has been made in the accompanying financial statements, since the Foundation has been granted exemptions from Federal and State income taxes.

Cash and Cash Equivalents - The Programs are affiliated and integrated with the Foundation, who performs a number of fiscal services on behalf of the program, including the management of cash. Therefore, the cash and cash equivalents are displayed in the statement of cash flows as claims on cash.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Summarized Prior Year Information - The financial statements include summarized comparative information from the prior year, which is not presented by net class or include comparative footnotes, and does not include sufficient detail to conform with GAAP. This information should be read in conjunction with the Organization’s financial statements for the year ended June 30, 2012, for which the comparative information was extracted.

**CAL POLY POMONA FOUNDATION, INC.
STATE PRESCHOOL, GENERAL CHILD CARE
AND PREKINDERGARTEN PROGRAMS**

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 1 Summary of Significant Accounting Policies (continued)

Date of Managements' Review - The Foundation has evaluated subsequent events through September 3, 2013 the date which the financial statements were available to be issued and there are no subsequent events requiring disclosure.

Note 2 Related Party Transactions

The State Preschool and Prekindergarten operate from facilities paid for by California State Polytechnic University, Pomona. The Foundation performs fiscal administration for the State Preschool and Prekindergarten. The Foundation's fee is 8% for fiscal administration.

The State Preschool and Prekindergarten teaching staff consist of employees from Associated Students, Inc. On a monthly basis, the State Preschool and Prekindergarten reimburses Associated Students, Inc. for salaries, benefits and pension cost. Associated Students, Inc. also collects parent fees for both certified and non-certified children that then are remitted to the Foundation.

Note 3 State Child Development Reserves

The funding agreements with the California Department of Education (CDE) allow the Foundation to record "reserves" for the amounts not earned during the current year, up to certain amounts. These reserves are presented as a liability for financial statement purposes and are not included in the current year revenue. As of June 30, 2013, the reserves' total balance was \$102.

Note 4 Contingencies

The Foundation has received grant funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

SUPPLEMENTARY INFORMATION

**CAL POLY POMONA FOUNDATION, INC.
STATE PRESCHOOL, GENERAL CHILD CARE
AND PREKINDERGARTEN PROGRAMS**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the year ended June 30, 2013

<u>Grantor/ Program Title</u>	<u>CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Program or Award Amount</u>	<u>State Disbursements/ Expenditures</u>
U.S. Department of Health and Human Services:				
Passed through California Department of Education:				
State Preschool	93.596/93.575	CSPP-2150	\$ 76,876	\$ 76,876
General Child Care & Development	93.596/93.575	CCTR-2075	<u>58,922</u>	<u>58,922</u>
Total Federal Awards			<u>\$ 135,798</u>	<u>\$ 135,798</u>
State Preschool		CSPP-2150	\$ 257,542	\$ 246,729
General Child Care & Development		CCTR-2075	57,487	53,064
Prekindergarten and Family Literacy Support		CPKS-2025	<u>2,500</u>	<u>2,498</u>
Total State Awards			<u>\$ 317,529</u>	<u>\$ 302,291</u>

See accompanying notes to supplementary information

**CAL POLY POMONA FOUNDATION, INC.
STATE PRESCHOOL, GENERAL CHILD CARE
AND PREKINDERGARTEN PROGRAMS**

COMBINED SCHEDULE OF REVENUE AND EXPENDITURES BY STATE CONTRACTS

For the year ended June 30, 2013

	<u>CSPP-2150</u> State Preschool	<u>CPKS-2025</u> Prekindergarten and Family Literacy Support	<u>CCTR-2075</u> General Child Care & Development	<u>Total</u>
REVENUE				
Federal awards	\$ 76,876	\$	\$ 58,922	\$ 135,798
State apportionments	246,729	2,498	53,064	302,291
Transfers from CD reserves	9,880			9,880
Other grants	227,320			227,320
Parent fees-certified	28,531		4,828	33,359
Parent fees-non certified	65,285		36,064	101,349
Interest income	45			45
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue	654,666	2,498	152,878	810,042
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES				
Certificated salaries and wages	298,857		81,330	380,187
Employee benefits	142,669		42,068	184,737
Total Salaries and Related Expenses	441,526		123,398	564,924
	<hr/>	<hr/>	<hr/>	<hr/>
Books and supplies	31,592	2,313	1,298	35,203
Services and other operating expenses	113,224		16,858	130,082
Indirect cost rate	68,324	185	11,324	79,833
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	654,666	2,498	152,878	810,042
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

See accompanying notes to the supplementary information

**CAL POLY POMONA FOUNDATION, INC.
STATE PRESCHOOL, GENERAL CHILD CARE
AND PREKINDERGARTEN PROGRAMS**

SCHEDULE OF EXPENDITURES BY STATE CATEGORIES

For the year ended June 30, 2013

	CSPP-2150 State Preschool	CPKS-2025 Prekindergarten and Family Literacy Support	CCTR-2075 General Child Care & Development	Total
EXPENDITURES				
Direct payment to providers				
1000 Certified salaries	\$ 219,689	\$	\$ 81,330	\$ 301,019
2000 Classified salaries				
3000 Employee benefits	115,758		42,068	157,826
4000 Books and supplies	9,800	2,313	1,298	13,411
5000 Services and other operating expenses	50,445		16,858	67,303
6100/6200 Other approved capital outlay				
6400 New equipment				
6500 Replacement equipment				
Depreciation on assets not purchased with public funds				
Start-up expenses - service level exemption				
Indirect costs	31,654	185	11,324	43,163
Total expenses claimed for reimbursement	427,346	2,498	152,878	582,722
Total supplemental expenses	227,320			227,320
Total Expenditures	\$ 654,666	\$ 2,498	\$ 152,878	\$ 810,042

See accompanying notes to the supplementary information

AUDITED ATTENDANCE AND FISCAL REPORT

for California State Preschool Programs

Agency Name: Cal Poly Pomona Foundation, Inc. Vendor No. E923

Fiscal Year Ended: June 30, 2013 Contract No. CSPP-2150

Independent Auditor's Name: GYL Decauwer LLP

SECTION I - CERTIFIED CHILDREN DAYS OF ENROLLMENT	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Three and Four Year Olds</i>					
Full-time-plus	1,968		1,968	1.1800	2,322.240
Full-time	6,303		6,303	1.0000	6,303.000
Three-quarters-time	1,266		1,266	0.7500	949.500
One-half-time	311		311	0.6172	191.949
<i>Exceptional Needs</i>					
Full-time-plus	-		-	1.4160	-
Full-time	-		-	1.2000	-
Three-quarters-time	150		150	0.9000	135.000
One-half-time	-		-	0.6172	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus	20		20	1.2980	25.960
Full-time	264		264	1.1000	290.400
Three-quarters-time	2		2	0.8250	1.650
One-half-time	10		10	0.6172	6.172
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	-		-	1.2980	-
Full-time	-		-	1.1000	-
Three-quarters-time	-		-	0.8250	-
One-half-time	29		29	0.6172	17.899
<i>Severely Disabled</i>					
Full-time-plus	-		-	1.7700	-
Full-time	-		-	1.5000	-
Three-quarters-time	-		-	1.1250	-
One-half-time	-		-	0.6172	-
TOTAL DAYS OF ENROLLMENT	10,323	-	10,323		10,243.770
DAYS OF OPERATION	245	-	245		
DAYS OF ATTENDANCE	10,305	-	10,305		

NO NONCERTIFIED CHILDREN - Check this box, omit page 2, and continue to Section III if no noncertified children were enrolled in the program.

Comments - If necessary, attach additional sheets to explain adjustments:

**AUDITED ATTENDANCE AND FISCAL REPORT
for California State Preschool Programs**

Agency Name: Cal Poly Pomona Foundation, Inc. Vendor No. E923

Fiscal Year Ended: June 30, 2013 Contract No. CSPP-2150

SECTION II - NONCERTIFIED CHILDREN Report all children who were not certified, but who were served at the same sites as certified children. DAYS OF ENROLLMENT	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Three and Four Year Olds</i>					
Full-time-plus	309		309	1.1800	364.620
Full-time	727		727	1.0000	727.000
Three-quarters-time	764		764	0.7500	573.000
One-half-time	-		-	0.6172	-
<i>Exceptional Needs</i>					
Full-time-plus	-		-	1.4160	-
Full-time	-		-	1.2000	-
Three-quarters-time	-		-	0.9000	-
One-half-time	-		-	0.6172	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus	-		-	1.2980	-
Full-time	-		-	1.1000	-
Three-quarters-time	-		-	0.8250	-
One-half-time	-		-	0.6172	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	-		-	1.2980	-
Full-time	-		-	1.1000	-
Three-quarters-time	-		-	0.8250	-
One-half-time	-		-	0.6172	-
<i>Severely Disabled</i>					
Full-time-plus	-		-	1.7700	-
Full-time	-		-	1.5000	-
Three-quarters-time	-		-	1.1250	-
One-half-time	-		-	0.6172	-
TOTAL DAYS OF ENROLLMENT	1,800	-	1,800		1,664.620

Comments - If necessary, attach additional sheets to explain adjustments:

**AUDITED ATTENDANCE AND FISCAL REPORT
for California State Preschool Programs**

Agency Name: Cal Poly Pomona Foundation, Inc. Vendor No. E923

Fiscal Year End: June 30, 2013 Contract No. CSPP-2150

	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
SECTION III - REVENUE			
RESTRICTED INCOME			
Child Nutrition Programs	\$0	\$0	\$0
County Maintenance of Effort (EC § 8279)			0
Other (Specify):			0
Subtotal	\$0	\$0	\$0
Transfer from Reserve Contract #	9,880		9,880
Family Fees for Certified Children Contract #	28,531		28,531
Interest Earned on Apportionments Contract #	45		45
UNRESTRICTED INCOME			
Family Fees for Noncertified Children	65,806	(521)	65,285
Head Start Program (EC § 8235(b))			0
Other (Specify):			0
TOTAL REVENUE	\$104,262	(\$521)	\$103,741

SECTION IV - REIMBURSABLE EXPENSES			
1000 Certificated Salaries	\$219,689	\$0	\$219,689
2000 Classified Salaries			0
3000 Employee Benefits	115,758		115,758
4000 Books and Supplies	10,302		10,302
5000 Services and Other Operating Expenses	49,943		49,943
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (program-related)			0
6500 Replacement Equipment (program-related)			0
Depreciation or Use Allowance			0
Start-Up Expenses (service level exemption)			0
Budget Impasse Credit			0
Indirect Costs. Rate: 8.00% (Rate is Self-Calculating)	31,654		31,654
TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT	\$427,346	\$0	\$427,346
TOTAL ADMINISTRATIVE COSTS (included in section IV above)	\$37,854	\$0	\$37,854

FOR CDE-A&I USE ONLY:

Independent Auditor's Assurances on Agency's compliance with Contract Funding Terms and Conditions and Program Requirements of the California Department of Education, Child Development Division:

Eligibility, enrollment, and attendance records are being maintained as required (check YES or NO):

YES

NO - Explain any discrepancies.

Reimbursable expenses claimed above are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO):

YES

NO - Explain any discrepancies.

COMMENTS - If necessary, attach additional sheets to explain adjustments:

NO SUPPLEMENTAL REVENUES OR EXPENSES - Check this box and omit page 4 if there are no supplemental revenues or expenses to report.

**AUDITED ATTENDANCE AND FISCAL REPORT
for California State Preschool Programs**

Agency Name: Cal Poly Pomona Foundation, Inc. Vendor No. E923

Fiscal Year End: June 30, 2013 Contract No. CSPP-2150

	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
SECTION V - SUPPLEMENTAL REVENUE			
Enhancement Funding	\$227,320	\$0	\$227,320
Other (Specify):			0
			0
			0
TOTAL SUPPLEMENTAL REVENUE	\$227,320	\$0	\$227,320

SECTION VI - SUPPLEMENTAL EXPENSES

EXPENSES RELATED TO SUPPLEMENTAL REVENUE			
1000 Certificated Salaries	\$79,168	\$0	\$79,168
2000 Classified Salaries	0		0
3000 Employee Benefits	26,911		26,911
4000 Books and Supplies	21,792		21,792
5000 Services and Other Operating Expenses	62,779		62,779
6000 Equipment/Other Capital Outlay			0
Depreciation or Use Allowance			0
Indirect Costs	36,670		36,670
NONREIMBURSABLE EXPENSES			
6100-6500 Nonreimbursable Capital Outlay			0
Other: e.g., Entertainment Expenses			0
Other (Specify):			0
			0
TOTAL SUPPLEMENTAL EXPENSES	\$227,320	\$0	\$227,320

COMMENTS - If necessary, attach additional sheets to explain adjustments:

**AUDITED FISCAL REPORT
for Child Development Support Contracts**

Agency Name: Cal Poly Pomona Foundation, Inc. Vendor No. E923

Fiscal Year End: June 30, 2013 Contract No. CPKS-2025

Multi-Year Contract? (Check "No" Box or Enter Contract Period): No: or Period: _____

Independent Auditor's Name: GYL Decauwer LLP

	COLUMN A1	COLUMN A2	COLUMN B	COLUMN C
	PRIOR YEAR'S AUD 9529 ENDING BALANCE FOR THIS CONTRACT (Multi-Year Contract Only)	CURRENT FISCAL YEAR PER FORM CDFS 9529	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE THROUGH CURRENT FISCAL YEAR PER AUDIT
SECTION I - REVENUE				
RESTRICTED INCOME				
Match Requirement	\$0	\$0	\$0	\$0
County Maintenance of Effort (EC § 8279)				0
Other (Specify):				0
				0
Subtotal	\$0	\$0	\$0	\$0
INTEREST EARNED ON APPORTIONMENTS				0
UNRESTRICTED INCOME				
Other (Specify):				0
				0
TOTAL REVENUE	\$0	\$0	\$0	\$0

SECTION II - REIMBURSABLE EXPENSES				
1000 Certificated Salaries	\$0	\$0	\$0	\$0
2000 Classified Salaries				0
3000 Employee Benefits				0
4000 Books and Supplies		2,313		2,313
5000 Services and Other Operating Expenses				0
6100/6200 Other Approved Capital Outlay				0
6400 New Equipment (<i>program-related</i>)				0
6500 Replacement Equipment (<i>program-related</i>)				0
Depreciation or Use Allowance				0
Indirect Costs. Rate: 8.00%		185		185
TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT	\$0	\$2,498	\$0	\$2,498
TOTAL ADMINISTRATIVE COSTS (<i>included in section II above</i>)	\$0	\$185	\$0	\$185
FOR CDE-A&I USE ONLY:				

COMMENTS - If necessary, attach additional sheets to explain adjustments:

NO SUPPLEMENTAL REVENUES OR EXPENSES - Check this box and omit page 2 if there are no supplemental revenues or expenses to report.

AUDITED ATTENDANCE AND FISCAL REPORT

for Child Development Programs

Agency Name: Cal Poly Pomona Foundation, Inc. Vendor No. E923

Fiscal Year Ended: June 30, 2013 Contract No. CCTR-2075

Independent Auditor's Name: GYL Decauwer LLP

SECTION I - CERTIFIED CHILDREN DAYS OF ENROLLMENT	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
	CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Infants (up to 18 months)</i>					
Full-time-plus	-		-	2.006	-
Full-time	-		-	1.700	-
Three-quarters-time	-		-	1.275	-
One-half-time	-		-	0.935	-
<i>FCCH Infants (up to 18 months)</i>					
Full-time plus	-		-	1.652	-
Full-time	-		-	1.400	-
Three-quarters-time	-		-	1.050	-
One-half-time	-		-	0.770	-
<i>Toddlers (18 up to 36 months)</i>					
Full-time-plus	367		367	1.652	606.284
Full-time	1,080		1,080	1.400	1,512.000
Three-quarters-time	429		429	1.050	450.450
On-half-time	25		25	0.770	19.250
<i>Three Years and Older</i>					
Full-time-plus	-		-	1.180	-
Full-time	32		32	1.000	32.000
Three-quarters-time	426		426	0.750	319.500
One-half-time	398		398	0.550	218.900
<i>Exceptional Needs</i>					
Full-time-plus	-		-	1.416	-
Full-time	-		-	1.200	-
Three-quarters-time	-		-	0.900	-
One-half-time	-		-	0.660	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus	-		-	1.298	-
Full-time	104		104	1.100	114.400
Three-quarters-time	18		18	0.825	14.850
One-half-time	182		182	0.605	110.110
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	-		-	1.298	-
Full-time	-		-	1.100	-
Three-quarters-time	-		-	0.825	-
One-half-time	-		-	0.605	-
<i>Severely Disabled</i>					
Full-time-plus	-		-	1.770	-
Full-time	-		-	1.500	-
Three-quarters-time	-		-	1.125	-
One-half-time	-		-	0.825	-
TOTAL DAYS OF ENROLLMENT	3,061	-	3,061	-	3,397.744
DAYS OF OPERATION	245	-	245	-	-
DAYS OF ATTENDANCE	3,034	-	3,034	-	-

NO NONCERTIFIED CHILDREN - Check this box, omit page 2, and continue to Section III if no noncertified children were enrolled in the program

Comments - If necessary, attach additional sheets to explain adjustments:

**AUDITED ATTENDANCE AND FISCAL REPORT
for Child Development Programs**

Agency Name: Cal Poly Pomona Foundation, Inc. Vendor No. E923

Fiscal Year Ended: June 30, 2013 Contract No. CCTR-2075

SECTION II - NONCERTIFIED CHILDREN Report all children who were not certified, but who were served at the same sites as certified children. DAYS OF ENROLLMENT	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
	CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Infants (up to 18 months)</i>					
Full-time-plus	-		-	2.006	-
Full-time	-		-	1.700	-
Three-quarters-time	-		-	1.275	-
One-half-time	-		-	0.935	-
<i>FCCH Infants (up to 18 months)</i>					
Full-time plus	-		-	1.652	-
Full-time	-		-	1.400	-
Three-quarters-time	-		-	1.050	-
One-half-time	-		-	0.770	-
<i>Toddlers (18 up to 36 months)</i>					
Full-time-plus	187		187	1.652	308.924
Full-time	22		22	1.400	30.800
Three-quarters-time	57		57	1.050	59.850
On-half-time	28		28	0.770	21.560
<i>Three Years and Older</i>					
Full-time-plus	7		7	1.180	8.260
Full-time	226		226	1.000	226.000
Three-quarters-time	49		49	0.750	36.750
One-half-time	414		414	0.550	227.700
<i>Exceptional Needs</i>					
Full-time-plus	-		-	1.416	-
Full-time	-		-	1.200	-
Three-quarters-time	-		-	0.900	-
One-half-time	-		-	0.660	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus	-		-	1.298	-
Full-time	-		-	1.100	-
Three-quarters-time	-		-	0.825	-
One-half-time	-		-	0.605	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	-		-	1.298	-
Full-time	-		-	1.100	-
Three-quarters-time	-		-	0.825	-
One-half-time	-		-	0.605	-
<i>Severely Disabled</i>					
Full-time-plus	-		-	1.770	-
Full-time	-		-	1.500	-
Three-quarters-time	-		-	1.125	-
One-half-time	-		-	0.825	-
TOTAL DAYS OF ENROLLMENT	990	-	990		919.844

Comments - If necessary, attach additional sheets to explain adjustments:

**AUDITED ATTENDANCE AND FISCAL REPORT
for Child Development Programs**

Agency Name: Cal Poly Pomona Foundation, Inc. Vendor No. E923

Fiscal Year End: June 30, 2013 Contract No. CCTR-2075

Insert Any Commingled Contract No. _____

	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
SECTION III - REVENUE			
RESTRICTED INCOME			
Child Nutrition Programs	\$0	\$0	\$0
County Maintenance of Effort (EC § 8279)			0
Uncashed Checks to Providers			0
Other (Specify):			0
Subtotal	\$0	\$0	\$0
Transfer from Reserve Contract #			0
Family Fees for Certified Children Contract #	4,828		4,828
Interest Earned on Apportionments Contract #			0
UNRESTRICTED INCOME			
Family Fees for Noncertified Children	22,999	13,065	36,064
Other (Specify):			0
TOTAL REVENUE	\$27,827	\$13,065	\$40,892

SECTION IV - REIMBURSABLE EXPENSES			
<i>Direct Payments to Providers (FCCH Only)</i>	\$0	\$0	\$0
1000 Certificated Salaries	81,330		81,330
2000 Classified Salaries			0
3000 Employee Benefits	42,068		42,068
4000 Books and Supplies	1,298		1,298
5000 Services and Other Operating Expenses	16,858		16,858
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (program-related)			0
6500 Replacement Equipment (program-related)			0
Depreciation or Use Allowance			0
Start-Up Expenses (service level exemption)			0
Budget Impasse Credit Contract #			0
Indirect Costs. Rate: 8.00% (Rate is Self-Calculating)	11,324		11,324
TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT	\$152,878	\$0	\$152,878
TOTAL ADMINISTRATIVE COSTS (included in section IV above)	\$17,524	\$0	\$17,524

FOR CDE-A&I USE ONLY:

Independent Auditor's Assurances on Agency's compliance with Contract Funding Terms and Conditions and Program Requirements of the California Department of Education, Child Development Division:

Eligibility, enrollment, and attendance records are being maintained as required (check YES or NO):

YES

NO - Explain any discrepancies.

Reimbursable expenses claimed above are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO):

YES

NO - Explain any discrepancies.

COMMENTS - If necessary, attach additional sheets to explain adjustments:

NO SUPPLEMENTAL REVENUES OR EXPENSES - Check this box and omit page 4 if there are no supplemental revenues or expenses to report.

AUD 9500, Page 3 of 4 (FY 2012-13) California Department of Education

AUDITED RESERVE ACCOUNT ACTIVITY REPORT

Agency Name: Cal Poly Pomona Foundation, Inc.

Fiscal Year End: June 30, 2013

Vendor No. E923

Independent Auditor's Name: GYL Decauwer LLP

RESERVE ACCOUNT TYPE (Check One):

- Center Based
- Resource and Referral
- Alternative Payment

COLUMN A	COLUMN B	COLUMN C
PER AGENCY	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	PER AUDIT

LAST YEAR:

1. Beginning Balance (must equal ending balance from Last Year's AUD 9530-A)	\$9,962	\$0	\$9,962
2. Plus Transfers from Contracts to Reserve Account (based on last year's post-audit CDFS 9530, Section IV):			
Contract No.	\$0	\$0	\$0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Total Transferred from Contracts to Reserve Account	0	0	0
3. Less Excess Reserve to be Billed (enter as a positive amount any excess amount calculated by CDFS on last year's post-audit CDFS 9530)	\$0		\$0
4. Ending Balance on Last Year's Post-Audit CDFS 9530	\$9,962	\$0	\$9,962

THIS YEAR:

5. Plus Interest Earned This Year on Reserve Funds (column A must agree with this year's CDFS 9530-A, Section II)	\$20	\$0	\$20
6. Less Transfers to Contracts from Reserve Account (column A amounts must agree with this year's CDFS 9530-A, Section III; and column C amounts must be reported on this year's AUD forms for respective contracts):			
Contract No. CSPP-2150	\$9,880	\$0	\$9,880
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Total Transferred to Contracts from Reserve Account	9,880	0	9,880
7. Ending Balance on June 30, 2013 (column A must agree with this year's CDFS 9530-A, Section IV)	\$102	\$0	\$102

COMMENTS - If necessary, attach additional sheets to explain adjustments:

**CAL POLY POMONA FOUNDATION, INC.
STATE PRESCHOOL, GENERAL CHILD CARE
AND PREKINDERGARTEN PROGRAMS**

**SCHEDULE OF RENOVATION AND REPAIR EXPENDITURES
UTILIZING CONTRACT FUNDS**

For the year ended June 30, 2013

EXPENDITURES UNDER \$10,000 UNIT COST		EXPENDITURES OVER \$10,000 UNIT COST			
		WITH CDD APPROVAL		WITHOUT CDD APPROVAL	
COST	ITEM	COST	ITEM	COST	ITEM
NONE		NONE		NONE	

**CAL POLY POMONA FOUNDATION, INC.
STATE PRESCHOOL, GENERAL CHILD CARE
AND PREKINDERGARTEN PROGRAMS**

**SCHEDULE OF EQUIPMENT EXPENDITURES
UTILIZING CONTRACT FUNDS**

For the year ended June 30, 2013

EXPENDITURES UNDER
\$7,500 UNIT COST

NONE

EXPENDITURES OVER
\$7,500 UNIT COST
WITH CDD APPROVAL

NONE

EXPENDITURES OVER
\$7,500 UNIT COST
WITHOUT CDD APPROVAL

NONE

**CAL POLY POMONA FOUNDATION, INC.
STATE PRESCHOOL, GENERAL CHILD CARE
AND PREKINDERGARTEN PROGRAMS**

NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2013

Note 1 Basis of Presentation

The accompanying schedule of expenditures of state awards includes the grant activity of the Cal Poly Pomona Foundation, Inc. State Preschool and Prekindergarten Programs, and both are presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Audit Guide of Child Development and Nutrition Programs by the California Department of Education. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Note 2 Administrative Costs

Administrative costs charged by the agency are as follows:

	<u>CSPP</u> 2150	<u>CPKS</u> 1025	<u>CCTR</u> 1076
Indirect Costs	\$ 31,654	\$ 185	\$ 11,324
Professional fees	<u>6,200</u>	<u> </u>	<u>6,200</u>
Total	<u>\$ 37,854</u>	<u>\$ 185</u>	<u>\$ 17,524</u>

Note 3 Out of State Travel

No out of state travel expenditures were charged to the program.

**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**

Board of Directors
Cal Poly Pomona Foundation, Inc.
State Preschool, General Child Care
and Prekindergarten Programs
Pomona, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Cal Poly Pomona Foundation, Inc. State Preschool, General Child Care and Prekindergarten Programs (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 3, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cal Poly Pomona Foundation, Inc. State Preschool, General Child Care and Prekindergarten Programs' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cal Poly Pomona Foundation, Inc. State Preschool, General Child Care and Prekindergarten Programs' internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 misstatements on a timely basis. A material weakness is a deficiency, or 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.

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your
Success
is our
DESTINATION

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (continued)**

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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cal Poly Pomona Foundation, Inc. State Preschool, General Child Care and Prekindergarten Programs' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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 organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

GYL Decauwer LLP

GYL Decauwer LLP
Ontario, CA

September 3, 2013



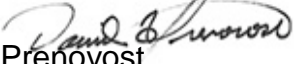
CPAs & Business Consultants

Memorandum



Date: September 26, 2013

To: Board of Directors
Cal Poly Pomona Foundation, Inc.

From: 
David F. Preno
Senior Managing Director/CFO

Subject: INVESTMENT HIGHLIGHTS – Fourth Quarter 2012-13

GENERAL INVESTMENT PORTFOLIO

As you may recall, the Investment Committee recommended and the Board approved at its February 2013 meeting a change in the management of the fixed income portion of the General Investment Portfolio (Portfolio); accordingly, Graystone Consulting began managing the fixed income securities during the month of March 2013. The General Investment Portfolio includes equity, fixed income, private capital and real estate investments along with an alternative investment in the first phase infrastructure at Innovation Village. The Portfolio has a current market value of \$37,840,948 and the current allocation is 24% in equities versus the target of 20%, 69% in fixed income versus the target of 60%, 0% in cash versus the target of 5%, 0% in real estate versus the target of 5% and 7% in alternative investments versus the target of 10%.

We only report the Foundation program and scholarship funds that are stratified into three durations, short term being 1 to 3 years, medium term being 4 to 7 years and long term being greater than 7 years. As of March 31st and June 30st the short term balances are \$12.9 million and \$12.8 million, medium term balances are \$4.1 million and \$4.1 million and long term balances \$8.5 million and \$8.1 million respectively.

For the rolling one year the Portfolio returned 3.7% compared to the performance benchmark Higher Education Price Index (HEPI) of 2.3% plus 2% or 4.3% per the Foundation's General Investment Policy # 131. The HEPI index is used to measure the absolute objective of the portfolio as measured in terms of preserving purchasing power. The fixed income portfolio of \$26.1 million lost a total return of 1.8% for the quarter and lost 0.92% for the one year compared to the Barclays Intermediate US Government Credit that lost 1.70% for the quarter and lost 0.29% for the one year. The duration of the fixed income portfolio is 3.39 in line with the Barclays Intermediate Government Credit index of 3.79.

Per the Foundation's Policy # 133, only the annualized yield is distributed; for the fiscal year the annual net yield is 0.17% and the scholarship programs received \$7,834 and the Foundation programs received \$67,269.

The Common Fund Multi-Strategy Equity Fund is \$9.1 million and earned 1.97% for the quarter and 21.51% for the one year compared to the S & P 500 index which earned 2.91% and earned 20.60% respectively. The Common Fund Multi-Strategy Bond fund is \$157,856 was sold and the proceeds transferred to Graystone Consulting to invest in the fixed income portfolio they manage.

The Common Fund Real Estate Fund value is \$41,420 as of March 2013 and the Foundation has received \$244,744 and is expected to receive approximately the remaining value of the fund in 2013-14.

The Foundation has received capital call notices and has contributed \$190,625 against its commitment of \$250,000 to Capital Partners IV and \$510,750 against its commitment of \$750,000 to Capital Private Equity Partners VII. The value of the Non-Marketable Investments is \$686,287 as of March 31, 2013. Please see Capital Partners IV quarterly report for further details.

The Alternative Investment in Innovation Way infrastructure is \$2.6 million and fiscal year to date was charged \$15,593 per the terms of the investment. This alternative investment repaid \$100,539 in the first quarter of 2009-10 and \$300,000 in the second quarter of fiscal year 2012-13.

ENDOWMENT INVESTMENT PORTFOLIO

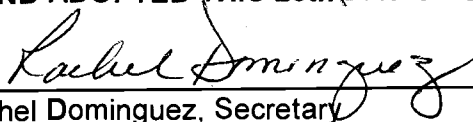
The Endowment Investment Portfolio (Portfolio) includes securities managed by investment managers selected by Graystone Consulting, a division of Morgan Stanley Private Wealth Management which provides investment advisory and reporting services to the Foundation for the endowment investment portfolio. The Portfolio has a current market value of \$69,290,107 as of June 30, 2013 and the current portfolio allocation is no more than 2.0% less than or greater than the investment policy asset allocation and lost 1.51% versus the earned 0.18 blended benchmark for the quarter and earned 10.95% versus 13.43% for the blended benchmark for the rolling one year mainly due to the underperformance of the global equities (First Eagle fund manager), International and Emerging Market Equities (Dupont Emerging Markets and Harbor International Equity) offset by the fixed income portfolio's performance by all the managers except for PIMCO Total Return. See asset allocation and performance report for further details.

LIFE INCOME TRUST PORTFOLIO

The Life Income Trust Portfolio has a new Trust and now consists of six charitable remainder trusts with a current market value of \$1,692,026; all the trusts reported negative earnings for the quarter ended except for one and positive earnings for the year ended.

Recommended Action: The Foundation's Endowment and General Investment Policies 130 and 131 requires a comprehensive quarterly report of the investment portfolios performance be provided to the Investment Committee and Board of Directors at a regularly scheduled meeting. Foundation management believes that the quarterly investment reports are in compliance with the investment policies, and recommends the quarterly investment reports be accepted by the Board of Directors.

PASSED AND ADOPTED THIS 26th DAY OF SEPTEMBER 2013.

By: 
Rachel Dominguez, Secretary
Board of Directors
Cal Poly Pomona Foundation, Inc.

**CAL POLY POMONA FOUNDATION, INC.
INVESTMENT SUMMARY AS OF JUNE 30, 2013**

Asset Class	Policy Range Minimum	Policy Range Maximum	Policy Target	Portfolio Allocation	Portfolio Amount
Common Fund					
Multi-Strategy Equity Fund	10%	65%	20%	24%	9,087,773
Mutual Funds-Equity	10%	65%	0%	0%	-
Fixed Income					
(Domestic and International)	40%	85%	60%	69%	26,122,598
Mutual Funds-Debt	40%	85%	0%	0%	
Cash Equivalents	0%	20%	5%	0%	69
Common Fund					
Real Estate	0%	10%	5%	0%	41,420
Alternative Investments					
Innovation Way Road	0%	25%	10%	7%	2,589,088
			100%	100%	37,840,948

Performance (net of fees)	Current Quarter	Calendar YTD	One Year(rolling)	Three Year Calendar (Annualized)
Common Fund				
Multi-Strategy Equity Fund	1.97%	12.30%	21.51%	14.64%
<i>S & P 500 Index</i>	2.91%	13.82%	20.60%	18.45%
Fixed Income				
(Domestic and International)	-1.80%	-1.31%	-0.92%	N/A
<i>Barclays Intermediate US Government Credit In</i>	-1.70%	-1.45%	0.29%	3.14%
Mutual Funds-Debt				
Cash Equivalents	0.00%	0.00%	0.00%	0.00%
Common Fund				
Private Capital	4.72%	4.72%	11.51%	10.27%
Real Estate	0.00%	N/A	N/A	-100.00%
<i>Targeted Long Term Return</i>			11-15%	11-15%

**CAL POLY POMONA FOUNDATION, INC.
INVESTMENTS AS OF JUNE 30, 2013**

GENERAL INVESTMENT PORTFOLIO

SECURITY TYPE	Allocation	MARKET VALUE	DIVIDEND YIELD %	Asset	Class
Cash					
Morgan Stanley Bank	0.00%	69	0%		
Mutual Funds					
Doubleline Total Return	7.93%	2,072,188	5.48%	Mortgage Backed Securities	
JP Morgan Strategic Income Opportunities	6.01%	1,568,969	3.28%	Global Unconstrained Credit	
Legg Mason Brandy Wine Global Opportunistic	3.98%	1,040,954	4.71%	Global Fixed Income	
Nuveen Symphony Credit Opportunity Fund	1.98%	517,698	6.40%	Global High Yield/Floating Rate	
PIMCO Low Duration Fixed Income	80.09%	20,922,789	2.26%	Short Duration Fixed Income	
Fixed income portfolio managed by Graystone Consulting		26,122,667			

EQUITIES, ALTERNATIVE INVESTMENTS, PRIVATE CAPITAL & REAL ESTATE

	<u>Value</u>	<u>Date</u>
Common Fund Multi-Strategy Equity Fund **	8,401,486	
Alternative Investment - Innovation Village Infrastructure **	2,589,088	
Common Fund Private Capital (valued as of prior quarter) ** & ***	686,287	3/31/2013
Common Fund Real Estate (valued as of the prior quarter) ** & ***	41,420	3/31/2013
Total Portfolio	\$ 37,840,948	

** Excluded from the quarterly return of the portfolio

***Market Value as of prior quarter

	<u>Prior Year</u>	<u>Current Year</u>	<u>Current Year</u>	<u>Current Year</u>	<u>Annual</u>
	<u>FOURTH QTR</u>	<u>THIRD QTR</u>	<u>SECOND QTR</u>	<u>FIRST QTR</u>	<u>Net Yield</u>
Quarter Average-Annualized - General Investment Portfolio	1.37%	2.46%	0.55%	1.37%	5.87%
Quarter Average - Annualized Fixed Income Portfolio (see ** of investments excluded from returns)	0.11%	0.03%	0.02%	0.02%	0.17%

LIFE INCOME TRUST PORTFOLIO

Custodian & name of CRT	MARKET VALUE	CURRENT MARKET VALUE NET OF MANAGEMENT FEES				TOTAL	Prior Year	Current Year	Current Year	Current Year	Current Year
		CORP/TREAS	MONEY	EQUITIES	12/31/2012		FOURTH QTR	THIRD QTR	SECOND QTR	FIRST QTR	Annual
	10/1/2012	BONDS	MARKET			NET EARNINGS	NET EARNINGS	NET EARNINGS	NET EARNINGS	NET EARNINGS	
						RATE	RATE	RATE	RATE	RATE	
Clifford Swan -Jewett	399,211	61,809	177,819	164,618	404,246	1.62%	3.79%	0.27%	1.80%	7.66%	
Clifford Swan -Lane	41,149	13,642	1,854	23,869.00	39,365	-0.19%	7.03%	0.30%	4.84%	12.33%	
Clifford Swan -Scroggs	22,046	10,061	447	11,539	22,047	-0.09%	5.64%	0.33%	3.18%	9.26%	
Morgan Stanley - Janesh	371,525	131,637	-	229,327	360,964	-1.39%	4.96%	2.09%	4.76%	10.70%	
Morgan Stanley - Marraccino	617,040	191,907	9,481	387,335	588,723	-2.12%	1.67%	0.00%	0.00%	N/A	
Ameriprise - Brisco	281,620	184,087	5,132	87,256	276,475	-0.61%	3.08%	-0.52%	2.63%	4.60%	
Wells Fargo - Gregoire			206		206	N/A	N/A	N/A	N/A	N/A	
Total Portfolio	\$ 1,732,591	\$ 593,143	\$ 194,939	\$ 903,944	\$ 1,692,026						
% of Total		35.1%	11.5%	53.4%	100.0%						

Note - the quarterly and annual returns exclude the distributions to the beneficiaries when calculating the returns.

Cal Poly Pomona Foundation

Short Term Portfolio

Investment Results as of June 30, 2013

Graystone Consulting

Andrew Price, CIMA®
Executive Director
Institutional Consulting Director

Todd Au, CIMA®
Second Vice President
Senior Investment Management Consultant

Tim Skelly, CIMA®
Senior Vice President
Institutional Consulting Director

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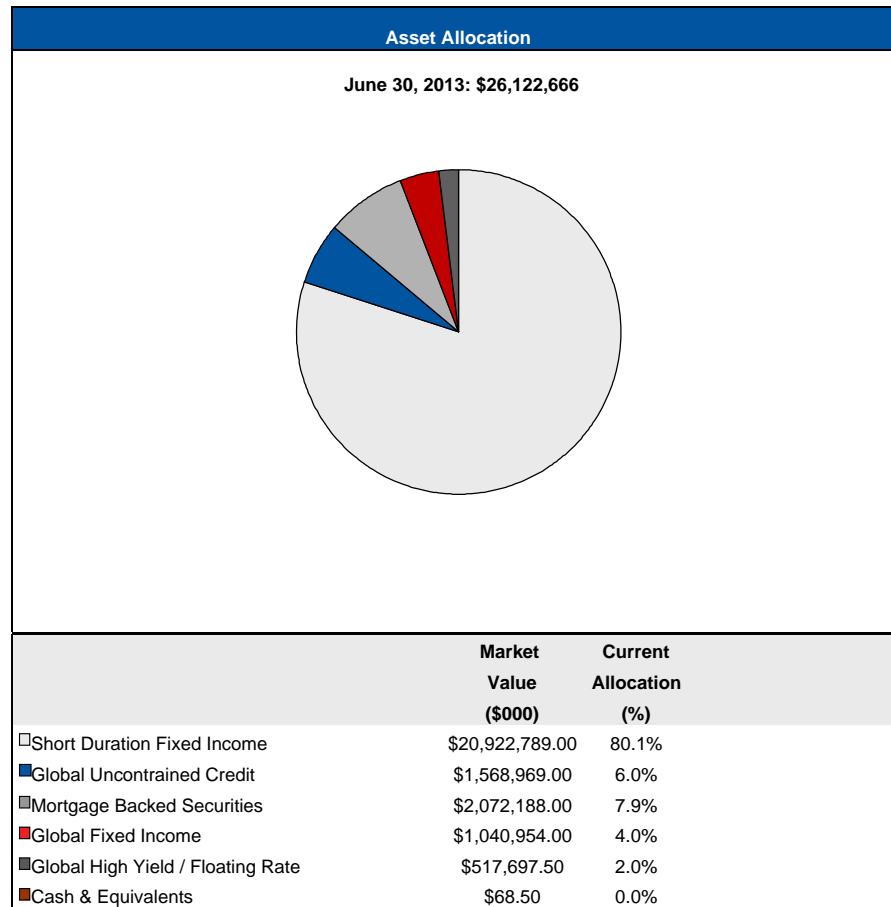
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**Cal Poly Pomona Foundation
Short Term Portfolio
Balances and Asset Allocation
June 30, 2013**

	Total Fund (\$)	(%)
Short Duration Fixed Income	\$20,922,789	80.1%
PIMCO Low Duration	\$20,922,789	80.1%
Global Unconstrained Credit	\$1,568,969	6.0%
JP Morgan Strategic Income Credit Opp.	\$1,568,969	6.0%
Mortgage Backed Securities	\$2,072,188	7.9%
DoubleLine Total Return	\$2,072,188	7.9%
Global Fixed Income	\$1,040,954	4.0%
Brandywine Global Opportunistic	\$1,040,954	4.0%
Global High Yield / Floating Rate	\$517,698	2.0%
Nuveen Symphony Cred Opportunity	\$517,698	2.0%
Cash & Equivalents	\$69	0.0%
Total Short Term Portfolio	\$26,122,666	100.0%



Cal Poly Pomona Foundation
Report Summary
As of June 30, 2013

Performance Summary

	Allocation		Performance(%)										Inception Date	
	Market Value (\$)	Quarter To Date	YTD	1 Year	3 Years	5 Years	Since Inception	2012	2011	2010	2009	2008		
Short-Term Portfolio Strategy	26,122,666	-1.80	N/A	N/A	N/A	N/A	-0.97	N/A	N/A	N/A	N/A	N/A	N/A	03/07/2013
BC Int Gov/Credit		-1.70	-1.45	0.29	3.14	4.58	-1.56	3.90	5.80	5.89	5.24	5.07		
Difference		-0.10	N/A	N/A	N/A	N/A	0.59	N/A	N/A	N/A	N/A	N/A		

Gain/Loss Summary

	Quarter To Date	YTD	Since Inception	Inception Date
Short-Term Portfolio Strategy				03/07/2013
Beginning Market Value	24,506,769	-	24,301,287	
Net Contributions	2,155,539	-	2,155,539	
Fees/Expenses	-13,720	-	-17,069	
Income	166,115	-	315,146	
Gain/Loss	-692,037	-	-632,237	
Ending Market Value	26,122,666	-	26,122,666	

Portfolio Summary

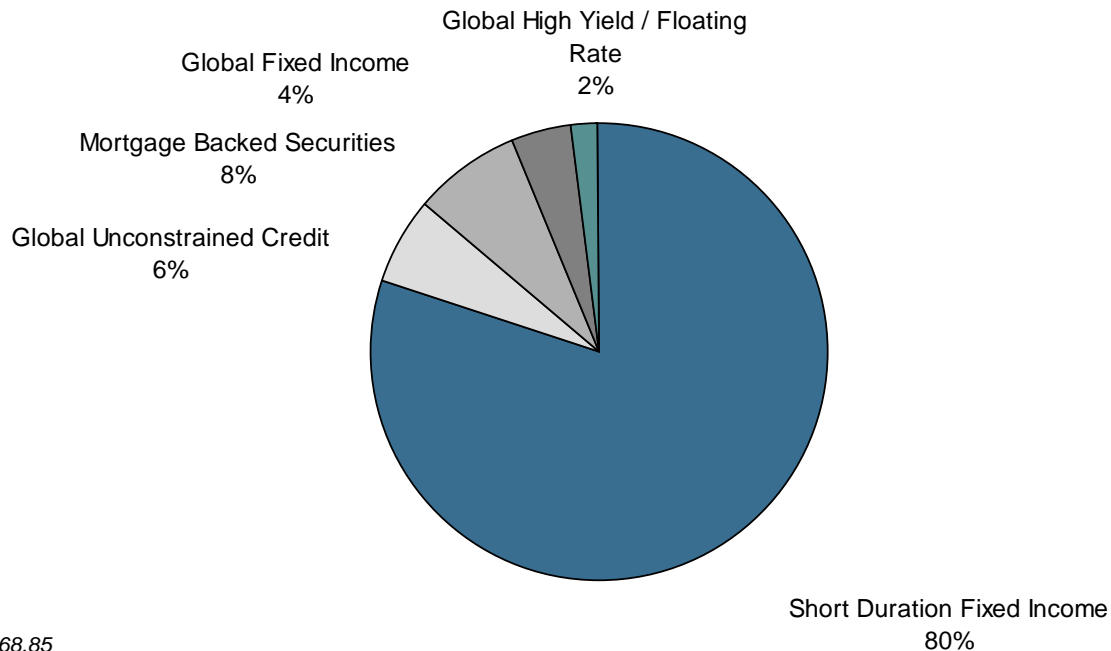
Asset Class	Investment Manager	Allocation	Values as of 6/30/13	Average Credit Quality	Duration (Years)	Yield
Short Duration Fixed Income	PIMCO Low Duration Fixed Income	80.00%	20,922,789	AA-	3.50	1.88%
Global Unconstrained Credit	JP Morgan Strategic Income Opportunities	6.00%	1,568,969	BBB	1.02	2.05%
Mortgage Backed Securities	Doubleline Total Return	8.00%	2,072,188	A	3.52	4.83%
Global Fixed Income	Brandywine Global Opportunistic Fixed Income	4.00%	1,040,954	A	4.42	3.89%
Global High Yield / Floating Rate	Nuveen Symphony Credit Opportunity Fund	2.00%	517,698	BB	3.60	6.40%
Totals*		100.00%	26,122,666	AA-	3.39	2.30%

Barclays US 1-3 Year Treasury Index

1.90 **0.34%**

Barclays Intermediate Government/Credit Index

3.79 **1.77%**



*Account contained a cash balance of \$68.85
 Yield and duration totals are weighted averages.
 Source: Investment Managers
 Data as of 6/30/13

Detailed Consolidated Investment Performance Report

For All Selected Accounts

As Of 06/30/2013

Time Weighted Returns After Fees

	CUR MONTH	CUR QTD	CALENDAR YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION	PERF. INCEPTION
ENDOWMENT FUNDS									
<i>General Fund</i>									
Capital Partners IV	0.00	1.43	5.95	7.91	10.77	0.27	N/A	-3.68	10/31/07
Private Equity Partners VII	0.00	2.71	7.66	9.10	11.22	1.22	N/A	-2.32	10/31/07
Total Private Capital	0.00	2.34	7.16	8.76	11.11	0.91	N/A	-2.81	12/31/07
Realty Investors 2004-12 (Tranche)	0.00	N/A	N/A	N/A	0.00	-100.00	N/A	-100.00	10/31/05
Total Real Estate	0.00	N/A	N/A	N/A	0.00	-100.00	N/A	-100.00	09/30/05
Total General Fund	0.00	2.34	6.46	7.82	11.40	-12.30	N/A	-1.37	09/30/03
TOTAL ENDOWMENT FUNDS	0.00	2.34	6.46	7.82	11.40	-12.30	N/A	2.17	01/31/96
OPERATING FUNDS									
<i>General Fund</i>									
Multi-Strategy Equity Fund	-2.09	1.97	12.30	21.51	14.64	5.25	N/A	7.77	09/30/03
S&P 500 Index	-1.34	2.91	13.82	20.60	18.45	7.01	N/A	7.20	
Total Equity	-2.09	1.97	12.30	21.51	N/A	N/A	N/A	8.96	06/30/11
Total General Fund	-2.09	1.89	12.00	21.07	N/A	N/A	N/A	8.93	06/30/11
TOTAL OPERATING FUNDS	-2.09	1.89	12.00	21.07	N/A	N/A	N/A	7.60	02/29/96
TOTAL INSTITUTION	-1.94	1.90	11.43	19.71	10.92	-12.53	N/A	2.15	01/31/96

Marketable Investments Account Summary

For All Accounts

For Date Range 06/01/13 - 06/30/13

Investment Fund	06/01/13 Beginning Market Value	Net* Transactions	Participant fees Withdrawn	Unrealized ** Appreciation	06/30/13 Ending Market Value
OPERATING FUND					
<i>General Fund-06</i>					
Multi-Strategy Equity Fund	\$9,602,019.52	(\$966,102.36)	(\$2,729.81)	(\$231,701.38)	\$8,401,485.97
Total Equity	\$9,602,019.52	(\$966,102.36)	(\$2,729.81)	(\$231,701.38)	\$8,401,485.97
Multi-Strategy Bond Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Fixed Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<i>Total General Fund-06</i>	\$9,602,019.52	(\$966,102.36)	(\$2,729.81)	(\$231,701.38)	\$8,401,485.97
TOTAL OPERATING FUND	\$9,602,019.52	(\$966,102.36)	(\$2,729.81)	(\$231,701.38)	\$8,401,485.97
Institution Totals					
Total Marketable Investments	\$9,602,019.52	(\$966,102.36)	(\$2,729.81)	(\$231,701.38)	\$8,401,485.97
Total Operating Fund	\$9,602,019.52	(\$966,102.36)	(\$2,729.81)	(\$231,701.38)	\$8,401,485.97
Total Endowment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Equity	\$9,602,019.52	(\$966,102.36)	(\$2,729.81)	(\$231,701.38)	\$8,401,485.97
Total Fixed Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

* Net Transactions includes all contributions, withdrawals, and reinvestments.

** Unrealized Appreciation does not include income distributed. See Income Summary for details.

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Cal Poly Pomona Foundation

Non-Marketable Investments Account Summary

For All Accounts

Inception Through June 30, 2013

	Vintage Year	Capital Committed	Capital Called	Remaining Capital to be Called	Capital Distributions	Capital Balance	Overall Return Multiple	IRR	Value Date
General Fund-06									
Private Capital									
Multi Asset									
CCP IV	2007	250,000	190,625	59,375	23,800	200,643	1.18		03/31/13
Total Multi Asset		250,000	190,625	59,375	23,800	200,643	1.18		
U. S. Private Equity									
CEP VII	2007	750,000	510,750	239,250	112,242	485,644	1.17		03/31/13
Total U. S. Private Equity		750,000	510,750	239,250	112,242	485,644	1.17		
Total Private Capital		1,000,000	701,375	298,625	136,042	686,287	1.17		
Real Estate									
RI200412	2005	1,500,000	1,500,000	0	244,744	41,420	0.19		03/31/13
Total Real Estate		1,500,000	1,500,000	0	244,744	41,420	0.19		
Grand Total		2,500,000	2,201,375	298,625	380,786	727,707	0.50		

CCP IV - Capital Partners IV

CEP VII - Private Equity Partners VII

RI200412 - Realty Investors 2004-12 (Tranche)

Cal Poly Pomona Foundation

Investment Results as of June 30, 2013

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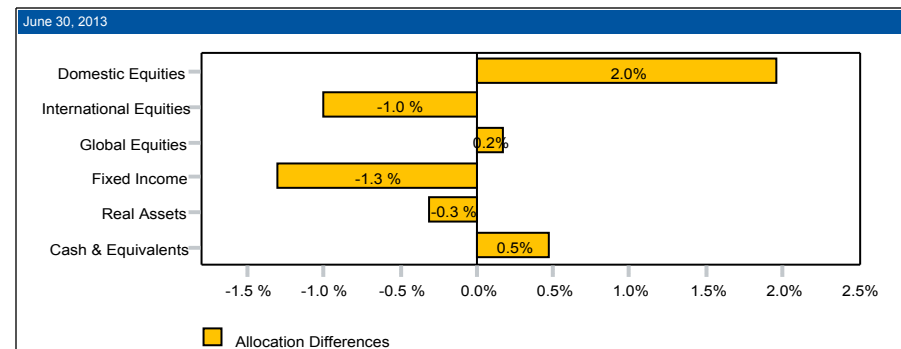
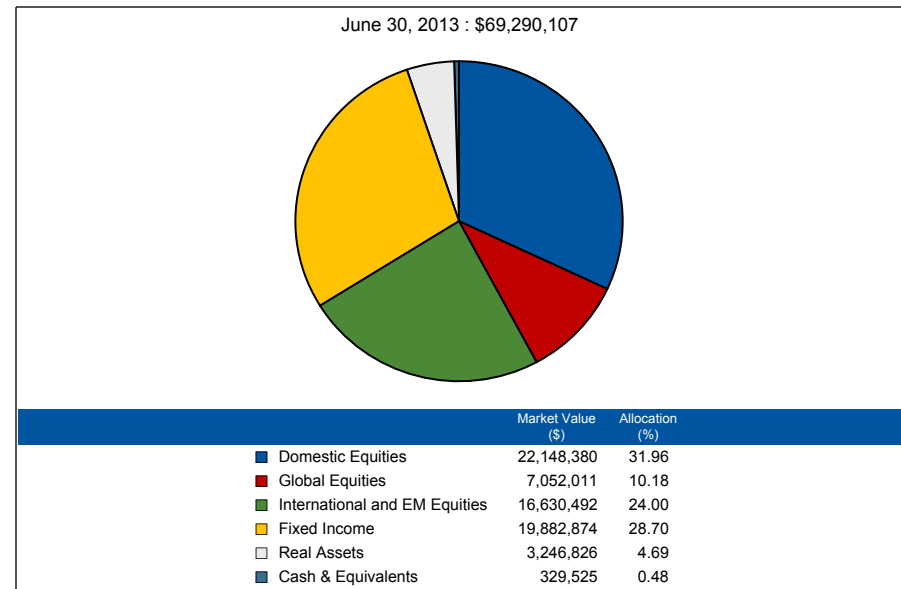
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**Cal Poly Pomona Foundation
Balances and Asset Allocation
June 30, 2013**

	Total Fund	
	(\$)	%
All/Large Cap Equities	16,531,461	23.86
Granite Large Cap Growth*	4,229,414	6.10
BlackRock Equity Dividend*	4,289,347	6.19
Touchstone Westfield All Cap Growth	4,177,052	6.03
Aristotle Large Cap Value	3,835,648	5.54
Small/Mid Cap Equities	5,616,919	8.11
Keeley SMID Value*	2,925,892	4.22
Apex SMID Cap Growth*	2,691,027	3.88
International and EM Equities	16,630,492	24.00
William Blair International Growth	6,326,841	9.13
Harbor International Equity	6,215,654	8.97
Dupont Emerging Markets	4,087,997	5.90
Global Equities	7,052,011	10.18
First Eagle	7,052,011	10.18
Total Public Equities	45,830,882	66.14
Domestic Fixed Income	15,927,766	22.99
PIMCO Total Return*	4,945,751	7.14
Met West Total Return	5,019,817	7.24
JP Morgan Strategic Income	3,352,117	4.84
Doubleline Total Return	2,610,080	3.77
Global Fixed Income	3,955,108	5.71
Brandywine Global Fixed Income	1,943,494	2.80
Templeton Global Bond Fund	2,011,614	2.90
Total Fixed Income	19,882,874	28.70
Real Assets	3,246,826	4.69
PIMCO AAAA	3,246,826	4.69
Cash & Equivalents	329,525	0.48
Cash Holding Account	329,525	0.48
Cal Poly Pomona Foundation Total Fund	69,290,107	100.00



June 30, 2013

	Market Value (\$)	Allocation (%)	Target (%)
Domestic Equities	22,148,380	31.96	30.00
International Equities	16,630,492	24.00	25.00
Global Equities	7,052,011	10.18	10.00
Fixed Income	19,882,874	28.70	30.00
Real Assets	3,246,826	4.69	5.00
Cash & Equivalents	329,525	0.48	0.00
Total Fund	69,290,107	100.00	100.00

*Value includes dividend accruals not shown on statement

Cal Poly Pomona Foundation
Asset Allocation & Performance
As of June 30, 2013

	Allocation		Performance(%)											
	Market Value (\$)	%	Quarter To Date	YTD	1 Year	3 Years	5 Years	Since Inception	2012	2011	2010	2009	2008	Inception Date
Cal Poly Pomona Foundation Total Fund	69,290,107	100.00	-1.51	2.37	10.95	10.70	N/A	7.24	14.26	-1.69	15.82	26.76	N/A	10/01/2008
Cal Poly Pomona Blended Benchmark			0.18	5.93	13.43	11.57	N/A	7.30	13.01	-0.51	11.58	21.70	N/A	
Difference			-1.69	-3.56	-2.48	-0.87	N/A	-0.06	1.25	-1.18	4.24	5.06	N/A	
70% S&P 500 / 30% BC Aggregate			1.34	8.83	13.96	14.15	N/A	8.85	12.54	4.33	12.98	20.49	N/A	10/01/2008
Public Equities	45,830,882	66.14	-0.83	4.78	15.49	13.46	N/A	7.17	16.40	-5.39	18.50	33.87	N/A	10/01/2008
MSCI AC World Net			-0.41	6.06	16.58	12.36	2.30	6.42	16.13	-7.36	12.67	34.63	-42.21	
Difference			-0.42	-1.28	-1.09	1.10	N/A	0.75	0.27	1.97	5.83	-0.76	N/A	
Domestic Equities	22,148,380	31.96	1.47	11.36	20.83	17.61	N/A	8.87	15.78	-0.32	18.78	28.56	N/A	10/01/2008
Russ 3000 Index			2.69	14.07	21.49	18.64	7.25	9.74	16.43	1.02	16.93	28.34	-37.31	
Difference			-1.22	-2.71	-0.66	-1.03	N/A	-0.87	-0.65	-1.34	1.85	0.22	N/A	
Granite Large Cap Growth	4,229,414	6.10	0.45	7.95	12.73	15.34	N/A	7.56	16.78	-5.81	19.84	29.01	N/A	10/01/2008
Russ 1000 Growth			2.06	11.80	17.05	18.67	7.47	10.91	15.25	2.64	16.71	37.21	-38.44	
Difference			-1.61	-3.85	-4.32	-3.33	N/A	-3.35	1.53	-8.45	3.13	-8.20	N/A	
BlackRock Equity Dividend	4,289,347	6.19	1.21	9.93	15.76	N/A	N/A	9.55	12.31	N/A	N/A	N/A	N/A	04/01/2011
Russ 1000 Value			3.20	15.91	25.32	18.51	6.67	11.76	17.50	0.39	15.51	19.69	-36.85	
Difference			-1.99	-5.98	-9.56	N/A	N/A	-2.21	-5.19	N/A	N/A	N/A	N/A	
Touchstone Westfield All Cap Growth	4,177,052	6.03	1.32	12.55	24.92	N/A	N/A	11.29	21.47	N/A	N/A	N/A	N/A	08/01/2011
Russ 3000 Growth			2.20	12.24	17.58	18.78	7.59	12.38	15.22	2.18	17.64	37.01	-38.44	
Difference			-0.88	0.31	7.34	N/A	N/A	-1.09	6.25	N/A	N/A	N/A	N/A	
Aristotle Large Cap Value	3,835,648	5.54	N/A	N/A	N/A	N/A	N/A	-2.13	N/A	N/A	N/A	N/A	N/A	06/01/2013
S&P 500 Index			2.92	13.84	20.60	18.45	7.01	-1.34	16.00	2.11	15.06	26.46	-37.00	
Difference			N/A	N/A	N/A	N/A	N/A	-0.79	N/A	N/A	N/A	N/A	N/A	
Keeley SMID Value	2,925,892	4.22	0.31	17.29	36.08	N/A	N/A	17.46	28.37	N/A	N/A	N/A	N/A	08/01/2011
Russ 2500 Value			1.54	15.09	26.87	18.91	9.42	14.59	19.22	-3.36	24.82	27.68	-31.99	
Difference			-1.23	2.20	9.21	N/A	N/A	2.87	9.15	N/A	N/A	N/A	N/A	

*Cal Poly Pomona Blended Benchmark consists of 40% S&P 500/30% EAFE/30% BC Aggregate

Cal Poly Pomona Foundation
Asset Allocation & Performance
As of June 30, 2013

	Allocation		Performance(%)											
	Market Value (\$)	%	Quarter To Date	YTD	1 Year	3 Years	5 Years	Since Inception	2012	2011	2010	2009	2008	Inception Date
Apex SMID Cap Growth	2,691,027	3.88	3.09	13.64	25.33	N/A	N/A	13.87	22.21	N/A	N/A	N/A	N/A	08/01/2011
Russ 2500 Growth			3.22	15.81	24.02	20.22	8.94	12.31	16.13	-1.57	28.86	41.65	-41.50	
Difference			-0.13	-2.17	1.31	N/A	N/A	1.56	6.08	N/A	N/A	N/A	N/A	
Global Equities	7,052,011	10.18	-0.65	4.44	12.09	N/A	N/A	6.23	12.76	N/A	N/A	N/A	N/A	08/01/2011
MSCI AC World Net			-0.41	6.06	16.58	12.36	2.30	5.51	16.13	-7.36	12.67	34.63	-42.21	
Difference			-0.24	-1.62	-4.49	N/A	N/A	0.72	-3.37	N/A	N/A	N/A	N/A	
First Eagle	7,052,011	10.18	-0.65	4.44	12.08	N/A	N/A	6.23	12.77	N/A	N/A	N/A	N/A	08/01/2011
MSCI AC World Net			-0.41	6.06	16.58	12.36	2.30	5.51	16.13	-7.36	12.67	34.63	-42.21	
Difference			-0.24	-1.62	-4.50	N/A	N/A	0.72	-3.36	N/A	N/A	N/A	N/A	
International and EM Equities	16,630,492	24.00	-3.84	-2.76	10.83	7.71	N/A	5.28	19.00	-14.52	17.70	46.11	N/A	10/01/2008
MSCI AC Wd xUS (Net)			-3.11	-0.04	13.65	8.00	-0.80	4.46	16.84	-13.71	11.15	41.45	-45.53	
Difference			-0.73	-2.72	-2.82	-0.29	N/A	0.82	2.16	-0.81	6.55	4.66	N/A	
William Blair International Growth	6,326,841	9.13	-1.99	2.09	17.33	10.84	N/A	7.01	24.33	-14.32	20.14	40.23	N/A	10/01/2008
MSCI EAFE (net)			-0.97	4.10	18.63	10.04	-0.63	4.27	17.32	-12.14	7.75	31.78	-43.38	
Difference			-1.02	-2.01	-1.30	0.80	N/A	2.74	7.01	-2.18	12.39	8.45	N/A	
Harbor International Equity	6,215,654	8.97	-1.71	0.32	14.10	10.99	N/A	5.80	21.16	-11.14	11.64	38.44	N/A	10/01/2008
MSCI EAFE (net)			-0.97	4.10	18.63	10.04	-0.63	4.27	17.32	-12.14	7.75	31.78	-43.38	
Difference			-0.74	-3.78	-4.53	0.95	N/A	1.53	3.84	1.00	3.89	6.66	N/A	
Dupont Emerging Markets	4,087,997	5.90	-9.46	-15.24	-3.37	N/A	N/A	-8.23	20.03	N/A	N/A	N/A	N/A	08/01/2011
MSCI EM (net)			-8.09	-9.58	2.85	3.38	-0.43	-7.10	18.22	-18.42	18.88	78.51	-53.33	
Difference			-1.37	-5.66	-6.22	N/A	N/A	-1.13	1.81	N/A	N/A	N/A	N/A	
Fixed Income	19,882,874	28.70	-2.33	-1.52	3.43	4.84	N/A	7.99	9.98	4.07	9.44	14.88	N/A	10/01/2008
BC Agg Bond Index			-2.32	-2.44	-0.69	3.51	5.19	5.58	4.22	7.84	6.54	5.93	5.24	
Difference			-0.01	0.92	4.12	1.33	N/A	2.41	5.76	-3.77	2.90	8.95	N/A	

*Cal Poly Pomona Blended Benchmark consists of 40% S&P 500/30% EAFE/30% BC Aggregate

Cal Poly Pomona Foundation
Asset Allocation & Performance
As of June 30, 2013

	Allocation		Performance(%)											
	Market Value (\$)	%	Quarter To Date	YTD	1 Year	3 Years	5 Years	Since Inception	2012	2011	2010	2009	2008	Inception Date
PIMCO Total Return	4,945,751	7.14	-3.77	-3.64	-1.19	3.36	N/A	6.95	7.15	4.74	7.66	14.38	N/A	10/01/2008
BC Agg Bond Index			-2.32	-2.44	-0.69	3.51	5.19	5.58	4.22	7.84	6.54	5.93	5.24	
Difference			-1.45	-1.20	-0.50	-0.15	N/A	1.37	2.93	-3.10	1.12	8.45	N/A	
Met West Total Return	5,019,817	7.24	-2.29	-1.27	4.76	N/A	N/A	5.64	11.17	N/A	N/A	N/A	N/A	08/01/2011
BC Agg Bond Index			-2.32	-2.44	-0.69	3.51	5.19	2.61	4.22	7.84	6.54	5.93	5.24	
Difference			0.03	1.17	5.45	N/A	N/A	3.03	6.95	N/A	N/A	N/A	N/A	
JP Morgan Strategic Income	3,352,117	4.84	0.01	1.62	5.68	N/A	N/A	4.20	7.77	N/A	N/A	N/A	N/A	08/01/2011
BC Agg Bond Index			-2.32	-2.44	-0.69	3.51	5.19	2.61	4.22	7.84	6.54	5.93	5.24	
Difference			2.33	4.06	6.37	N/A	N/A	1.59	3.55	N/A	N/A	N/A	N/A	
Doubleline Total Return	2,610,080	3.77	-1.63	-0.30	3.96	N/A	N/A	6.61	9.39	N/A	N/A	N/A	N/A	08/01/2011
BC Agg Bond Index			-2.32	-2.44	-0.69	3.51	5.19	2.61	4.22	7.84	6.54	5.93	5.24	
Difference			0.69	2.14	4.65	N/A	N/A	4.00	5.17	N/A	N/A	N/A	N/A	
Brandywine Global Fixed Income	1,943,494	2.80	-3.18	-3.59	3.80	N/A	N/A	4.94	13.11	N/A	N/A	N/A	N/A	08/01/2011
Citigrp WI Govt Bd UH			-2.97	-5.66	-4.50	2.72	3.04	-2.19	1.65	6.35	5.17	2.55	10.89	
Difference			-0.21	2.07	8.30	N/A	N/A	7.13	11.46	N/A	N/A	N/A	N/A	
Templeton Global Bond Fund	2,011,614	2.90	-2.75	-1.40	7.84	N/A	N/A	3.01	16.48	N/A	N/A	N/A	N/A	08/01/2011
Citigrp WI Govt Bd UH			-2.97	-5.66	-4.50	2.72	3.04	-2.19	1.65	6.35	5.17	2.55	10.89	
Difference			0.22	4.26	12.34	N/A	N/A	5.20	14.83	N/A	N/A	N/A	N/A	
Real Assets	3,246,826	4.69	-5.79	-5.60	3.29	N/A	N/A	3.51	16.92	N/A	N/A	N/A	N/A	08/01/2011
PIMCO AAAA	3,246,826	4.69	-5.79	-5.60	3.29	N/A	N/A	3.66	16.94	N/A	N/A	N/A	N/A	08/01/2011
S&P 500 Index			2.92	13.84	20.60	18.45	7.01	N/A	16.00	2.11	15.06	26.46	-37.00	01/01/1961
BC Agg Bond Index			-2.32	-2.44	-0.69	3.51	5.19	8.01	4.22	7.84	6.54	5.93	5.24	01/01/1976
HFRI Fund of Funds			-0.04	3.28	7.17	2.97	-0.63	7.27	4.77	-5.72	5.70	11.47	-21.37	01/01/1990

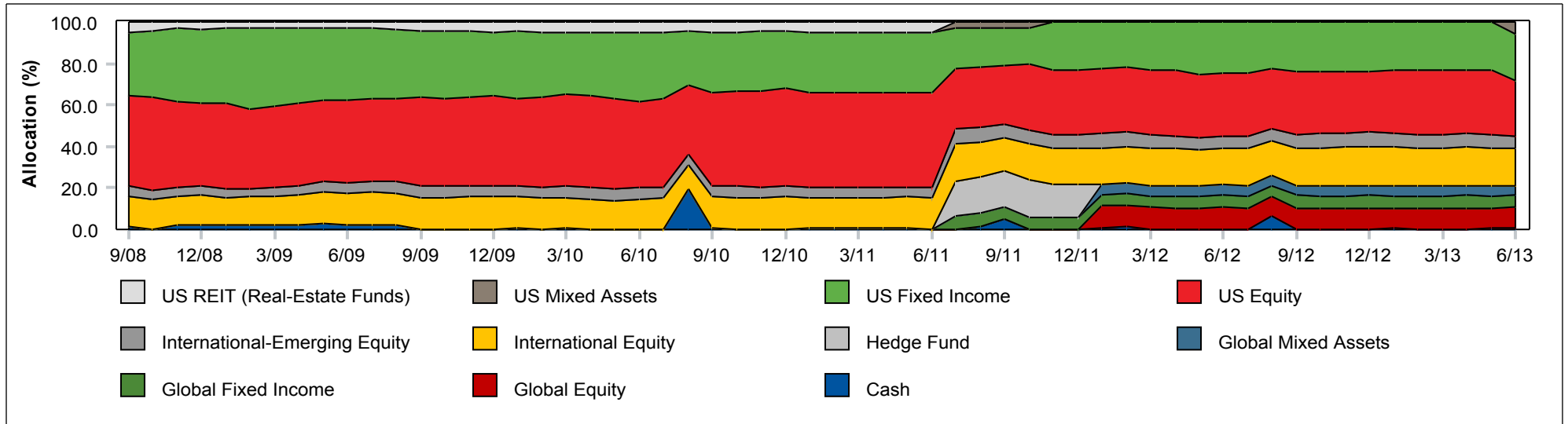
*Cal Poly Pomona Blended Benchmark consists of 40% S&P 500/30% EAFE/30% BC Aggregate

**Cal Poly Pomona Foundation
Performance and Asset Allocation History
June 30, 2013**

	Current Quarter	YTD	2012	2011	Oct 2008 To Dec 2008	Since Inception	Inception Date
Cal Poly Pomona Foundation Total Fund							10/01/2008
Beginning Market Value	70,046,419	66,795,296	44,214,515	47,238,634	31,161,294	31,161,294	
Net Contributions	311,635	925,282	14,860,807	-2,158,972	-475,941	21,951,380	
Fees/Expenses	-28,260	-64,464	-108,831	-161,649	-51,340	-627,595	
Income	261,008	556,156	2,126,251	1,393,140	630,728	6,847,359	
Gain/Loss	-1,300,696	1,077,836	5,702,554	-2,096,636	-5,921,902	9,957,669	
Ending Market Value	69,290,107	69,290,107	66,795,296	44,214,515	25,342,839	69,290,107	

	Current Quarter	YTD	2012	2011	Oct 2008 To Dec 2008	Since Inception	Inception Date
Cal Poly Pomona Foundation Total Fund	-1.51	2.37	14.26	-1.69	-17.44	7.24	10/01/2008
Cal Poly Pomona Blended Benchmark	0.18	5.93	13.01	-0.51	-13.59	7.30	10/01/2008
70% S&P 500 / 30% BC Aggregate	1.34	8.83	12.54	4.33	-13.99	8.85	10/01/2008

Asset Allocation Over Time



*Cal Poly Pomona Blended Benchmark consists of 40% S&P/30% EAFE/30% BC Aggregate

Memorandum



Date: September 26, 2013

To: Board of Directors
Cal Poly Pomona Foundation, Inc.

From: 
David F. Prenovost,
Senior Managing Director/CFO

Subject: FINANCIAL HIGHLIGHTS – FOR THE YEAR ENDED JUNE 2012-13

Following are the year-to-date financial statement Surplus/(Deficit) amounts:

	Budget	Forecast	Actual
Administration	\$ (818,402)	\$ (998,769)	\$ (1,015,393)
Real Estate	305,988	271,234	330,390
Investments	610,539	1,180,023	1,049,413
Bookstore	307,034	302,914	279,661
Dining Services	422,334	303,546	636,706
Kellogg West Conference Center	25,366	40,549	(38,710)
University Village	1,148,434	1,744,591	1,046,578
Designated Gifts	(1,273,096)	(1,266,501)	(1,007,532)
Research Office	45,156	45,602	45,152
Agriculture	104,032	60,438	16,320
Continuing Education	451,676	689,952	1,032,100
Foundation Programs/Scholarships	-	-	(88,011)
Foundation Total	<u>\$ 1,329,061</u>	<u>\$ 2,373,579</u>	<u>\$ 2,286,674</u>

For the fiscal year ended June 30, 2013 revenues of \$52.0 million were 2.7% or \$1.4 million greater than budget due to Continuing Education, Dining Services, Agricultural programs and Investments and exceeded forecast by \$479,140 or 1.0%. Expenditures of \$49.7 million were 1.0% or \$439,500 greater than budgeted mainly due to the previously mentioned activities and exceeded forecast by 1.2% or \$572,926, see attached for further details.

The audited surplus for the fiscal year ended of \$1.3 million generates a debt coverage ratio of 3.60 before the Designated Gift and 3.01 after the Designated Gift, see attached for further details. In addition, all reserves were funded to at least the forecasted amount except for the

Agricultural Program Reserve and Pine Tree Ranch Reserve which we decided would not be funded due to their year-end negative cash balance. In addition, we did not forecast the Indirect cost disallowance charged to the Reserve, see attached for further details.



CAL POLY POMONA FOUNDATION, INC.
Statement of Activities
 For period ending June 30, 2013 and 2012

Description	REVENUES			EXPENSES			SURPLUS/(DEFICIT)			SURPLUS/(DEFICIT)			
	FY 11-12	FY 12-13 YTD		FY 11-12	FY 12-13 YTD		FY 11-12	FY 12-13 YTD		FY 12-13	FY 12-13	Forecast	YTD Budget
	YTD Actual	Budget	Actual	YTD Actual	Budget	Actual	YTD Actual	Budget	Actual	Forecast	Budget	(Not) Realized	(Not) Realized
General Activities:													
Administration	3,937,967	4,007,365	3,868,179	4,722,376	4,825,767	4,883,572	(784,409)	(818,402)	(1,015,393)	(998,769)	(818,402)	(16,624)	(196,991)
Real Estate	2,071,580	2,036,422	2,165,389	1,827,893	1,857,910	1,989,828	243,687	178,512	175,561	134,712	178,512	40,849	(2,951)
Investments	(5,984)	632,828	1,089,862	23,074	22,289	40,449	(29,058)	610,539	1,049,413	1,180,023	610,539	(130,610)	438,874
Building Rentals	746,860	765,072	764,999	631,553	637,596	610,170	115,307	127,476	154,829	136,522	127,476	18,307	27,353
TOTAL GENERAL	6,750,423	7,441,687	7,888,429	7,204,896	7,343,562	7,524,019	(454,473)	98,125	364,410	452,488	98,125	(88,078)	266,285
Enterprises:													
Bookstores	11,219,917	10,241,960	10,272,415	10,790,771	9,934,926	9,992,754	429,146	307,034	279,661	302,914	307,034	(23,253)	(27,373)
Carl's/ Salad Bar/Taco Bell	866,971	842,622	802,195	732,665	699,470	679,835	134,306	143,152	122,360	138,499	159,773	(16,139)	(37,413)
Panda Express	124,489	127,700	121,963	9,787	12,228	8,423	114,702	115,472	113,540	113,720	115,472	(180)	(1,932)
C-Store ^s <small>(incl. Starbucks, cca, Einstein, cba, poly toll)</small>	2,222,538	3,536,714	3,676,492	1,987,149	3,179,040	3,185,956	235,389	357,674	490,536	335,573	357,674	154,963	132,862
Vending & Carts	125,543	125,400	88,834	78,611	103,414	63,556	46,932	21,986	25,278	(7,920)	21,986	33,198	3,292
Los Olivos	5,425,233	4,422,498	4,600,825	4,564,231	4,050,525	3,994,628	861,002	371,973	606,197	502,512	327,748	103,685	278,449
Vista Café	1,267,716	1,222,038	1,427,955	1,237,062	1,199,105	1,318,995	30,654	22,933	108,960	25,606	22,933	83,354	86,027
Vista Diner-Denny's	925,058	900,388	810,748	963,302	853,289	853,494	(38,244)	47,099	(42,746)	(52,841)	47,099	10,095	(89,845)
Geneva Café	48,694	0	0	61,042	0	1,987	(12,348)	0	(1,987)	0	0	(1,987)	(1,987)
Bronco Student Center	1,594,049	1,721,609	2,031,700	1,309,661	1,407,756	1,710,693	284,388	313,853	321,007	376,687	313,853	(55,680)	7,154
FS Mgt/Overhead	(42)	0	46,249	883,742	860,984	962,489	(883,784)	(860,984)	(916,240)	(921,661)	(860,984)	5,421	(55,256)
<i>Total Dining Services</i>	<i>12,600,249</i>	<i>12,898,969</i>	<i>13,606,961</i>	<i>11,827,252</i>	<i>12,365,811</i>	<i>12,780,056</i>	<i>772,997</i>	<i>533,158</i>	<i>826,905</i>	<i>510,175</i>	<i>505,554</i>	<i>316,730</i>	<i>321,351</i>
Catering/Conference Foods	1,723,324	1,811,267	1,663,936	1,902,425	1,846,112	1,793,847	(179,101)	(34,845)	(129,911)	(159,460)	(34,845)	29,549	(95,066)
K.W Conference Cntr.	1,364,529	1,431,126	1,315,977	1,342,383	1,405,760	1,354,687	22,146	25,366	(38,710)	40,549	25,366	(79,259)	(64,076)
University Village	7,934,536	8,126,675	8,344,009	6,681,407	6,978,241	7,297,431	1,253,129	1,148,434	1,046,578	1,744,591	1,148,434	(698,013)	(101,856)
TOTAL ENTERPRISE	34,842,555	34,509,997	35,203,298	32,544,238	32,530,850	33,218,775	2,298,317	1,979,147	1,984,523	2,438,769	1,951,543	(454,246)	32,980
TOTAL GEN & ENTERPRISE	41,592,978	41,951,684	43,091,727	39,749,134	39,874,412	40,742,794	1,843,844	2,077,272	2,348,933	2,891,257	2,049,668	(542,324)	299,265
Uses of Designated Funds:													
Development	41	0	0	48,529	57,500	54,589	(48,488)	(57,500)	(54,589)				
Alumni Affairs	3,253	0	2,135	62,253	60,500	62,596	(59,000)	(60,500)	(60,461)				
Public Relations	35,732	0	3,787	411,171	573,250	352,295	(375,439)	(573,250)	(348,508)				
Publications	7,891	0	446	159,258	174,975	166,317	(151,367)	(174,975)	(165,871)				
Athletics	0	0	0	55,000	55,000	55,000	(55,000)	(55,000)	(55,000)				
Other	17,912	0	16,504	798,683	335,250	339,607	(780,771)	(335,250)	(323,103)				
TOTAL DESIGNATED USES	64,829	0	22,872	1,534,894	1,256,475	1,030,404	(1,470,065)	(1,256,475)	(1,007,532)	(1,266,501)	(1,273,096)	258,969	265,564
Other Activities:													
Research Office	1,385,202	1,600,000	1,288,608	1,340,050	1,554,844	1,243,456	45,152	45,156	45,152	45,602	45,156	(450)	(4)
Agriculture	3,119,127	3,129,118	3,084,371	2,920,902	3,025,086	3,068,051	198,225	104,032	16,320	60,438	104,032	(44,118)	(87,712)
Continuing Education	3,271,963	2,965,070	3,904,899	2,406,661	2,513,394	2,872,799	865,302	451,676	1,032,100	689,952	451,676	342,148	580,424
Fdn. Program-Unrestricted	520,056	1,017,696	635,892	659,603	1,017,696	723,903	(139,547)	-	(88,011)	0	-	(88,011)	(88,011)
TOTAL OTHER	8,296,348	8,711,884	8,913,770	7,327,216	8,111,020	7,908,209	969,132	600,864	1,005,561	795,992	600,864	209,569	404,697
TOTAL SURPLUS (DEFICIT)	49,954,155	50,663,568	52,028,369	48,611,244	49,241,907	49,681,407	1,342,911	1,421,661	2,346,962	2,420,748	1,377,436	(73,786)	969,526
LO Surplus 1%							(54,252)	(44,225)	(60,288)	(47,169)	(48,375)	(13,119)	(11,913)
TOTAL FOUNDATION Net	14,192,499	50,663,568	52,028,369	48,611,244	49,241,907	49,681,407	1,288,659	1,377,436	2,286,674	2,373,579	1,329,061	(86,905)	957,613

**Debt Service Coverage
(Fiscal Year Ended June 30)**

Description	Revised Budget 2012-13	Forecast 2012-13	Actual 2012-13	Proposed Budget 2013-14
Change in unrestricted net assets	\$ 1,329,061	\$ 2,373,579	\$ 2,286,674	\$ 1,486,778
Add Back:				
Transfer of Fixed Assets to University	-	-	-	-
University Designated Expenses	1,273,096	1,266,501	1,007,532	1,626,664
Surplus (Deficit) before Designated Expenses - see Note	\$ 2,602,157	\$ 3,640,080	\$ 3,294,206	\$ 3,113,442
Add Back:				
Depreciation and amortization	3,786,795	3,788,607	3,780,173	3,996,802
Interest (see detail below)	1,403,350	1,403,350	1,403,350	1,369,183
Available for Debt Service	\$ 7,792,302	\$ 8,832,037	\$ 8,477,729	\$ 8,479,427
Maximum Annual Debt Service *				
2005 Series Bonds	1,830,625	1,830,625	1,830,625	1,830,625
2007 Series Bonds	332,750	332,750	332,750	332,750
Total Debt Service	\$ 2,163,375	\$ 2,163,375	\$ 2,163,375	\$ 2,163,375
Total Debt Service before Designated Expenses - see Note	3.60	4.08	3.92	3.92
Total Debt Service after Designated Expenses	3.01	3.50	3.45	3.17
Note: The CSU requires for additional bond issuance the Foundation demonstrate a debt service coverage ratio of 1.25 for both the proposed project and Foundation's debt program.				
* Maximum annual debt service is reported as the total amount of scheduled debt service during the year in which the debt service is scheduled to be highest during the life of the Bonds				
Interest Detail				
2005 Series Bonds - Interest	1,256,250	1,256,250	1,256,250	1,229,417
2007 Series Bonds - Interest	147,100	147,100	147,100	139,767
Total Interest Expense	\$ 1,403,350	\$ 1,403,350	\$ 1,403,350	\$ 1,369,183

CAL POLY POMONA FOUNDATION, INC.
Analysis of Reserves

	Balance Jun-12 (1)	Revised Budget Fiscal 12/13 (2)	Forecast Fiscal 12/13 (3)	Actual Fiscal 12/13 (4)	Balance Jun-13 (1+4)=5	Projected Balance Jun-14 (6)	Goal (7)
Board Designated Reserves							
Agriculture Program Reserve	75,000	54,181	24,855	(43,033)	31,967	131,400	75,000
Cafeteria State Share Reserve	182,062			-	182,062	182,062	
Capital Reserve	3,014,905	868,803	753,135	777,118	3,792,023	3,230,854	6,000,000
Emergency Reserve	120,152			-	120,152	120,152	
Indirect Cost Dissallowance Reserve	404,656			(58,250)	346,406	404,656	492,195
Innovation Village Demo Reserve		82,693	46,487	46,487	46,487	54,617	
Insurance Reserve	137,448	60,950	(119,050)	(36,686)	100,762	127,507	
Pine Tree Ranch Reserve	140,886	(74,663)	8,386	-	140,886	158,879	75,000
Auxiliaries Multiple Employer VEBA Trust		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	
Research & Sponsored Programs	74,521	20,000	20,000	20,000	94,521	114,521	
Residential Board Meal Program Surplus Res	1,159,764	(22,602)	126,163	293,141	1,452,905	1,167,580	
Venture Capital/Real Estate Reserve	477,007	21,451	430,363	444,067	921,074	1,348,407	6,000,000

CAL POLY POMONA FOUNDATION, INC.

Memorandum



Date: September 26, 2013
To: Board of Directors
Cal Poly Pomona Foundation, Inc.
From: David F. Prenovost *David Prenovost*
Chief Financial Officer
Subject: **Real Estate Acquisition and Development Policy 123**

Foundation management is requesting the Finance Committee's consideration and review of the suggested changes to the Foundation's Real Estate Acquisition and Development Policy.

Policy 123 – Real Estate Acquisition and Development Policy

Recommended Action: The Board of Directors approves the suggested changes to the Foundation's Real Estate Acquisition and Development Policy # 123.

Now therefore be it resolved that the Board of Directors approve the suggested changes to the Foundation's Real Estate Acquisition and Development Policy # 123.

PASSED AND ADOPTED THIS 26th DAY OF SEPTEMBER 2013.

By:

Rachel Dominguez

Rachel Dominguez, Secretary
Board of Directors
Cal Poly Pomona Foundation, Inc.

CAL POLY POMONA FOUNDATION, INC.

POLICIES AND PROCEDUES

Subject:	REAL ESTATE ACQUISITION AND DEVELOPMENT	Policy No.	123
		Date:	11/18/02
		Revision:	
Reference:	310-II-C		

PURPOSE

Frameworks within which the Foundation may acquire, sell, trade, exchange and develop real property in support of the University's mission.

I. BACKGROUND

- A. Title 5, California Code of Regulations, section 42500(a), lists essential functions the Trustees have determined are appropriate for auxiliary organizations. Subsection 12 lists:

Acquisition, development, sale and transfer of real and personal Property including financing transactions related to these activities.
- B. In order for the Foundation to perform the Section 42500(a)(12) function, an Appropriate operating agreement with the University covering this function shall be in effect. At the time that this Policy Statement is adopted, the University and the Foundation have in effect a Master Operating Agreement (MOA) that includes "acquisition and development of real property."
- C. Executive Order No. 676 provides limited authority to a campus president to accept gifts of interest in real property within specific criteria.
- D. Executive Order No. 703 ([superseded by Executive Order 876](#)) sets forth a comprehensive procedural framework in connection with auxiliary organization financing activities that may involve a real property interest.
- E. Executive Order No. 747 established policies and procedures for projects involving real property development.
- F. California Corporations Code Section 5230 et seq. sets certain standards of conduct of the Foundation Board of Directors, its officers and management in the performance of duties and transactions, including those involving real property, requiring good faith, in a manner believed to be in the best interest of the corporation, and with such care, including reasonable inquiry, as an ordinary prudent person in a like position under similar circumstances.
- G. California Corporations Code Section 5240(b) generally requires management of Foundation invested assets (including reinvesting, purchasing, acquiring, exchanging and selling) to a standard that avoids speculation, looking instead to the permanent

disposition of assets, considering probable income, as well as the probable safety of its capital.

II. POLICY

A. Real Estate Transaction Purposes

This policy statement is intended to apply to the following broad real property transaction purposes by the Foundation:

1. Meeting University facility and programmatic needs; and
2. Supporting the University's faculty, staff and student housing programs.

B. Real Estate Acquisition Funding Mechanism Established

To fund real property acquisitions for the Foundation through this policy statement, the Executive Director may establish appropriate written asset transfer procedures using generally accepted accounting principles and practices.

C. Funding Sources

Real property transactions involving restricted assets (such as donated property) shall respect the terms and conditions of the restrictions upon the asset. Unrestricted funds may be utilized to acquire real property.

D. Real Property Transaction Criteria

The Executive Director or designee is delegated authority to transact real property (or any interest therein) by purchase, sale, trade, lease, or by internal asset exchange, upon written approval by the Finance/~~Investment~~ Committee such that following applicable criteria have been met:

1. The transaction has been preceded by an appropriate and documented "due diligence" review that includes, but is not limited to, an appraisal or other valuation, ~~and~~ legal, financial, environmental (if applicable), land-use, return on investment, and transaction purpose considerations.
2. The proposed real property transaction and its intended purpose and result shall be consistent with laws, regulations, policy and procedures applicable to the transaction.
3. The University President has formally approved the proposed real property transaction with a finding that such transaction is in support of the University's mission.
4. The proposed transaction is consistent with any applicable gift or sponsor instrument restricting transfer.
5. The proposed transaction is on "arms length" and equitable basis, particularly with the regard to internal asset exchanges or transfers to another campus auxiliary organization.

Policy No. 123
Subject: REAL ESTATE ACQUISITION & DEVELOPMENT
Page No. 3

The Executive Director or designee is delegated authority, per the terms and conditions of guaranteed re-purchase agreements, in accordance with the faculty/staff housing program, to re-purchase residences under the housing buyback provisions and corresponding sales and leases to faculty, staff or allowable buyer without the written approval by the Finance Committee.

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III. REPORTS TO THE BOARD

The Executive Director shall periodically report to the Board on significant real property transactions subject to this policy statement.

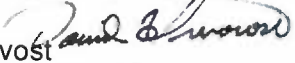
IV. IMPLEMENTING GUIDELINES

The Executive Director is authorized to establish written management guidelines consistent with and in implementation of this policy statement.

CAL POLY POMONA FOUNDATION, INC.

Memorandum



Date: September 26, 2013
To: Board of Directors
Cal Poly Pomona Foundation, Inc.
From: David F. Prenovost 
Chief Financial Officer
Subject: **FOUNDATION MINIMUM AUTHORIZED SIGNATURES POLICY 122**


Foundation management is requesting the Finance Committee's consideration and review of the suggested changes to the Foundation's Budget Process Policy.

Policy 122 – Minimum Authorized Signatures Policy

Recommended Action: The members of the Board of Directors approve the suggested changes to the Foundation's Minimum Authorized Signatures Policy # 122.

Now therefore be it resolved that the Board of Directors approve the suggested changes to the Foundation's Minimum Authorized Signatures Policy # 122.

PASSED AND ADOPTED THIS 26th DAY OF SEPTEMBER 2013.

By: 
Rachel Dominguez, Secretary
Board of Directors
Cal Poly Pomona Foundation, Inc.

CAL POLY POMONA FOUNDATION, INC.

POLICIES AND PROCEDURES

SUBJECT: Minimum Authorized Signatures	Policy No. 122
Reference: 308-II-A, 324-III-B, 329-III-C, 332-III-H 342-III-B, 344-III-J, 347-III-E	Date: 06/04/02 Revision: 02/16/06; 02/22/07 9/27/07; 5/29/08, 2/16/10, 09/28/10, 05/24/11

PURPOSE:

To designate the minimum authorized signatures on documents for Foundation transactions.

BACKGROUND:

- A. The Foundation is engaged in diverse transactions which require prudent control over the authorization to execute documents which obligate the Foundation or which otherwise confirm transactions.

This statement lists the document types and one of the corresponding signatories required thereon to authorize the transaction associated with each type of document except as noted.

POLICY:

The following is a description of documents and corresponding authorized signatures which require at least the authorization of the Executive Director or the Senior Managing Director/Chief Financial Officer for those transactions greater than \$200,000., except as otherwise stated in the following sections.

Transaction Type/Document

Authorization

ACCOUNT TRANSACTIONS:

Bank Account Transfers

Executive Director, Senior Managing Director/Chief Financial Officer, Financial Systems ~~Manager~~Analyst, Director of Enterprise Accounting, Manager of Grants and Contracts

Letter Of Credit Transactions

Executive Director, Senior Managing Director/Chief Financial Officer, Director of Enterprise Accounting, Manager of Grants and Contracts

CONTRACTUAL DOCUMENTS:

Agreements, Leases, MOU's and Licenses Executive Director, Senior Managing Director/Chief Financial Officer, Chair, Vice Chair, Secretary-Treasurer, Director of Enterprise Accounting, ~~Director of Chief~~ Employment ~~Services~~ Officer

Externally Sponsored Project Agreements and Awards Executive Director, Senior Managing Director/Chief Financial Officer, Chair, Vice Chair, Secretary-Treasurer. Director of Enterprise Accounting, ~~Director of Chief~~ Employment ~~Services~~Officer

Externally Sponsored Project Proposals Executive Director, Senior Managing Director/Chief Financial Officer, Chair, Vice Chair, Secretary-Treasurer, Director of Enterprise Accounting, ~~Director of Chief~~ Employment ~~Services~~Officer

EXPENDITURE REQUEST/AUTHORIZATION:

Disbursement Voucher/Interdepartmental Transfers Executive Director, Senior Managing Director/Chief Financial Officer, General Business Manager, Manager of Grants and Contracts or their designee, Director of Enterprise Accounting and Account Authorized Signers (Restricted ~~campus-~~ Foundation programs and scholarship programs require two signatures for Interdepartment Transfers: one from the authorized signers or supervisor or their designee and one from the Foundation Internal Manager for amounts in excess of \$3,000)

Purchase Orders Executive Director, Senior Managing Director/Chief Financial Officer, General Business Manager, Manager of Grants and Contracts or their designee and Director of Enterprise Accounting

NEGOTIABLE INSTRUMENTS:

Commercial Checks/Electronic Transfers (i.e., wires, automatic Clearing house)
~~Director of Dining Services,~~ Director of Enterprise

Executive Director, Senior Managing Director/Chief Financial Officer, ~~Director of Chief Employment Services Officer,~~

Accounting, Chair, Vice Chair, Secretary-Treasurer (Two signatures required for all checks of \$10,000 or more.)

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Payroll Checks

Executive Director, Senior Managing Director/Chief Financial Officer, ~~Director of Chief Employment Services Officer, Director of Dining Services,~~ Director of Enterprise Accounting, Chair, Vice Chair, Secretary- Treasurer. (Two signatures required for all checks of \$10,000 or more.)

OTHER:

Applications for Foundation Sponsored Agreements

Executive Director, Senior Managing Director/Chief Financial Officer, Chair, Vice Chair, Secretary-Treasurer, Director of Enterprise Accounting, ~~Director of Chief Employment Services Officer~~

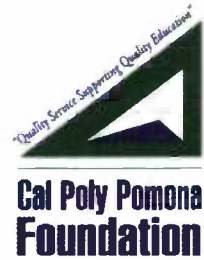
Foundation Program / Scholarship Agreements

Executive Director, Senior Managing Director/Chief Financial Officer, University Chief Financial Officer, Dean or Vice President (3 Signatures)

Policy No. 122
Subject: Minimum Authorized Signatures
Page 4

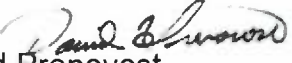
Certifications and Assurances Relating to Sponsored Project Proposals	Executive Director, Senior Managing Director/Chief Financial Officer, Chair, Vice Chair, Secretary-Treasurer, Director of Enterprise Accounting, Director of Chief Employment Services Officer
Federal Voucher Certifications	Executive Director, Senior Managing Director/Chief Financial Officer, Manager of Grants and Contracts
Financial Reports to Granting Agencies	Executive Director, Senior Managing Director/Chief Financial Officer, Manager of Grants and Contracts
Personnel Forms	Executive Director, Senior Managing Director/Chief Financial Officer, Director of Chief Employment Services Officer , Manager of Grants and Contracts, or their designee, Authorized Account Signers (2 Signatures)
Real Property Conveyance Instruments	Chair, Executive Director, Senior Managing Director/Chief Financial Officer
Tax Returns	Executive Director, Senior Managing Director/Chief Financial Officer, Chair, Vice Chair, Secretary-Treasurer (2 Signatures)
Time Cards	Employee and Authorized Account Signer or their designee (2 Signatures)
Travel Authorization	Executive Director, Senior Managing Director/Chief Financial Officer, Manager of Grants and Contracts, General Business Manager or their designee, and Account Authorized Signers (2 Signatures)
Journal Entries	Signatures by the approver and preparer are required for each journal entry transaction. The approver shall be one of the following: The Executive Director, Senior Managing Director/Chief Financial Officer, General Business Manager, Manager of Grants and Contracts, Associate Director Employment Services , Director of Enterprise Accounting, Financial Systems Manager Analyst or their designee.

Memorandum



Date: September 26, 2013

To: Board of Directors
Cal Poly Pomona Foundation, Inc.

From: 
David Prenovost
Senior Managing Director/CFO

Subject: **2012-13 EXTERNAL AUDIT AND SINGLE AUDIT REPORTS**

Vicenti Lloyd & Stutzman has completed the financial and single audits of Cal Poly Pomona Foundation for the fiscal year ended June 30, 2013. The Foundation is expected to receive an unqualified financial statement opinion with no management letter comments, no material weaknesses, no reportable conditions and no compliance issues noted proposed and/or discussed with management.

Vicenti Lloyd and Stutzman will now present the following draft reports to the Audit Committee along with their required disclosures:

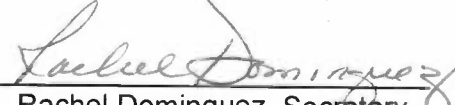
- Independent Auditors' Report and Financial Statements
- Single Audit Reports

PROPOSED ACTION:

WHEREAS, The Foundation is requesting the Board of Directors accepts Vicenti Lloyd & Stutzman's unqualified opinion upon the Foundation's Financial and Single Audit Reports for the fiscal year ended June 30, 2013.

NOW, THEREFORE, BE IT RESOLVED that the Cal Poly Pomona Foundation, Inc., Board of Directors accepts the Vicenti Lloyd & Stutzman's unqualified opinion upon the Foundation's Financial and Single Audit Reports.

Passed and adopted this 26th day of September 2013.

By: 
Rachel Dominguez, Secretary
Board of Directors
Cal Poly Pomona Foundation, Inc.



September 12, 2013

To the Audit Committee
Cal Poly Pomona Foundation, Inc

Dear Audit Committee:

This letter is intended to inform the Audit Committee about significant matters related to the conduct of the annual audit to appropriately discharge its oversight responsibility and so that we comply with our professional responsibilities to the Audit Committee.

We have audited the financial statements of the governmental activities of Cal Poly Pomona Foundation for the year ended June 30, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 8, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies used by the Foundation. The significant accounting policies used by the Foundation are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2012-13 fiscal year. We noted no transactions entered into by the foundation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

As discussed in Note 17, in 2013 the Foundation adopted new accounting guidance, GASB Statement No 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

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

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Tel 626.857.7300 | Fax 626.857.7302 | E-Mail INFO@VLSLLP.COM | Web WWW.VLSLLP.COM

Cal Poly Pomona Foundation
September 12, 2013
Page 2

Qualitative Aspects of Accounting Practices (continued)

Estimates significant to the financial statements include such items as estimated useful lives of depreciable assets, fair value of investments, assets held for sale, unitrust liabilities and liabilities for postemployment benefits. We evaluated the key factors and assumptions used to develop the accounting estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

We believe management's estimates are reasonable, based on our audit. However, estimates are subject to change because of future events, and the ultimate amounts realized may differ from those provided.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

There were no difficulties encountered in dealing with management relating to the performance of the audit.

Audit Adjustments

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no audit adjustments to the original trial balance presented to us.

Uncorrected Misstatements

We accumulated uncorrected misstatements which were discussed with management and were determined by management to be immaterial to the basic financial statements. Therefore, correcting adjustments were not made to the June 30, 2013 financial statements. These uncorrected amounts are summarized in the accompanying schedule (See Attachment A).

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Cal Poly Pomona Foundation
September 12, 2013
Page 3

Management Representations

We have requested certain representations from management including but not limited to the fair presentation of the financial statements, application of generally accepted accounting principles and management's responsibility for establishing and maintaining effective internal controls. These as well as other representations are included in the management representation letter dated September 12, 2013.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Foundation's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. We are not aware of any consultations management had with other accountants regarding accounting or auditing matters.

Significant Issues Discussed with Management

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Foundation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We are not aware of other documents that contain the audited financial statements; if such documents are to be published, such as an Annual Report, we have a responsibility to determine that such financial information is materially consistent with the audited statements of the Foundation.

Cal Poly Pomona Foundation
September 12, 2013
Page 4

Other Reports

A separate Single Audit Report dated September 12, 2013 is prepared and will be submitted to the Federal Clearinghouse along with the Data Collection Form.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the Cal Poly Pomona Foundation.

This report is intended solely for the information and use of the Audit Committee and management of the foundation, and is not intended to be, and should not be, used by anyone other than these specified parties.

VICENTI, LLOYD & STUTZMAN LLP

**Cal Poly Pomona Foundation
 Proposed Adjusting Journal Entries
 6/30/2013
 Exhibit A**

<u>Fund</u>	<u>Account Number</u>	<u>Account Description</u>	<u>Debit</u>	<u>Credit</u>	<u>Effect on Net Assets</u>
Proposed Adjusting Journal Entry # 1					
<i>To reclass credit memos for financial statement presentation.</i>					
04	1128	Accrued Income	\$ 684,488	\$	\$
04	2020	Accrued Expense		684,488	-
Proposed Adjusting Journal Entry # 2					
<i>To adjust OPEB liability per actuarial report.</i>					
01	1501	Post Retired Medical accrual	54,107		
01	7312	Staff Benefit/Post Retiree Medical Expense		54,107	54,107
			Net decrease in ending balance		<u>\$54,107</u>

CAL POLY POMONA FOUNDATION, INC.
Financial Statements and Supplementary Schedules
June 30, 2013 and 2012
(With Independent Auditor's Report Thereon)

CAL POLY POMONA FOUNDATION, INC.

AUDIT REPORT

For the year ended June 30, 2013 and 2012

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Cal Poly Pomona Foundation, Inc.

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Cal Poly Pomona Foundation, Inc. (a California State University Auxiliary Organization) (the Foundation) as of June 30, 2013 and 2012, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The Board of Directors
Cal Poly Pomona Foundation, Inc.

Opinions

In our opinion, the financial statements listed in the aforementioned table of contents present fairly, in all material respects, the financial position of the Foundation as of June 30, 2013 and 2012, and the results of its operations, changes in net position and cash flows for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 17 to the basic financial statements, in 2013 the Foundation adopted new accounting guidance, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Board of Directors
Cal Poly Pomona Foundation, Inc.

Other Information

Our audit was conducted for the purpose of forming an opinion on the Foundation financial statements as a whole. The supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary section 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 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 information 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 12, 2013 on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.



VICENTI, LLOYD & STUTZMAN LLP
Glendora, CA
September 12, 2013

CAL POLY POMONA FOUNDATION, INC.

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) For the years ended June 30, 2013 and 2012

Introduction

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 in the areas of the development and administration of research and educational grants and contracts; conducting enterprise activities including, dining services, bookstores, conference center lodge, apartment style housing, continuing education and agricultural aid to instruction; the accumulation and management of Foundation program and student scholarship funds on behalf of the University; and the development and administration of faculty staff housing and a research park, special programs, and other activities.

The following discussion and analysis provides an overview of the financial position and activities of the Cal Poly Pomona Foundation (the Foundation) for the years ended June 30, 2013 and 2012. The discussion has been prepared by management and should be read in conjunction with the financial statements and notes thereto, which follow this section.

Introduction to the Financial Statements

This annual report consists of a series of financial statements prepared in accordance with the Governmental Accounting Standards Board (GASB) principles. One of the most important questions asked about the Foundation's finances is whether the Foundation is better or worse off as a result of these year's activities. The keys to understanding this question are the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows.

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

CAL POLY POMONA FOUNDATION, INC.

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
For the years ended June 30, 2013 and 2012**

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

Another way to assess the financial health of the Foundation is to review the Statement of Cash Flows. Its primary purpose is to provide relevant information about the sources and uses of cash of an entity during a given period. The information provided in this statement should help financial report users assess the Foundation's ability to generate future net cash flows, its ability to meet its obligations as they come due, and its need for external financing. It also provides insight into the reasons for differences between operating income and associated cash receipts and payments; and the effects on Foundation's financial position of its cash and its noncash investing, capital, and related financing transactions during the year.

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 picture of the Foundation.

CAL POLY POMONA FOUNDATION, INC.

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
For the years ended June 30, 2013 and 2012**

Statement of Net Position

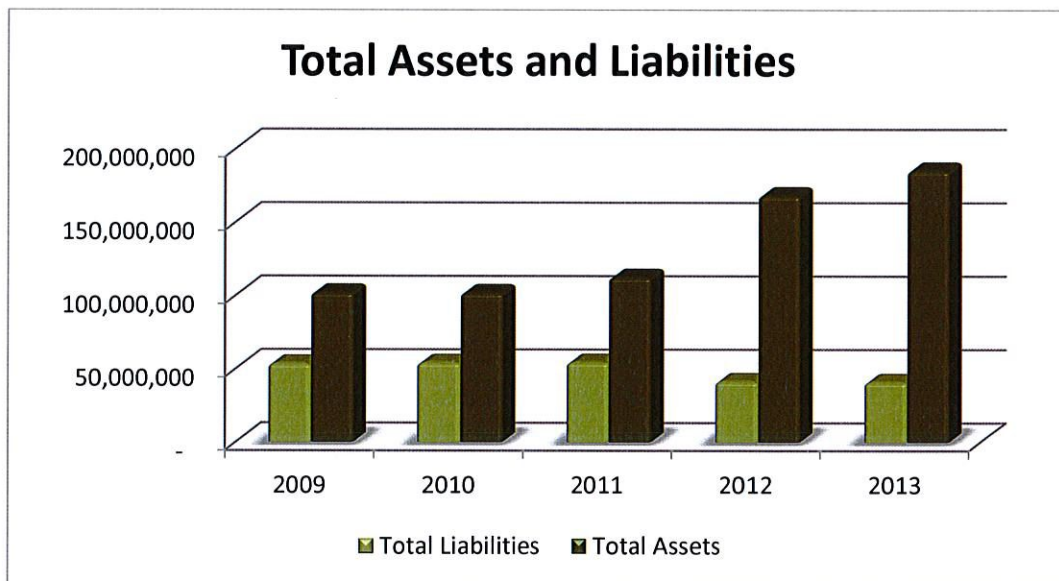
The statement of net position presents the financial position of the Foundation at the end of the fiscal year and includes all assets, deferred outflows of resources, liabilities and deferred inflows of resources of the Foundation. The difference between total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources – net position – is one indicator of the current financial condition of the Foundation, while the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year. Assets and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical costs less an allowance for depreciation. For the purpose of distinguishing between current and noncurrent assets and liabilities, current assets and liabilities are those that can be reasonably expected to either generate or use cash, as part of normal business operations, within one year of the financial statement date. A summary of the Foundation’s assets, liabilities, and net position is as follows:

	(in thousands) 2013	(in thousands) 2012
Assets:		
Current assets	\$ 53,900	\$ 40,900
Noncurrent assets:		
Restricted cash and cash equivalents	1,200	1,000
Pledges receivable, net	5,100	6,700
Endowment investments	68,000	54,600
Other long-term investments	700	7,800
Capital assets, net	56,000	57,700
Total noncurrent assets	131,000	127,800
Total assets	184,900	168,700
Liabilities:		
Current liabilities	10,200	9,400
Noncurrent liabilities	30,700	31,900
Total liabilities	40,900	41,300
Net position:		
Invested in capital assets, net of related debt	27,000	27,900
Restricted:		
Nonexpendable	69,300	51,100
Expendable	35,600	38,300
Unrestricted	12,100	10,100
Total net position	\$ 144,000	\$ 127,400

CAL POLY POMONA FOUNDATION, INC.

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) For the years ended June 30, 2013 and 2012

Total assets are \$185 and \$169 million for fiscal years 2013 and 2012 respectively. The increase between 2013 and 2012 of 9.5% is mainly attributable to investment earnings and endowment donations. The 2012 year reported an increase over the previous year of approximately 50% is attributable to the dissolution, wind-up and transfer of net assets of \$54.8 from the Cal Poly Pomona University Educational Trust (UET).



Total liabilities are \$40.9 million and \$41.3 for the fiscal years 2013 and 2012 respectively. There was no significant change in liabilities between 2013 and 2012 though the decrease in 2012 over the prior year was mainly due to the adjustment of \$10.3 million to other postemployment benefits obligations (OPEB) as a result of converting from Financial Accounting Standards Board (FASB) to GASB reporting.

The Foundation participates in the Auxiliaries Multiple Employer VEBA (Voluntary Employees' Beneficiary Association), a separate 501(c)(9) organization to assist in funding postemployment benefits for recognized auxiliaries of the California State University System. As of July 1, 2011 (the most recent actuarial report) the actuarial accrued liability for benefits was \$10,536,352 and the unfunded actuarial accrued liability (UAAL) was \$9,496,173 and the plan's market value of assets was \$1,040,179 or 9.9% funded. The covered payroll (annual payroll of active employees covered by the plan) was \$8,093,038, and the ratio of the UAAL to the covered payroll was 117.3%. The Foundation's current plan is to fund the OPEB obligation up to the retirees' and surviving spouse actuarial obligation.

CAL POLY POMONA FOUNDATION, INC.

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
For the years ended June 30, 2013 and 2012**

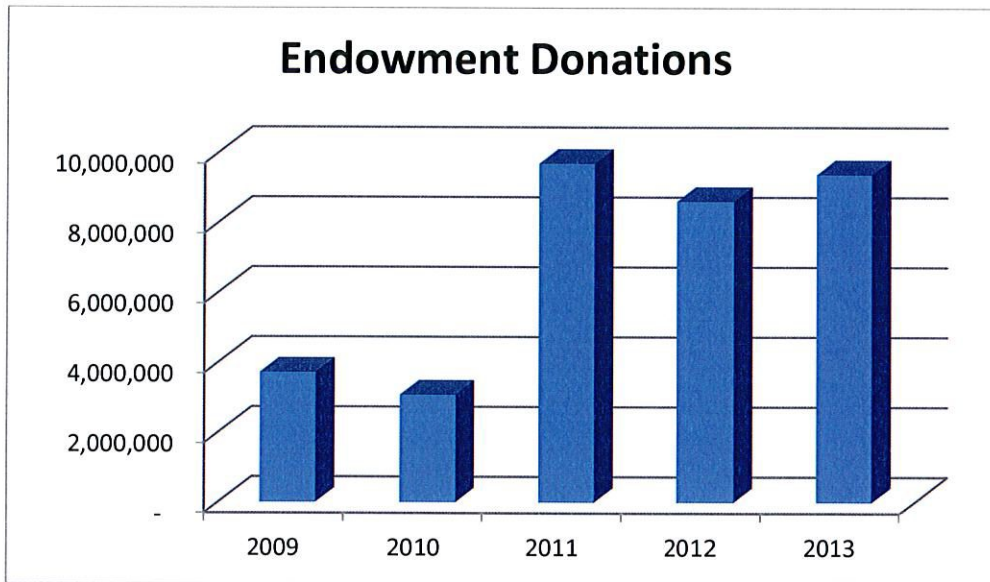
The Foundation participates in a cost sharing multiple-employer defined benefit plan through the California Public Employees' Retirement System (CalPERS) which covers substantially all regular full-time employees of the Foundation. CalPERS acts as a common investment and administrative agent for participating public entities with the state of California and reports information to the Foundation in accordance with reporting standards established by the Governmental Accounting Standards Board (GASB). 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. CalPERS issues a separate comprehensive annual financial report that includes required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

The Foundation's policy is to fund pension costs as incurred and contributed \$742,507 and \$762,234 in fiscal years 2013 and 2012 respectively. As of June 30, 2011 (the most recent actuarial report) the entry age normal accrued liability is \$35,336,788 and the plan's market value of assets of \$31,397,951 or 88.9% funded. The contribution rate for the fiscal year 2012-13 was 9.44% and 2011-12 was 9.42%. The contribution rate is 10.052% for fiscal year 2013-14 and is projected to be 10.8% for fiscal year 2014-15, which includes agencies that have elected the 2% at 55 risk pool plan. During fiscal year 2010-11, the Foundation approved and elected a change in benefits formula from 2% at 55 to 2% at 60 years of age for newly hired employees after July 1, 2011 and accordingly the contribution rate for those employees was 7.85% for fiscal year 2012-13 and 7.73% for fiscal year 2011-12. During fiscal year 2012-13, the Foundation approved and elected a change in benefits formula to 2% at 62 years of age for newly hired employees after December 31, 2012 and accordingly the contribution rate for those employees was 6.25% for 2012-13.

CAL POLY POMONA FOUNDATION, INC.

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
For the years ended June 30, 2013 and 2012**

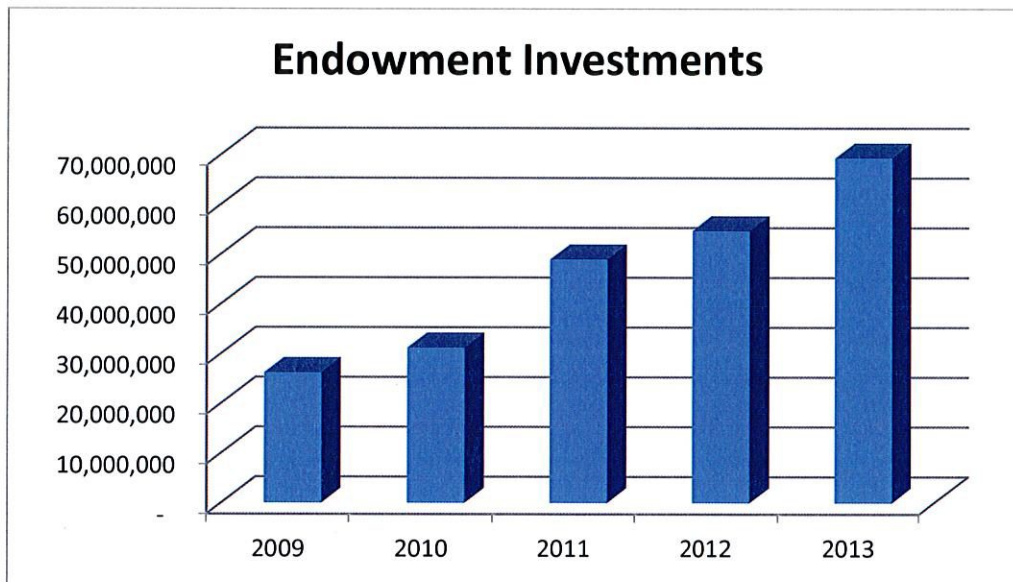
Endowment Donations and Investments



During fiscal year 2012-13, endowment portfolio increased by \$13.7 million, or 24.5%, from \$54.6 million at June 30, 2012 to \$68.0 million at June 30, 2013, mainly due to contributions of \$8.9 million and total return on investments of \$6.7 million or 10.95% (net of fees), less endowment earnings distributions of \$1.9 million. Total return on investments (net of fees), consists of a change in the fair market value of endowment investments, including interest, dividends, and realized and unrealized gains and losses. The Foundation's endowment investment policy is designed to obtain the highest return available while investments meet the criteria established for safety (preservation of capital), return and liquidity.

CAL POLY POMONA FOUNDATION, INC.

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
For the years ended June 30, 2013 and 2012**

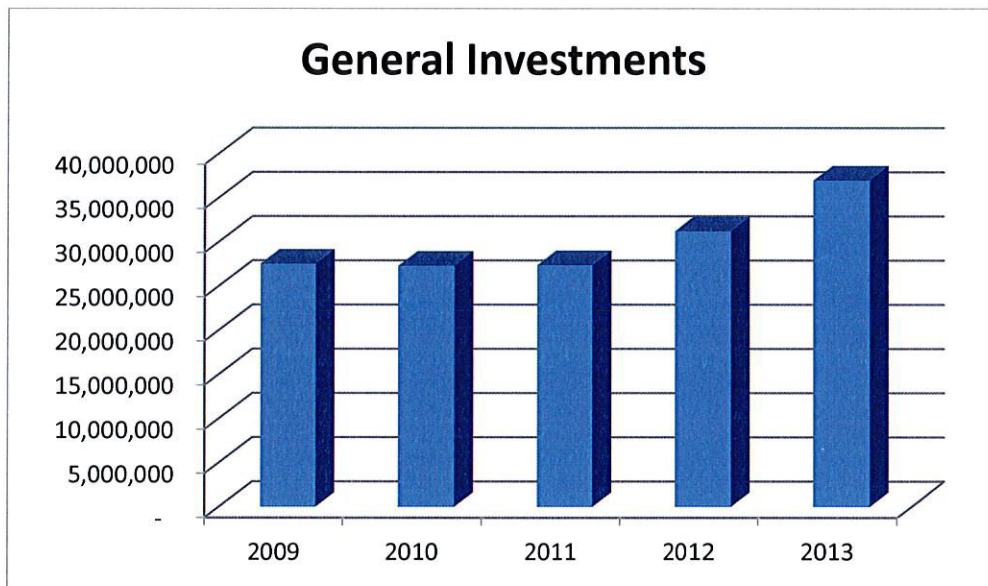


Permanent endowments are funds received from donors with the stipulation that the principal remains intact and invested in perpetuity to produce income that will be distributed and expended for purposes specified by the donor.

General investments consist of expendable funds that have been invested in the Foundation's general investment portfolio. The Foundation's general investment policy is designed to obtain the highest yield available, while investments meet the criteria established for safety (preservation of capital), liquidity and yield. During fiscal year 2012-13, general investments increased by \$5.8 million, or 18.5%, mainly due to contributions and returns on investments of \$1.0 million or 3.70% (net of fees). Investment returns, net of fees, consists of a change in the fair market value of general investments, including interest, dividends, and realized and unrealized gains and losses.

CAL POLY POMONA FOUNDATION, INC.

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
For the years ended June 30, 2013 and 2012**



Net Position

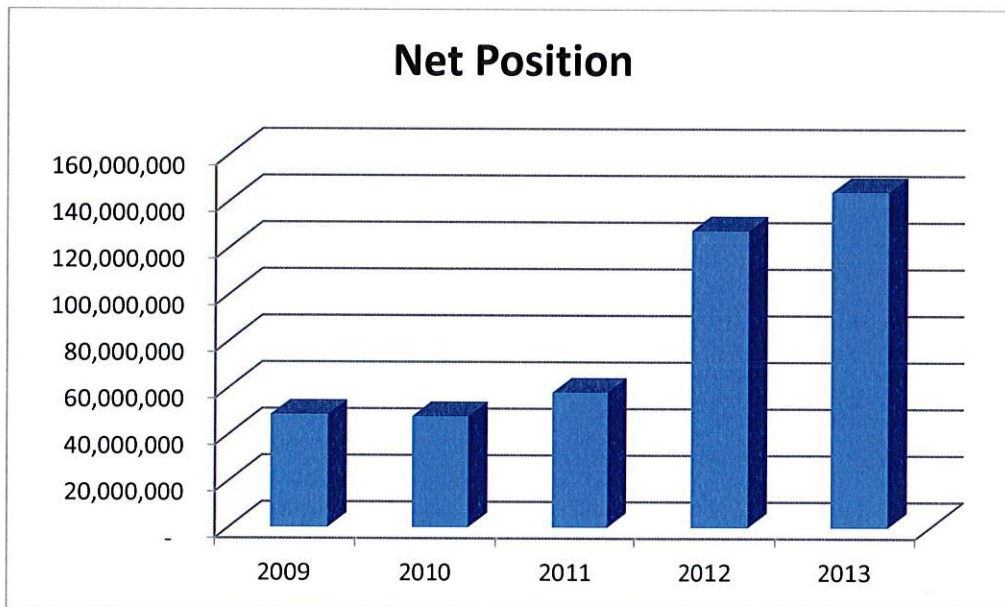
Net position represents the residual interest in the Foundation's assets after liabilities are deducted. The Foundation's net position is as follows:

	(in thousands) 2013	(in thousands) 2012
Invested in capital assets, net of related debt	\$ 27,000	\$ 27,900
Restricted:		
Nonexpendable - endowments	69,300	51,100
Expendable	35,600	38,300
Unrestricted	12,100	10,100
Net position	<u>\$ 144,000</u>	<u>\$ 127,400</u>

CAL POLY POMONA FOUNDATION, INC.

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
For the years ended June 30, 2013 and 2012**

Net position increased 13% or \$16.6 million primarily due to endowment donations and investment earnings. The increase in net position of \$69.4 million in fiscal year 2011-12 is primarily due to the wind up, dissolution and transfer of University Educational Trust net assets. Restricted nonexpendable net position includes the permanent endowment funds and restricted expendable net position includes activities and program funds designated to support scholarships and fellowships, research, and other program activities. Unrestricted net position includes the enterprise or entrepreneurial activities of the Foundation.



CAL POLY POMONA FOUNDATION, INC.

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
For the years ended June 30, 2013 and 2012**

Capital Assets, Capitalized Lease Obligations and Net Investment

The Foundation's investment in capital assets, net of related debt decreased \$950 thousand or 3.4% for fiscal year 2012-13. Depreciation and amortization charges for the years ended June 30, 2013 and 2012 totaled \$3.8 and \$3.7 million respectively. A summary of capital assets, net of accumulated depreciation and capitalized lease obligations is as follows:

	<u>(in thousands)</u> 2013	<u>(in thousands)</u> 2012
Building and improvements	\$ 67,000	\$ 67,000
Equipment, furniture and fixtures	14,700	12,500
Construction work in progress	1,400	2,900
Land	6,500	6,200
Infrastructure	8,600	8,500
Orchards	100	100
	<u>98,300</u>	<u>97,200</u>
Less: accumulated depreciation and amortization	<u>(42,300)</u>	<u>(39,500)</u>
	56,000	57,700
Less: capitalized lease obligations	<u>(28,900)</u>	<u>(29,800)</u>
Invested in capital assets	<u>\$ 27,100</u>	<u>\$ 27,900</u>

Net position invested in capital assets, net of related debt, represent the Foundation's capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of these assets. Capitalized lease obligations consist of system revenue bonds of \$28.9 million. The majority of this obligation \$25.8 million was incurred in 2003-04 fiscal year with respect to the construction of the University Village Phase III student housing complex; the balance of this obligation \$3.1 million was incurred for the construction of a continuing education complex and a portion of those bonds were advance refunded and defeased in 2006-07 fiscal year.

CAL POLY POMONA FOUNDATION, INC.

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
For the years ended June 30, 2013 and 2012**

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:

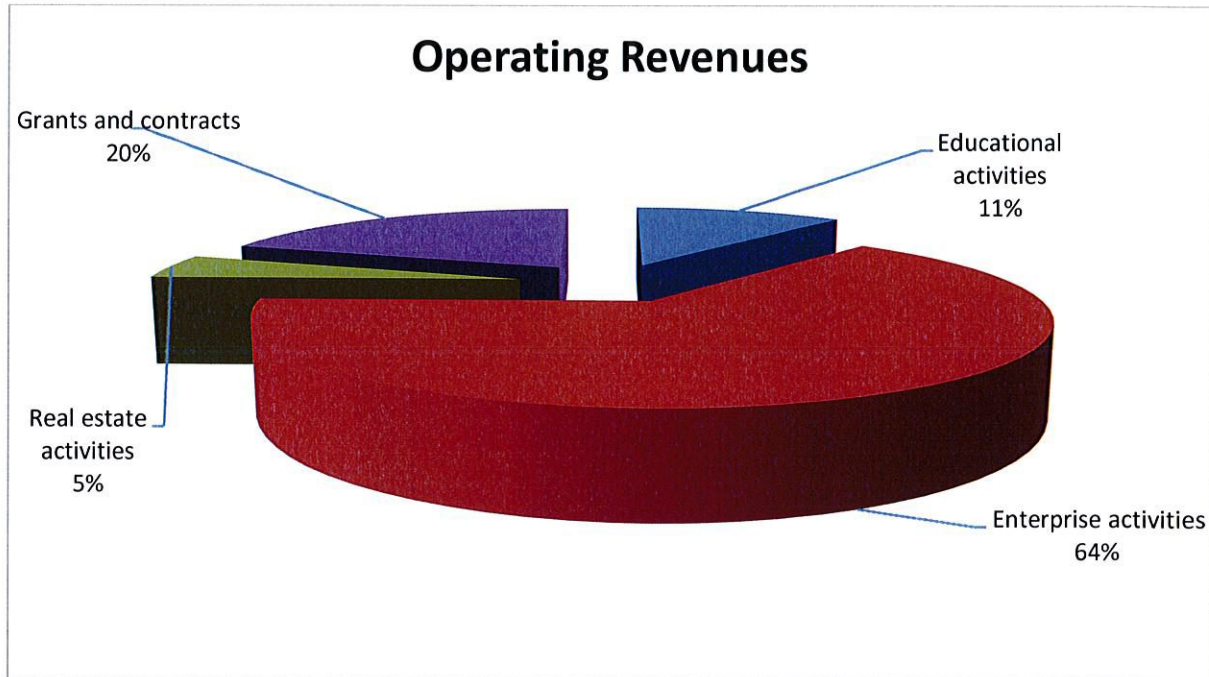
	(in thousands) 2013	(in thousands) 2012
Operating revenues:		
Educational activities	\$ 6,800	\$ 8,600
Enterprise activities	39,200	38,200
Grants and contracts	12,200	13,400
Real estate activities	2,900	2,800
Total operating revenues	<u>61,100</u>	<u>63,000</u>
Operating expenses	<u>62,800</u>	<u>62,300</u>
Operating income	<u>(1,700)</u>	<u>700</u>
Nonoperating revenues (expenses):		
Gifts, noncapital	15,600	8,600
Investment income, net	1,300	100
Endowment income, net	6,700	300
Interest expenses	(1,600)	(1,400)
Transfer to the University	<u>(3,700)</u>	<u>(4,000)</u>
Total nonoperating revenues, net	<u>18,300</u>	<u>3,600</u>
Special item:		
Transfer of net assets of University Educational Trust	<u>-</u>	<u>54,800</u>
Increase in net position	16,600	59,100
Net position:		
Net position at beginning of year	127,400	58,000
Restatements	<u>-</u>	<u>10,300</u>
Net position at end of year	<u>\$ 144,000</u>	<u>\$ 127,400</u>

During fiscal year 2013, total operating income decreased \$2.4 million due to educational activities and non-operating revenues, net increased \$14.7 million due to gifts and investment income.

CAL POLY POMONA FOUNDATION, INC.

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
For the years ended June 30, 2013 and 2012**

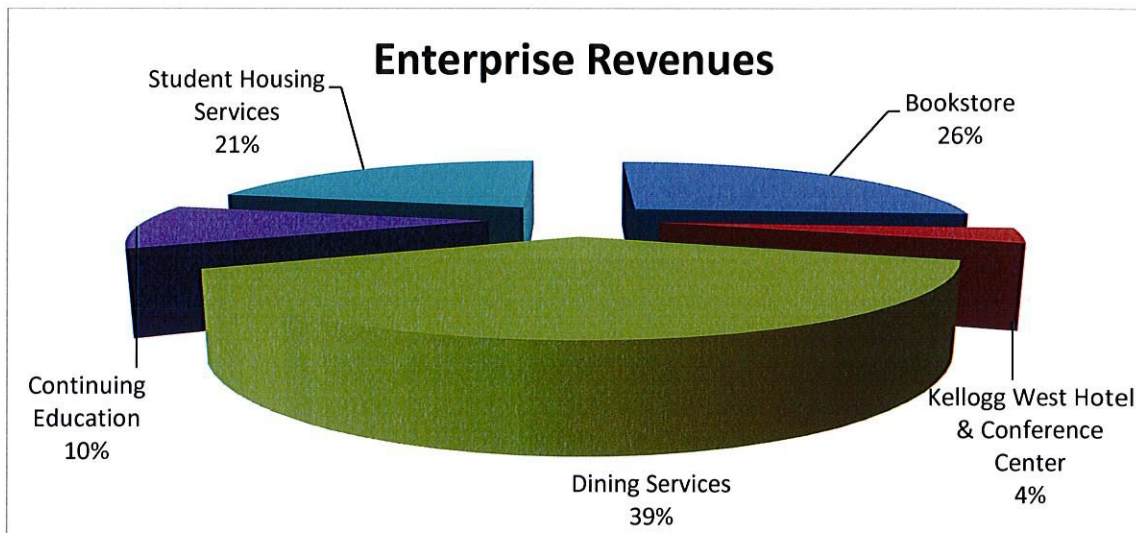
The operating income is affected by two factors. First, although gift revenues are treated as non-operating revenues, corresponding gift expenditures (i.e., student grants and scholarships) are treated as operating expenditures. Second, restricted net position reports the activities of the grants, contracts and Foundation programs where the use of funds is restricted for specific purposes. Since Foundation program activities are allowed to use balances from prior years, expenditures in the current year may be more or less than revenues recorded during the same year.



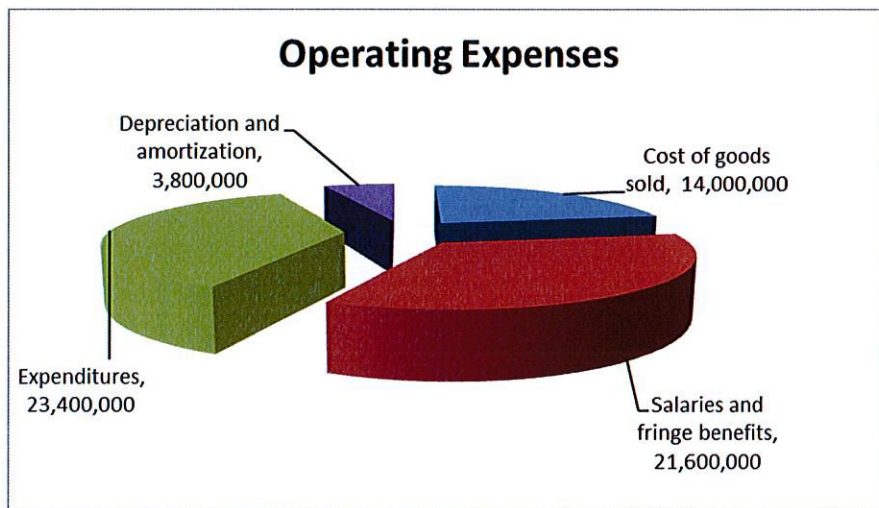
CAL POLY POMONA FOUNDATION, INC.

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
For the years ended June 30, 2013 and 2012**

Auxiliary enterprise operating revenues consist of the following programs:



In August 2000 the Foundation entered into a twenty-five year master operating agreement and various supplemental operating agreements with the Trustees of the California State University on behalf of the California State Polytechnic University Pomona (University) which allows the Foundation to operate various activities including the above enterprise activities. All the activities of the Foundation support the students, faculty and staff and provide convenient and appropriate goods and services at reasonable prices for the development of additional resources for the University.



CAL POLY POMONA FOUNDATION, INC.

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
For the years ended June 30, 2013 and 2012**

In 2013, operating expenses consist of cost of goods sold of \$14 million, salaries and fringe benefits of \$21.6 million, expenditures of \$23.4 million, and depreciation and amortization of \$3.8 million.

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

	(in thousands) 2013	(in thousands) 2012
Operating:		
Instruction	\$ 9,100	\$ 10,000
Research	4,800	4,800
Public service	400	350
Academic support	4,200	4,400
Student services	750	650
Institutional support	2,350	2,300
Operation and maintenance of plant	225	50
Student grants and scholarships	1,200	1,100
Auxiliary enterprise expenses	36,000	34,950
Depreciation and amortization	3,775	3,700
Total operating expenses	<u>\$ 62,800</u>	<u>\$ 62,300</u>

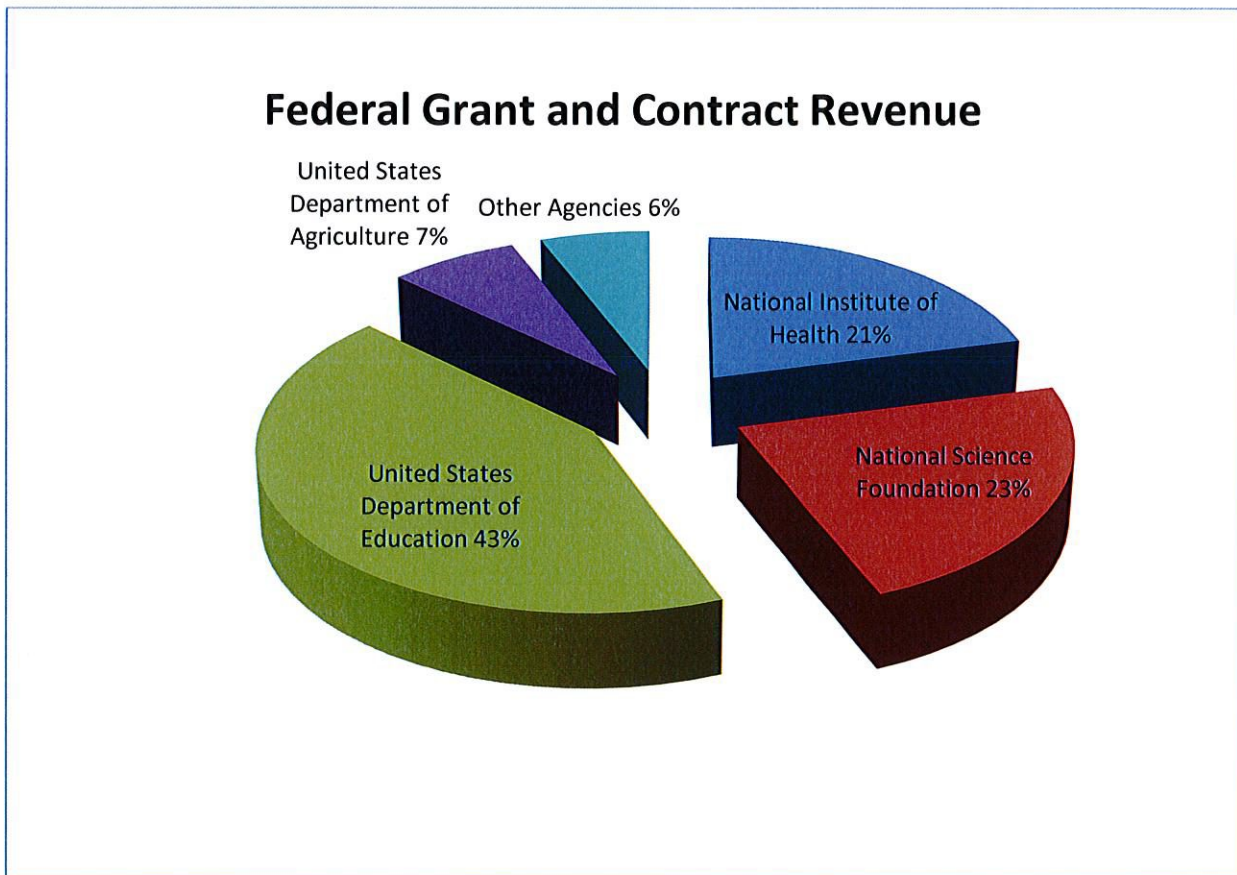
During fiscal year 2013, total operating expenses increased \$500 thousands mainly due to Auxiliary enterprise expenses.

CAL POLY POMONA FOUNDATION, INC.

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
For the years ended June 30, 2013 and 2012**

During 2013, grants and contracts revenues consist of federal grants and contracts of \$7.8 million, state and local grants and contracts of \$2.0 million, and non-governmental grants and contracts of \$2.3 million.

Federal grants and contracts revenue represents 64% of the sponsored program activity and includes support from a variety of agencies including:

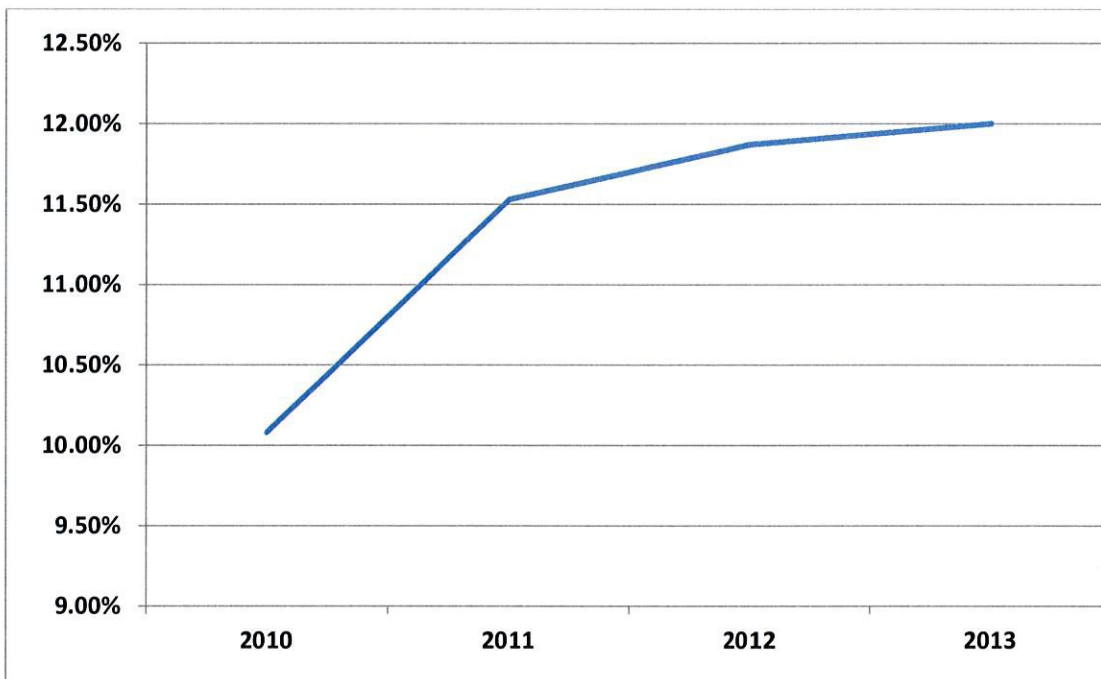


CAL POLY POMONA FOUNDATION, INC.

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
For the years ended June 30, 2013 and 2012**

For the past four years, the effective rate of facilities and administration costs collected from grant and contract accounts has increased due to improved negotiations with outside agencies.

Effective Rate of Indirect Cost Recovery



CAL POLY POMONA FOUNDATION, INC.

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
For the years ended June 30, 2013 and 2012**

Statement of Cash Flows

The statement of cash flows provides additional information on the Foundation's financial results by reporting the major sources and uses of cash. A summary of the statement of cash flows is as follows:

	(in thousands) 2013	(in thousands) 2012
Cash received from operations	\$ 61,300	\$ 68,100
Cash expended from operations	(57,700)	(59,300)
Net cash provided by operating activities	3,600	8,800
Net cash provided by non-capital financing activities (gifts and grants)	16,400	6,100
Net cash used in capital and related financing activities	(6,300)	(10,000)
Net cash used in investing activities	(14,600)	(3,300)
Net change in cash and cash equivalents	(900)	1,600
Cash and cash equivalents at beginning of year	5,900	4,300
Cash and cash equivalents at end of year	\$ 5,000	\$ 5,900

During fiscal year 2013, the cash position at end of year decreased \$900,000, or 14%, due to investing activities and noncapital financing activities.

CAL POLY POMONA FOUNDATION, INC.

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
For the years ended June 30, 2013 and 2012**

Factors Impacting Future Periods

The Foundation's 2013-14 proposed budgeted projections include the following Board approved assumptions:

- Allow for a 5% increase in the meal plans with the same number of residents on the meal plans;
- Allow for a 5% increase in license fee rates at University Village and assume academic year and summer occupancy of 95% and 30% respectively;
- Contribute 10.052% to the CALPERS 2% at 55 years of age retirement Risk Pool for employees hired on or before June 26, 2011 (these employees will contribute 5%) and 8.049% to the CALPERS 2% at 60 retirement Risk Pool for employees hired between June 27, 2011 and December 31, 2012, (these employees will contribute 7%), and 6.25% to CALPERS at 62 retirement Risk Pool for employees hired on or after January 1, 2013 (these employees will share half the total cost and will contribute 6.25%) for a total of approximately \$790,000;
- No change to salary grades and a 3% or approximately \$143,000 wage adjustment; and;
- Contribute \$1.0 million to the VEBA Trust and assume 9% as the benefit cost for the postretirement health care plan per actuarial studies.

The 2013-14 proposed surplus generates a debt service coverage of 3.92. The proposed surplus meets (exceeds) the CSU requirements for additional bond issuance of 1.25 and the Foundation currently does not have any proposed capital projects that require additional bond financing.

CAL POLY POMONA FOUNDATION, INC.

Statement of Net Position

June 30, 2013 and 2012

Assets:	<u>2013</u>	<u>2012</u>
Current assets:		
Cash and cash equivalents	\$ 5,702,161	\$ 6,614,253
Short-term investments	36,240,855	23,346,172
Accounts receivable, net	5,089,407	4,918,509
Accounts receivable from the University	843,837	733,410
Inventories	1,844,311	1,978,683
Assets held for sale	712,500	691,217
Pledges receivable, net	3,241,916	2,464,843
Prepaid expenses	208,798	154,744
Total current assets	<u>53,883,785</u>	<u>40,901,831</u>
Noncurrent assets:		
Restricted cash and cash equivalents	1,247,301	952,858
Pledges receivable, net	5,123,161	6,709,771
Endowment investments	68,024,560	54,618,000
Other long-term investments	707,955	7,822,562
Capital assets, net	55,981,138	57,738,880
Total noncurrent assets	<u>131,084,115</u>	<u>127,842,071</u>
Total assets	<u>184,967,900</u>	<u>168,743,902</u>
Liabilities:		
Current liabilities:		
Cash in bank overdraft	658,570	710,316
Accounts payable	1,773,980	1,477,090
Accounts payable to the University	850,473	767,058
Accrued salaries and benefits payable	544,147	636,126
Accrued compensated absences— current portion	435,491	445,646
Unearned revenue	1,209,234	1,101,951
Capitalized lease obligations – current portion	786,518	755,568
Other liabilities	4,008,562	3,509,947
Total current liabilities	<u>10,266,975</u>	<u>9,403,702</u>
Noncurrent liabilities:		
Accrued compensated absences, net of current portion	265,532	227,911
Capitalized lease obligations, net of current portion	28,161,131	28,999,414
Other postemployment benefits obligation	1,230,456	1,847,759
Unitrust liability	1,001,426	874,354
Total noncurrent liabilities	<u>30,658,545</u>	<u>31,949,438</u>
Total liabilities	<u>40,925,520</u>	<u>41,353,140</u>
Net Position:		
Invested in capital assets, net of related debt	27,033,489	27,983,898
Restricted for:		
Nonexpendable – endowments	69,271,861	51,102,413
Expendable:		
Scholarships and fellowships	3,238,679	7,463,673
Capital projects	5,805,577	1,742,964
Other	26,572,366	29,047,607
Unrestricted	12,120,408	10,050,207
Total net position	<u>\$ 144,042,380</u>	<u>\$ 127,390,762</u>

See the accompanying notes to the financial statements.

CAL POLY POMONA FOUNDATION, INC.
Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2013 and 2012

Revenues:	2013	2012
Operating revenues:		
Educational activities	\$ 6,830,129	\$ 8,645,835
Enterprise activities	39,259,283	38,238,333
Grants and contracts	12,174,130	13,395,539
Real estate activities	2,894,680	2,784,728
Total operating revenues	61,158,222	63,064,435
Expenses:		
Operating expenses:		
Educational activities	10,866,817	10,331,639
Enterprise activities	29,818,252	28,850,156
Grants and contracts	12,126,283	13,395,539
Real estate activities	6,215,564	6,098,776
Depreciation and amortization	3,780,173	3,669,045
Total operating expenses	62,807,089	62,345,155
Operating income (loss)	(1,648,867)	719,280
Nonoperating revenues (expenses):		
Gifts, noncapital	15,619,093	8,607,410
Investment income, net	1,299,406	105,958
Endowment income, net	6,688,965	263,195
Interest expenses	(1,644,187)	(1,421,919)
Transfer to the University	(3,662,792)	(3,930,872)
Net nonoperating revenues (expenses)	18,300,485	3,623,772
Income before special item	16,651,618	4,343,052
Special item:		
Transfer of net assets of University Educational Trust	-	54,801,078
Increase in net position	16,651,618	59,144,130
Net position:		
Net position at beginning of year, as previously reported	127,390,762	57,995,032
Restatement	-	10,251,600
Net position at beginning of year, as restated	127,390,762	68,246,632
Net position at end of year	\$ 144,042,380	\$ 127,390,762

See the accompanying notes to the financial statements.

CAL POLY POMONA FOUNDATION
Statements of Cash Flows
For the Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Federal grants and contracts	\$ 8,213,002	\$ 8,523,510
State and local grants and contracts	2,022,426	3,477,578
Nongovernmental grants and contracts	2,432,618	2,267,890
Payments to suppliers	(42,248,303)	(44,664,930)
Payments to employees	(11,903,249)	(11,466,656)
Payments to students	(3,534,015)	(3,107,129)
Sales and services of educational activities	10,562,048	12,028,454
Sales and services of auxiliary enterprises	35,893,471	39,054,206
Other receipts	<u>2,163,046</u>	<u>2,715,262</u>
Net cash provided by operating activities	<u>3,601,044</u>	<u>8,828,185</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>		
Gifts and grants received for other than capital purposes	<u>16,428,942</u>	<u>6,121,602</u>
Net cash provided by noncapital financing activities	<u>16,428,942</u>	<u>6,121,602</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>		
Acquisitions of capital assets	(2,567,637)	(3,764,679)
Transfer of assets to University	(1,276,603)	(3,930,872)
Principal paid on capital debt and lease	(756,018)	(915,762)
Interest paid on capital debt and lease	<u>(1,648,887)</u>	<u>(1,429,809)</u>
Net cash used by capital and related financing activities	<u>(6,249,145)</u>	<u>(10,041,122)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Proceeds from sales and maturities of investments	46,941,730	8,130,252
Purchases of investments	(63,455,235)	(11,158,809)
Contribution to postemployment benefit obligation	(1,000,000)	(1,000,000)
Investment Income	<u>2,872,318</u>	<u>675,965</u>
Net cash used by investing activities	<u>(14,641,187)</u>	<u>(3,352,592)</u>
Net increase/(decrease) in cash and cash equivalents	(860,346)	1,556,073
Cash and cash equivalents at beginning of year	<u>5,903,937</u>	<u>4,347,864</u>
Cash and cash equivalents at end of year	<u>\$ 5,043,591</u>	<u>\$ 5,903,937</u>
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$ (1,648,867)	\$ 719,280
Adjustments to reconcile operating loss to net cash (used)/provided by operating activities:		
Depreciation	3,780,173	3,224,782
Loss on disposal of assets	545,206	
Excess of OPEB expense over pay as you go expense	416,616	474,422
Change in assets and liabilities:		
Accounts receivable	(368,877)	4,946,692
Inventories	134,372	(398,701)
Assets held for sale	(21,283)	1,100,763
Prepaid and other assets	(54,054)	882,575
Accounts payable and amounts payable to the University	385,005	(2,027,642)
Accrued salaries and benefits	(91,979)	(81,863)
Accrued compensated absences	27,466	(10,278)
Unearned revenue	107,283	(106,292)
Other liabilities	<u>389,983</u>	<u>104,447</u>
Net cash provided by operating activities	<u>\$ 3,601,044</u>	<u>\$ 8,828,185</u>
Breakdown of ending cash balance:		
Cash and cash equivalents	\$ 5,702,161	\$ 6,614,253
Cash in bank overdraft	<u>(658,570)</u>	<u>(710,316)</u>
	<u>5,043,591</u>	<u>5,903,937</u>

See the accompanying notes to the financial statements.

CAL POLY POMONA FOUNDATION, INC.

Notes to Financial Statements
June 30, 2013 and 2012

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, including the development and administration of research and educational grants and contracts; conducting enterprise activities including, dining service, bookstores, conference center lodge, apartment style housing, continuing education and agricultural aid to instruction; the accumulation and management of Foundation program and student scholarship funds on behalf of the University; and the development and administration of faculty staff housing and a research park, special programs, and other activities.

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

(a) 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 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.

(b) 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, as prescribed by the Governmental Accounting Standards Board (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.

(c) 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 of current liabilities within 12 months of the statement of net assets date. Liabilities that reasonably can be expected, as part of normal Foundation business operations, to be liquidated within 12 months of the statement of net assets date are considered to be current. All other assets and liabilities are considered to be noncurrent.

(d) 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 in the accompanying basic financial statements.

CAL POLY POMONA FOUNDATION, INC.

Notes to Financial Statements
June 30, 2013 and 2012

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

(e) 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.

(f) Accounts Receivables

Accounts receivable include receivables due from federal, state and local governments for contract and grant reimbursements. Accounts receivables also include receivables from enterprise sales and services and for real estate rents and leases.

(g) Inventories

Inventories are presented at the lower of cost or market on an average basis and are expensed when used. Inventory consists of textbooks held for resale in the bookstore and ancillary instructional, apparel and other supplies held for educational purposes.

(h) Pledges Receivable

Pledges receivable expected to be received beyond one year are recorded at the net present value of anticipated future cash flows. The discount rates used during the years ended June 30, 2013 and 2012 were 0.95% and 1.07% respectively.

(i) Investments and Endowment Investments

Investments are reflected at fair value using quoted market prices. Gains and losses are included in the statement of revenues, expenses, and changes in net position as investment income (loss), net.

The Foundation's general investment policy authorizes the investment of excess funds in a range of investments to seek an average total annual return of 2.0% plus the percentage change in the greater Higher Education 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 5.0% 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.

Marketable equity and debt securities and other short-term and long-term investments are carried at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, and is determined from published data provided by the exchanges, computerized pricing sources, the National Association of Securities Dealers' National Market System, securities custodians and other authoritative sources.

CAL POLY POMONA FOUNDATION, INC.

Notes to Financial Statements
June 30, 2013 and 2012

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

(j) Capital Assets

Capital assets are stated at cost or estimated historical cost if purchased or if donated, at estimated fair value at date of donation. Capital assets with a value of less than \$5,000 are not capitalized. Title to all assets, whether purchased, constructed, or donated, is held by the Foundation or transferred to the University. 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.

(k) Accounts Payable

Accounts payable consists of amounts due to vendors for goods and services received prior to June 30.

(l) Compensated Absences

Foundation employees accrue annual leave at rates based on length of service and job classification.

(m) Unearned Revenue

Unearned revenue consists primarily of unearned revenue related to federal grants and contracts, enterprise activities and continuing education.

(n) Other Liabilities

Other liabilities include funds held in custody of others and receipts in excess of expenditures for sponsored program activities.

(o) Capitalized Lease Obligations

Capitalized lease obligations include the original issue discount or premium from the corresponding debt.

(p) Unitrust Liability

The Foundation administers irrevocable charitable remainder trusts and gift annuities 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 campus organizations. Remainder trust and gift annuity funds designated to the campus organizations are recorded as donations in the accompanying financial statements in the years received. 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.

CAL POLY POMONA FOUNDATION, INC.

Notes to Financial Statements
June 30, 2013 and 2012

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

(q) Net Position

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

Invested in capital assets, net of related debt: Capital assets, net of accumulated depreciation, amortization, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

Restricted - nonexpendable: Amounts subject to externally imposed conditions that the Foundation retains in perpetuity.

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 unrestricted resources first, then restricted resources as they are needed.

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

(r) 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 non-operating revenues and expenses in accordance with GASB Statement No. 33. These non-operating activities include the Foundation's net investment and endowment income, gifts, interest expense and transfer of assets to the University.

CAL POLY POMONA FOUNDATION, INC.

Notes to Financial Statements
June 30, 2013 and 2012

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

(s) 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.

The Foundation files informational tax returns in the U.S. federal jurisdictions and the state of California. With few exceptions, the statute of limitations for federal and California state purposes is generally three and four years, respectively.

(t) Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues, and expenses in the accompanying basic financial statements. Actual results could differ from those estimates.

CAL POLY POMONA FOUNDATION, INC.

Notes to Financial Statements
June 30, 2013 and 2012

Note (3) Cash, Cash Equivalents and Investments

The deposits and investments held are as follows:

	2013	2012
Deposits:		
Demand deposits	\$ 5,320,960	\$ 3,004,399
Cash equivalents-Cash Reserve Trust Fund	381,133	336,381
	5,702,093	3,340,780
Investments:		
Local Agency Investment Fund	24,460	5,166,570
Money Market Funds	1,247,369	4,226,331
Equities	75,955,563	60,250,593
Mutual Funds – Fixed Income Securities	26,122,598	
Federal Agencies	1,300,089	8,590,600
U.S. Treasuries	1,570,660	11,778,971
	106,220,739	90,013,065
Total deposits and investments	\$111,922,832	\$93,353,845
Reconciliation to statement of net assets		
Current:		
Cash and cash equivalents	\$ 5,702,161	\$ 6,614,253
Investments	36,240,855	23,346,172
Noncurrent:		
Cash equivalents	1,247,301	952,858
Investments – Endowment	68,024,560	54,618,000
Investments – Other long term	707,955	7,822,562
	\$111,922,832	\$93,353,845

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 California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

The deposits of the Foundation are maintained at financial institutions and are fully insured or collateralized up to \$250,000 per financial institution. As of June 30, 2013, \$3,833,250 of the Foundation's bank balance of \$4,228,145 was exposed to credit risk as category three, uninsured and uncollateralized.

CAL POLY POMONA FOUNDATION, INC.

Notes to Financial Statements June 30, 2013 and 2012

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

Custodial Credit Risk (continued)

The Foundation maintains investments with the State of California Local Agency Investment Fund (LAIF) which pools these funds with other governmental agencies and invests in various investment vehicles. These pooled funds approximate fair value. Regulatory oversight is provided by the State Pooled Money Investment Board and the Local Investment Advisory Board. LAIF is not subject to categorization as prescribed by GASB Statement No. 3 as amended by GASB Statement No. 40 to indicate the level of custodial credit risk assumed by the Foundation at year end.

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, 2013 and 2012, all investments are in the name of the Foundation, and the Foundation is not exposed to custodial credit risk associated with its investments.

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, short-term investments are limited to relatively liquid instruments such as certificates of deposit, savings accounts, Federally guaranteed notes and bills, money market mutual funds or investment in the State of California Local Agency Investment Fund (LAIF). Interest rate risk is further mitigated by ensuring sufficient liquidity to meet cash flow needs and only then investing in longer-term securities. There is no interest rate risk for money market mutual funds as they are available on demand.

As of June 30, 2013, the Foundation had the following debt investments subject to interest rate risk:

Investment Type	Fair Value	2013 Investment Maturities (in Years)		
		Less Than 1	1-5	More Than 5
PIMCO Low Duration Fixed Income	\$ 20,922,789	\$ 5,021,469	\$ 11,925,990	\$ 3,975,330
JP Morgan Strategic Income Opportunities	1,568,969	922,554	381,259	265,156
DoubleLine Total Return	2,072,188	337,767	667,245	1,067,176
Brandywine Global Opportunistic Fixed Income	1,040,954	325,819	266,484	448,651
Nuveen Symphony Credit Opportunity Fund	517,698	4,245	95,619	417,834

CAL POLY POMONA FOUNDATION, INC.

Notes to Financial Statements
June 30, 2013 and 2012

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

As of June 30, 2012, the Foundation had the following debt investments subject to interest rate risk:

Investment Type	Fair Value	2012 Investment Maturities (in Years)		
		Less Than 1	1-5	More Than 5
Federal Home Loan Bank	\$ 999,520	\$	\$ 999,520	\$
Federal Home Loan Mortgage Corporation	2,815,381		2,640,095	175,286
Federal National Mortgage Association	4,775,699	1,702,607	2,165,271	907,821
US Treasury Notes/Bonds	11,778,971	9,630,439	1,708,891	439,641

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.

Following is a list of acceptable instruments to invest in as of June 30, 2013 and 2012:

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

CAL POLY POMONA FOUNDATION, INC.

Notes to Financial Statements
June 30, 2013 and 2012

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

Concentration of Credit Risk

The Foundation's general and endowment investment policies allow for no more than 5% of the asset class to be invested in any single equity or fixed income issuer, with the exception of U.S. Treasury and Agency securities and exposure to any industry sector is generally limited to 20% of the asset class. This is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. In order to maximize the rate of return in the Foundation's investment portfolio while preserving capital, the Foundation's investment policies dictate a range and target weighted asset allocation as follows:

Asset Class	Target Asset Mix Table General Investments		Target Asset Mix Table Endowment Investments	
	Range	Target Weight	Range	Target Weight
Common Fund Equities	10-65%	20%	N/A	N/A
Domestic Equities	N/A	N/A	20-50%	35%
International Equities	N/A	N/A	15-35%	30%
Fixed Income	40-85%	60%	20-50%	30%
Mutual Funds-Debt	40-85%	0%	N/A	N/A
Cash Equivalents	0-20%	5%	0-20%	0%
Real Estate	0-10%	5%	0-10%	0%
Real Assets	N/A	N/A	0-10%	5%
Alternative Investments	0-25%	10%	N/A	N/A
Hedge Funds	N/A	N/A	0-20%	0%

As of June 30, 2013 the Foundation had the following investments subject to credit and concentration of credit risk:

Investment Type	Rating (S&P/Moody's)	Fair Value	Percentage
PIMCO Low Duration Fixed Income	AA-	\$ 20,922,789	80.09%
JP Morgan Strategic Income Opportunities	BBB	1,568,969	6.01%
DoubleLine Total Return	A	2,072,188	7.93%
Brandywine Global Opportunistic Fixed Income	A	1,040,954	3.98%
Nuveen Symphony Credit Opportunity Fund	BB	517,698	1.98%

CAL POLY POMONA FOUNDATION, INC.

Notes to Financial Statements June 30, 2013 and 2012

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

As of June 30, 2012 the Foundation had the following investments subject to credit and concentration of credit risk:

<u>Investment Type</u>	<u>Rating (S&P/Moody's)</u>	<u>Fair Value</u>	<u>Percentage</u>
Federal Home Loan Bank	AA+/Aaa	\$ 999,520	3.358%
Federal Home Loan Mortgage Corporation	AA+/Aaa	2,815,381	9.459%
Federal National Mortgage Association	AA+/Aaa	4,775,699	16.046%
US Treasury Notes/Bonds	AA+/Aaa	11,778,971	39.577%
Highmark U.S. Government Money Market	Not Rated/Aaa-mf	3,273,473	10.999%
Local Agency Investment Fund	Note Rated	5,166,570	17.359%
Morgan Stanley AA Calif Tax Free Trust	AA	952,858	3.202%

Investment Earnings

Net investment earnings were \$7,988,371 and \$369,153 for the year ended June 30, 2013 and 2012, and 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.

Note (4) Cash in Bank Overdraft

The Foundation has two bank accounts, a payroll account and a general checking account. Transfers from the general checking account cover the zero balance payroll account. The general checking account is used to process accounts payable checks, wires and Automatic Clearing House (ACH) transactions. At June 30, 2013 and 2012, the balances of both accounts were overdrawn on the books and records of the Foundation due to outstanding checks that were issued but had not cleared the bank.

CAL POLY POMONA FOUNDATION, INC.

Notes to Financial Statements
June 30, 2013 and 2012

Note (5) Accounts and Pledges Receivable

Receivables consisted of the following:

Pledges receivable:	2013	2012
Within one year	\$ 3,307,865	\$ 2,525,033
Within two to five years	5,293,049	6,984,167
Less allowance for uncollectible pledges	(65,949)	(60,190)
Less discount to reflect pledges receivable at present value	(169,888)	(274,396)
Pledges receivable, net	<u>8,365,077</u>	<u>9,174,614</u>
Other activities:		
Real Estate	1,825,311	1,973,494
Enterprise Activities	854,349	998,898
Grants and Contracts	1,754,816	1,858,749
Educational Activities	811,924	235,395
Less allowance for uncollectible contributions	(156,993)	(148,027)
Subtotal accounts receivable	<u>5,089,407</u>	<u>4,918,509</u>
Due from University	843,837	733,410
Total receivables, net	<u>5,933,244</u>	<u>5,651,919</u>
Total accounts and pledges receivable	<u>\$14,298,321</u>	<u>\$14,826,533</u>

Note (6) Endowments

Endowments are administered in an investment pool using the dollar weighted daily average methodology. Contributions to an individual endowment increases the percentage of the endowment's dollar weighted daily average thus increasing the endowments share of investment returns for the month. It is the goal of the Foundation that the total return from endowment investments should be adequate to meet the following objectives:

- Preserve investment capital and its purchasing power;
- Generate sufficient resources to meet spending needs (distributions); and
- Attain reasonable capital appreciation through prudent acceptance of risk to enhance the future purchasing power of the investment capital.

CAL POLY POMONA FOUNDATION, INC.

Notes to Financial Statements June 30, 2013 and 2012

Note (6) Endowments (continued)

The Foundation follows the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) adopted by the Board of Directors in November 2008. UPMIFA does not set specific expenditure limits; instead, a charity can spend the amount the charity deems prudent after considering the donor’s intent that the endowment continue permanently, the purpose of the fund, and relevant economic factors. The Foundation’s administration of endowment funds policy provides the guidance for the distribution of the net appreciation of restricted endowments. It is the Foundation’s goal to distribute annually a minimum net return of 5% of endowment value as established on June 30th. Earnings for the fiscal year in excess of the Consumer Price Index (CPI) for the Los Angeles area, as reported in July for the prior 12 months, and in excess of 5% endowment value, may also be distributed. Endowment earnings shall generally be available for distribution from those endowments invested for no less than three (3) consecutive months. Exceptions may be authorized per approval by the Executive Director or his/her designee and the Board of Directors. Endowment earning distribution will occur in the first quarter of each fiscal year based upon the percentage of the endowment value and or an amount as approved by the Board. At June 30, 2013 and 2012, the net amount of appreciation available for authorization and distribution is \$3.4 million and \$1.9 million respectively.

CAL POLY POMONA FOUNDATION, INC.

Notes to Financial Statements
June 30, 2013 and 2012

Note (7) Capital Assets

The following provides a summary of changes in capital assets for the year ended June 30, 2013:

	Balance July 1, 2012	Additions	Retirements	Balance June 30, 2013
Capital assets not being depreciated:				
Land	\$ 6,230,699	\$ 240,844	\$	\$ 6,471,543
Construction work in progress (CWIP)	2,844,944	2,179,240	3,591,390	1,432,794
Total capital assets not being depreciated	<u>9,075,643</u>	<u>2,420,084</u>	<u>3,591,390</u>	<u>7,904,337</u>
Capital assets being depreciated:				
Buildings and buildings improvements	66,996,834	2,298,133	928,151	68,366,816
Improvements, other than buildings	131,863			131,863
Infrastructure	8,494,060	106,392	1,704	8,598,748
Equipment	<u>12,520,830</u>	<u>1,334,418</u>	<u>543,631</u>	<u>13,311,617</u>
Total capital assets being depreciated	<u>88,143,587</u>	<u>3,738,943</u>	<u>1,473,486</u>	<u>90,409,044</u>
Total capital assets	<u>97,219,230</u>	<u>6,159,027</u>	<u>5,064,876</u>	<u>98,313,381</u>
Less accumulated depreciation for:				
Buildings and building improvements	28,162,647	2,917,176	397,004	30,682,819
Improvements, other than buildings	128,616			128,616
Infrastructure	837,836	220,732		1,058,568
Equipment	<u>10,351,251</u>	<u>642,265</u>	<u>531,276</u>	<u>10,462,240</u>
Total accumulated depreciation	<u>39,480,350</u>	<u>3,780,173</u>	<u>928,280</u>	<u>42,332,243</u>
Depreciable assets, net	<u>48,663,237</u>	<u>(41,230)</u>	<u>545,206</u>	<u>48,076,801</u>
Total capital assets, net	<u>\$57,738,880</u>	<u>\$ 2,378,854</u>	<u>\$ 4,136,596</u>	<u>\$55,981,138</u>

CAL POLY POMONA FOUNDATION, INC.

Notes to Financial Statements
June 30, 2013 and 2012

Note (8) Leasing Commitments

Operating Leases as Lessee

The Foundation has a dining service agreement with the Trustees of the California State University. The agreement is renegotiated annually and requires that the Foundation pay for the use of Los Olivos Commons and Vista Cafe based on 6% of gross annual sales of the residence hall dining service facility. For the year ended June 30, 2013 and 2012 the amount totaled \$410,373 and \$457,080 respectively, which was included in rent expense.

Land and certain facilities used in the Foundation operations are leased from the University. As consideration, the Foundation operates such land and certain facilities at no cost to the University and annually the Foundation provides specified funds as designated by the President of the University, subject to bond debt service requirements. The leases are in effect with various termination dates between 2013 and 2035.

The Foundation has various non-cancelable operating lease agreements for office and conference space and office equipment, with terms of 48-60 months.

Future minimum payments under non-cancelable operating lease agreements at June 30, 2013 are as follows:

Year ending June 30:

2014	\$19,233
2015	17,114
2016	12,857
2017	7,257
2018	<u>2,311</u>
Total	<u>\$58,772</u>

Capital Leases As Lessee

The Foundation has various non-cancelable capital lease agreements for office equipment with terms of 60 months and interest ranging from 6.6% to 10.5%.

During the 2006-07 fiscal year, the Foundation entered into a ground and facilities lease agreement (Capital Lease) with the State of California, acting through the Board of Trustees of the California State University (Board) to refund and defease a portion of the 2000 Series Bonds. The Board assisted the Foundation by issuing its System Revenue Bonds in 2006-07 and applied the proceeds totaling \$3,749,783 of such Bonds to redeem the 2000 series bonds maturing on and after 2013 through 2025 callable on February 1, 2011. The Board leased the Project to the Foundation pursuant to the Capital Lease, subject to the following general terms and conditions: (i) the maximum annual debt service under the Capital Lease is \$332,750 and the scheduled term of the Capital Lease is 18 years from March 2007 through May 2025.

CAL POLY POMONA FOUNDATION, INC.

Notes to Financial Statements
June 30, 2013 and 2012

Note (8) Leasing Commitments

Capital Leases As Lessee (continued)

During the 2003-04 fiscal year, the Foundation entered into a ground and facilities lease agreement (Capital Lease) with the State of California, acting through the Board of Trustees of the California State University (Board) and agreed to undertake the financing of certain capital costs with respect to the University Village Phase III construction by the Board of an additional 466 bed-spaces (the "Project") at the University Village student housing complex located at California State Polytechnic University, Pomona. The Board assisted the Foundation by issuing its System Revenue Bonds series 2005A and applied the proceeds totaling \$29,866,650 of such Bonds to the construction and acquisition of the Project by the Board; and leasing the Project to the Foundation pursuant to the Capital Lease, subject to the following general terms and conditions: (i) the maximum annual debt service under the Capital Lease is \$1,830,625 and the scheduled term of the Capital Lease is 31 years from completion of the construction of the Project in September 2005. See subsequent event note for further information on partial refunding of the 2005A series bonds.

Future minimum payments under non-cancelable capital lease agreements at June 30, 2013 are as follows:

Year ending June 30:

2014	\$ 2,214,991
2015	2,214,530
2016	2,212,718
2017	2,211,016
2018	2,211,938
2019-2023	11,036,692
2024-2028	10,000,165
2029-2033	9,326,735
2034-2037	<u>5,554,186</u>
Total	46,982,971
Less amount representing interest	<u>(18,035,322)</u>
Present value of net Minimum lease payments	<u>\$ 28,947,649</u>

CAL POLY POMONA FOUNDATION, INC.

Notes to Financial Statements
June 30, 2013 and 2012

Note (8) Leasing Commitments (continued)

Operating Leases As Lessor

Land, office and certain facilities are leased to the American National Red Cross, Southern California Edison, State of California and the University. Some of the leases are all-inclusive while other leases require the tenants to pay a pro-rata share of common area maintenance and are in effect with various termination dates between 2013 and 2084.

Future minimum payments under non-cancelable operating lease agreements at June 30, 2013 are as follows:

Year ending June 30:

2014	\$ 1,991,097
2015	1,919,914
2016	1,934,111
2017	928,824
2018	933,255
2019-2023	4,689,955
2024-2028	5,163,226
2029-2033	5,690,317
2034-2038	6,271,238
2039-2043	6,911,488
2044-2048	7,617,129
2049-2053	8,394,842
2054-2058	9,086,299
2059-2063	4,919,566
2064-2068	5,411,522
2069-2073	5,952,675
2074-2078	6,547,942
2079-2083	6,875,221
2084	<u>1,134,849</u>
Total	<u>\$92,373,470</u>

CAL POLY POMONA FOUNDATION, INC.

Notes to Financial Statements
June 30, 2013 and 2012

Note (9) Long-Term Debt

A schedule of changes in long-term debt for the year ended June 30, 2013 is shown below:

	Balance 7/1/2012	Additions	Reductions	Balance 06/30/2013	Amount due in one year
Capital lease obligations	\$ 29,754,982	\$	\$ 807,333	\$ 28,947,649	\$ 786,518
Compensated absences	673,557	462,957	435,491	701,023	435,491
Other postretirement benefits	1,847,759		617,303	1,230,456	
Totals	\$ 32,276,298	\$ 462,957	\$ 1,860,127	\$ 30,879,128	\$ 1,222,009

Note (10) Transactions with the University and University Educational Trust

The Foundation and the University provide various services on each other's behalf. Such services are appropriately billed. At June 30, 2013 and 2012 respectively, receivables from other activities and due from the University are \$843,837 and \$733,410. Accounts payable include \$850,473 and \$767,058 due to the University at June 30, 2013 and 2012, respectively.

Amounts paid by the Foundation for the years ended June 30, 2013 and 2012 totaled \$10,657,142 and \$12,033,263, respectively. Amounts paid to the Foundation for the year ended June 30, 2013 and 2012 respectively totaled \$11,623,476 and \$16,178,127.

During the year ended June 30, 2013 and 2012, the Foundation transferred fixed assets totaling \$3,662,792 and \$3,930,872, comprised of equipment and renovations for various college buildings at the University. The University assumed ownership and management of the equipment and facilities.

The Foundation, at the request of and with the authorization of the University, provides accounting, financial reporting and management information services support to the Cal Poly Pomona University Educational Trust (UET), an auxiliary of the University. The UET paid the Foundation \$25,503 in exchange for these services during fiscal year 2011-12 until the UET was dissolved and the assets were transferred to the Foundation on February 1, 2012. Prior to the UET's wind up and dissolution, the UET's Board authorized an endowment earnings distribution of \$2,411,642 to the Foundation per the UET's endowment spending policy in fiscal year 2011-12.

CAL POLY POMONA FOUNDATION, INC.

Notes to Financial Statements
June 30, 2013 and 2012

Note (11) Pension Plan

The Foundation participates in a cost sharing multiple-employer defined benefit plan through the California Public Employees' Retirement System (CalPERS) which covers substantially all regular full-time employees of the Foundation. CalPERS acts as a common investment and administrative agent for participating public entities with the State of California and reports information to the Foundation in accordance with reporting standards established by the Governmental Accounting Standards Board (GASB). 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. CalPERS issues a separate comprehensive annual financial report that includes required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

The Foundation's policy is to fund pension costs as incurred. The contribution rate for fiscal years 2012-13 and 2011-12 was 9.44% and 9.42% respectively. These rates are aggregated since the Foundation had various plans with CalPERS. Due to pension reform regulations, during fiscal year 2012-13, the Foundation was required to add a new plan in January 2013 (the 2% at 62 plan). For fiscal year 2012-13, the rates were 9.44% for the 2% at 55 plan, 7.846% for the 2% at 60 plan, and 6.25% for the newly added 2% at 62 plan. For fiscal year 2011-12 the rates were 9.42% for the 2% at 55 plan, and 7.773% for the 2% at 60 plan.

The Foundation contribution rate for the fiscal year 2013-14 is 10.052% for the 2% at 55 plan, 8.049% for the 2% at 60 plan, and 6.25% for the 2% at 62 plan. The employee rate is 5% for the 2% at 55 plan, 7% for the 2% at 60 plan, and 6.25% for the 2% at 62 plan.

The Foundation's contributions to PERS for each of the last three fiscal years is as follows:

<u>Year Ended</u> <u>June 30,</u>	PERS	
	<u>Required</u> <u>Contribution</u>	<u>Percent</u> <u>Contributed</u>
2011	\$ 668,468	100%
2012	762,234	100%
2013	742,507	100%

Note (12) Other Postretirement Benefits

The Foundation sponsors a single-employer defined benefit postretirement health care plan to pay a portion of the retiree's insurance premiums. This plan allows the employee to qualify for a larger percentage of the employer payment of the retiree's healthcare premiums and those levels are based on an employees' hire and retirement dates. The Foundation sponsored plan also covers dependents of the employee.

Full time employees qualify at 100% after five years of full time service and reaching the age of 50 when they retired before July 1, 2004.

CAL POLY POMONA FOUNDATION, INC.

Notes to Financial Statements
June 30, 2013 and 2012

Note (12) Other Postretirement Benefits (continued)

Full time employees hired before October 1, 2004, who have at least 10 years of full time service and are at least 50 years of age qualify at 75% upon attaining 10 years of service, and earn an additional 5% for each full year completed after 10 years of service. Employees reach 100% once attaining 15 years of full time service. 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, and when that amount totals 70, the employee will be 100% qualified.

Full time employees hired on or after October 1, 2004 and before March 1, 2009, who have at least 10 years of full time service and are at least 50 years of age become qualified at 50% upon attaining 10 years of service, and earn an additional 5% for each full year completed after 10 years of service. Employees reach 100% once attaining 20 years of full time service.

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

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 plan does not issue separate financial statements. During each of the fiscal years ended June 30, 2013 and 2012, the Foundation contributed \$1.0 million. In addition to the above contributions, the Foundation also paid \$454,667 and \$403,768 for retiree benefit expenses in fiscal years ending June 30, 2013 and 2012.

In the fiscal year ending June 30, 2012, the Foundation implemented GASB Statement No. 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" on a retrospective basis and recorded the cost and obligation of these benefits in the financial statements. The beginning Other Postemployment Benefit (OPEB) obligation was established by rolling back the July 1, 2011 valuation to July 1, 2007, the year the Foundation would have adopted the reporting provisions of GASB Statement No. 45. To comply with the reporting requirements of GASB Statement No. 45, the June 30, 2011 liability of \$12,624,937 was reduced by \$10,251,600, and the June 30, 2012 beginning net position was restated by this amount.

CAL POLY POMONA FOUNDATION, INC.

Notes to Financial Statements
June 30, 2013 and 2012

Note (12) Other Postretirement Benefits (continued)

The Foundation's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Foundation's annual OPEB cost for the year, the amount actually contributed, and changes in the OPEB obligation:

	2013	2012
Annual required contribution (ARC)	\$ 825,439	\$ 859,289
Interest on net OPEB obligation	129,343	166,134
Adjustment to annual required contribution	(117,418)	(147,233)
Annual OPEB cost (expense)	837,364	878,190
Contributions made	(1,454,667)	(1,403,768)
Change in net OPEB obligation	(617,303)	(525,578)
Net OPEB asset - beginning of year	1,847,759	2,373,337
Net OPEB asset - end of year	\$ 1,230,456	\$ 1,847,759

The Foundation's annual OPEB cost for the year, the percentage of annual OPEB cost contributed, and the net OPEB obligation was as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
06/30/2011	\$1,075,956	130%	\$2,373,337
06/30/2012	878,190	160%	1,847,759
06/30/2013	837,364	174%	1,230,456

Funding Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 9.9% funded. The actuarial accrued liability for benefits was \$10,536,352 and the unfunded actuarial accrued liability (UAAL) was \$9,496,173. The covered payroll (annual payroll of active employees covered by the plan) was \$8,093,038, and the ratio of the UAAL to the covered payroll was 117.3%.

As of June 30, 2013 and 2012 the market value of plan assets was \$3,326,369 and \$2,119,632 respectively. It is the Foundation's plan to continue funding this liability in the coming year.

CAL POLY POMONA FOUNDATION, INC.

Notes to Financial Statements
June 30, 2013 and 2012

Note (12) Other Postretirement Benefits (continued)

Funding Status and Funding Progress (continued)

Actuarial valuations of an ongoing benefit plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents the first year of information for the actuarial value of plan assets. In subsequent years the schedule of funding progress will provide information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, if any, consistent with the long-term perspective of the calculations.

In the July 1, 2011 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 7.0 percent investment rate of return (net of administrative expenses) which is the current expected long-term investment returns on plan assets and the Foundation's maximum annual healthcare cost trend rate of 5.0%. The UAAL is being amortized on a level percentage of payroll on a closed basis over 30 years as allowed under GASB Statement No. 45. The remaining amortization period at June 30, 2013, was 24 years.

Note (13) Risk Management

The Foundation is self-insured for various risks of loss related to torts; damage to, and destruction of assets; employment practices; and natural disasters with deductibles coverage up to \$100,000 for each employment practice liability claim and property damage claim.

During fiscal year 2011-12, the Foundation established a self-funded healthcare benefits plan with stop loss insurance for eligible employees and retirees. Under this program, the Foundation provides coverage for up to a maximum of \$1,040,000 for medical claims for active employees and retirees who are not enrolled in Medicare and for active employees, 100% for dental and 100% for vision. The Foundation purchases guaranteed insurance for claims in excess of the self-funded healthcare benefits plan and deductibles and for all other risks of loss.

CAL POLY POMONA FOUNDATION, INC.

Notes to Financial Statements June 30, 2013 and 2012

Note (13) Risk Management (continued)

Eligible employees and retirees of the Foundation that participate in the self-funded healthcare benefits plan make payments based on actuarial estimates of the amounts needed to pay claims and stop loss insurance.

Note (14) Assets held for Sale

In fiscal year 2002-03, the Foundation started purchasing faculty/staff housing in support of the California State Polytechnic University, Pomona's mission to develop affordable faculty staff housing options to attract and retain employees for the University.

At June 30, 2013, total assets held for sale include two faculty/staff condominiums. At June 30, 2012, total assets held for sale include three faculty/staff houses, comprised of two condominiums and one single family residence.

Fair values of assets measured on a nonrecurring basis held for sale at June 30, 2013 and 2012 were \$712,500 and \$691,217 respectively. Assets held for sale are recorded at cost which approximates fair value. Cost to sell and unrealized losses are immaterial and will not be recognized until the assets are sold.

Note (15) Transfer of Net Position

During fiscal year 2011-12 the Cal Poly Pomona University Educational Trust (Trust) took action to dissolve and distribute the assets and liabilities of the Trust to the Foundation per the advice of Trust's legal counsel. This action was determined to be the best option for the Trust as a result of its failure to meet the public support test as a result of a disproportionately large size grant received by the Trust as compared to other grants received as well as the integral part test. The Trust served as the recipient for gifts and grants to permanent endowments on behalf of the University. The Trust's net position of \$54,801,078 was transferred to the Foundation on February 1, 2012.

Note (16) Commitments

The Foundation offered a homeowner's buyback option as an incentive for faculty/staff to purchase the Foundation's homes held for sale due to the current pricing instabilities in the general residential marketplace. During fiscal year 2011-12, the Foundation entered into 4 buyback option agreements with faculty/staff homeowners. During fiscal year 2012-13, the Foundation entered into 1 buyback option agreement with faculty/staff homeowners. The buyback agreement is for one year from the date initially purchased with two, one year options to extend the agreement. If certain conditions are met and the faculty/staff exercises their option, the Foundation is required to repurchase the home at the initial purchase price.

During the fiscal year 2011-12 the Foundation bought back 4 homes under these agreements respectively. Additionally 7 homeowners purchased additional one year options to the agreement during the fiscal year 2011-12. During the fiscal year 2012-13 the Foundation bought back 5 homes under these agreements respectively. Additionally 4 homeowners purchased additional one year options to the agreement during the fiscal year 2012-13.

CAL POLY POMONA FOUNDATION, INC.

Notes to Financial Statements

June 30, 2013 and 2012

Note (17) Change in Accounting Principles

There was no effect on beginning net position for the adoption of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*.

The Foundation wrote off \$255,247 of bond issue costs in accordance with the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. These fees were previously amortized over the life of the bond and are now required to be expensed in the period incurred. Due to materiality, beginning net position was not restated.

Note (18) Subsequent Event

Subsequent to fiscal year end June 2013, the California State University issued a system wide revenue bond series 2013A. The series was used to partially refund certain portions of series 2005A bonds related to the Foundation's University Village Phase III student housing project. The partial refunding of the Foundation's portion of the 2005A generated a net present value savings of \$685,409, or 6.52% of the \$10,515,000 refunded bonds. Those principal payments that were subject to redemption included the November 1, 2015 through November 1, 2026 maturities. The un-refunded portion of the 2005A (related to the University Village III project) totals \$14,470,000 and is inclusive of the November 1, 2013, November 1, 2014 and November 1, 2027 through November 1, 2035 maturities. The all-inclusive interest rate for the refunding bonds is 2.97%, inclusive of bond premium paid by investors and the bond underwriter's discount and cost of issuance.

CAL POLY POMONA FOUNDATION, INC.

**SCHEDULE OF POST-EMPLOYMENT HEALTH CARE BENEFITS FUNDING PROGRESS
For the Fiscal Year Ended June 30, 2013**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (AVA)</u>	<u>Actuarial Accrued Liability (Entry Age normal Cost Method) (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funding Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
7/1/2011	1,040,179	10,536,352	9,496,173	9.9%	8,093,038	117.3%

Note: In 2012-13 and 2011-12, the Foundation contributed an additional amount of \$1.0 million to the Auxiliaries Multiple Employer VEBA Trust. The fair market value of plan assets at June 30, 2013 and 2012 was \$3,326,369 and \$2,119,632.

Because the Foundation implemented the reporting requirements of GASB 45 in fiscal year 2011-12, only one year of data is provided. Additional reporting will be provided in future years as actuarial reports become available.

See the accompanying independent auditor's report.

CAL POLY POMONA FOUNDATION, INC.

Schedule of Net Position

June 30, 2013

(for inclusion in the California State University)

Assets:	
Current assets:	
Cash and cash equivalents	\$ 5,702,161
Short-term investments	36,240,855
Accounts receivable, net	5,933,244
Leases receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	3,241,916
Prepaid expenses and other assets	2,765,609
Total current assets	<u>53,883,785</u>
Noncurrent assets:	
Restricted cash and cash equivalents	1,247,301
Accounts receivable, net	—
Leases receivable, net of current portion	—
Notes receivable, net of current portion	—
Student loans receivable, net	—
Pledges receivable, net	5,123,161
Endowment investments	68,024,560
Other long-term investments	707,955
Capital assets, net	55,981,138
Other assets	—
Total noncurrent assets	<u>131,084,115</u>
Total assets	<u>184,967,900</u>
Deferred outflows of resources:	
Unamortized loss on refunding(s)	—
Total deferred outflows of resources	<u>—</u>
Liabilities:	
Current liabilities:	
Accounts payable	2,624,453
Accrued salaries and benefits payable	544,147
Accrued compensated absences— current portion	435,491
Unearned revenue	1,209,234
Capitalized lease obligations – current portion	786,518
Long-term debt obligations – current portion	—
Self-insurance claims liability - current portion	—
Depository accounts	—
Other liabilities	4,667,132
Total current liabilities	<u>10,266,975</u>
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	265,532
Unearned revenue	—
Grants refundable	—
Capitalized lease obligations, net of current portion	28,161,131
Long-term debt obligations, net of current portion	—
Self-insurance claims liabilities, net of current portion	—
Depository accounts	—
Other postemployment benefits obligation	1,230,456
Other liabilities	1,001,426
Total noncurrent liabilities	<u>30,658,545</u>
Total liabilities	<u>40,925,520</u>
Deferred inflows of resources:	
Deferred inflows from SCAs, grants, and others	—
Total deferred inflows of resources	<u>—</u>
Net Position:	
Net investment in capital assets	27,033,489
Restricted for:	
Nonexpendable – endowments	69,271,861
Expendable:	
Scholarships and fellowships	3,238,679
Research	—
Loans	—
Capital projects	5,805,577
Debt service	—
Other	26,572,366
Unrestricted	12,120,408
Total net position	<u>\$ 144,042,380</u>

See the accompanying independent auditor's report.

CAL POLY POMONA FOUNDATION, INC.
Schedule of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2013
(for inclusion in the California State University)

Revenues:	
Operating revenues:	
Student tuition and fees (net of scholarship allowances of \$ _____)	\$ 3,834,057
Grants and contracts, noncapital:	
Federal	7,760,754
State	1,980,758
Local	—
Nongovernmental	2,432,618
Sales and services of educational activities	6,830,129
Sales and services of auxiliary enterprises (net of scholarship allowances of \$ _____)	35,425,226
Other operating revenues	2,894,680
	<u>61,158,222</u>
Total operating revenues	
Expenses:	
Operating expenses:	
Instruction	9,079,128
Research	4,758,937
Public service	409,483
Academic support	4,199,452
Student services	736,171
Institutional support	2,368,381
Operation and maintenance of plant	226,412
Student grants and scholarships	1,215,136
Auxiliary enterprise expenses	36,033,816
Depreciation and amortization	3,780,173
	<u>62,807,089</u>
Total operating expenses	
Operating income (loss)	<u>(1,648,867)</u>
Nonoperating revenues (expenses):	
State appropriations, noncapital	—
Federal financial aid grants, noncapital	—
State financial aid grants, noncapital	—
Local financial aid grants, noncapital	—
Nongovernmental and other financial aid grants, noncapital	—
Other federal nonoperating grants, noncapital	—
Gifts, noncapital	15,619,093
Investment income (loss), net	1,299,406
Endowment income (loss), net	6,688,965
Interest Expenses	(1,644,187)
Other nonoperating revenues (expenses)	(3,662,792)
	<u>18,300,485</u>
Net nonoperating revenues (expenses)	
Income (loss) before other additions	16,651,618
State appropriations, capital	—
Grants and gifts, capital	—
Additions (reductions) to permanent endowments	—
	<u>16,651,618</u>
Increase (decrease) in net position	
Net position:	
Net position at beginning of year, as previously reported	127,390,762
Restatements	—
Net position at beginning of year, as restated	<u>127,390,762</u>
Net position at end of year	<u>\$ 144,042,380</u>

See the accompanying independent auditor's report.

CAL POLY POMONA FOUNDATION, INC.
Other Information
June 30, 2013
(for inclusion in the California State University)

1 Restricted cash and cash equivalents at June 30, 2013:

Portion of restricted cash and cash equivalents related to endowments	\$ 1,247,301
All other restricted cash and cash equivalents	<u>—</u>
Total restricted cash and cash equivalents	<u>\$ 1,247,301</u>

2.1 Composition of investments at June 30, 2013:

	Current Unrestricted	Current Restricted	Total Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
State of California Surplus Money Investment Fund (SMIF)	\$ —	—	—	—	—	—	—
State of California Local Agency Investment Fund (LAIF)	24,460	—	24,460	—	—	—	24,460
Wachovia Short Term Fund	—	—	—	—	—	—	—
Wachovia Medium Term Fund	—	—	—	—	—	—	—
Wachovia Equity Fund	—	—	—	—	—	—	—
CSU Consolidated Investment Pool (includes SWIFT and 0948 SMIF)	—	—	—	—	—	—	—
Common Fund - Short Term Fund	—	—	—	—	—	—	—
Common Fund - Others	—	—	—	—	—	—	—
Debt securities	—	245,896	245,896	—	1,054,193	1,054,193	1,300,089
Equity securities	8,401,485	1,422,713	9,824,198	—	65,423,410	65,423,410	75,247,608
Fixed income securities (Treasury notes, GNMA's)	—	23,703	23,703	—	1,546,957	1,546,957	1,570,660
Land and other real estate	—	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—	—
Notes receivable	—	—	—	—	—	—	—
Mutual funds	—	—	—	—	—	—	—
Money Market funds	—	—	—	—	—	—	—
Collateralized mortgage obligations:							
Inverse floaters	—	—	—	—	—	—	—
Interest-only strips	—	—	—	—	—	—	—
Agency pass-through	—	—	—	—	—	—	—
Partnership interests (includes private pass-through)	—	—	—	—	—	—	—
Alternative investments	—	—	—	—	—	—	—
Hedge funds	—	—	—	—	—	—	—
Other major investments:							
Private Equity Capital	—	—	—	698,014	—	698,014	698,014
Private REIT	—	—	—	9,941	—	9,941	9,941
Mutual Funds - Fixed Income	26,122,598	—	26,122,598	—	—	—	26,122,598
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Total investments	<u>34,548,543</u>	<u>1,692,312</u>	<u>36,240,855</u>	<u>707,955</u>	<u>68,024,560</u>	<u>68,732,515</u>	<u>104,973,370</u>
Less endowment investments (enter as negative number)	—	—	—	—	(68,024,560)	(68,024,560)	(68,024,560)
Total investments	<u>34,548,543</u>	<u>1,692,312</u>	<u>36,240,855</u>	<u>707,955</u>	<u>—</u>	<u>707,955</u>	<u>36,948,810</u>

See the accompanying independent auditor's report.

CAL POLY POMONA FOUNDATION, INC.
Other Information
June 30, 2013
(for inclusion in the California State University)

2.2 Investments held by the University under contractual agreements at June 30, 2013:
 Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2013 :

2.3	Restricted current investments at June 30, 2013 related to:	Amount
	Charitable Remainder Trusts	\$ 1,692,312
	Add description	—
	Add description	—
	Add description	—
	Add description	—
	Add description	—
	Add description	—
	Total restricted current investments at June 30, 2013	\$ 1,692,312

2.4	Restricted noncurrent investments at June 30, 2013 related to:	Amount
	Endowments	\$ 68,024,560
	Add description	—
	Add description	—
	Add description	—
	Add description	—
	Add description	—
	Add description	—
	Add description	—
	Total restricted noncurrent investments at June 30, 2013	\$ 68,024,560

See the accompanying independent auditor's report.

CAL POLY POMONA FOUNDATION, INC.
Other Information
June 30, 2013
(for inclusion in the California State University)

3.1 Composition of capital assets at June 30, 2013:

	Balance June 30, 2012	Prior period Adjustments	Reclassifications	Balance June 30, 2012 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2013
Nondepreciable/nonamortizable capital assets:								
Land and land improvements	\$ 6,230,699	—	—	6,230,699	240,844	—	—	6,471,543
Works of art and historical treasures	—	—	—	—	—	—	—	—
Construction work in progress (CWIP)	2,844,944	—	—	2,844,944	2,179,240	(3,591,390)	—	1,432,794
Intangible assets:								
Rights and easements	—	—	—	—	—	—	—	—
Patents, copyrights and trademarks	—	—	—	—	—	—	—	—
Internally generated intangible assets in progress	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
Total intangible assets								
Total nondepreciable/nonamortizable capital assets	9,075,643	—	—	9,075,643	2,420,084	(3,591,390)	—	7,904,337
Depreciable/amortizable capital assets:								
Buildings and building improvements	65,103,488	—	—	65,103,488	2,247,011	(392,352)	—	66,958,147
Improvements, other than buildings	131,863	—	—	131,863	—	—	—	131,863
Infrastructure	8,494,060	—	—	8,494,060	106,392	(1,704)	—	8,598,748
Leasehold improvements	—	—	—	—	—	—	—	—
Personal property:								
Equipment	12,520,830	—	—	12,520,830	1,334,417	(543,631)	—	13,311,616
Library books and materials	—	—	—	—	—	—	—	—
Intangible assets:								
Software and websites	—	—	—	—	—	—	—	—
Rights and easements	—	—	—	—	—	—	—	—
Patents, copyright and trademarks	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:								
Interest Capital	1,267,547	—	—	1,267,547	—	—	—	1,267,547
Cost of issuance	535,799	—	—	535,799	—	(535,799)	—	—
Startup Costs/License fees	90,000	—	—	90,000	51,123	—	—	141,123
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
Total intangible assets	1,893,346	—	—	1,893,346	51,123	(535,799)	—	1,408,670
Total depreciable/amortizable capital assets	88,143,587	—	—	88,143,587	3,738,943	(1,473,486)	—	90,409,044
Total capital assets	97,219,230	—	—	97,219,230	6,159,027	(5,064,876)	—	98,313,381
Less accumulated depreciation/amortization:								
Buildings and building improvements	(27,467,868)	—	—	(27,467,868)	(2,858,566)	118,348	—	(30,208,086)
Improvements, other than buildings	(128,616)	—	—	(128,616)	—	—	—	(128,616)
Infrastructure	(837,836)	—	—	(837,836)	(220,732)	—	—	(1,058,568)
Leasehold improvements	—	—	—	—	—	—	—	—
Personal property:								
Equipment	(10,351,251)	—	—	(10,351,251)	(642,266)	531,276	—	(10,462,241)
Library books and materials	—	—	—	—	—	—	—	—
Intangible assets:								
Software and websites	—	—	—	—	—	—	—	—
Rights and easements	—	—	—	—	—	—	—	—
Patents, copyright and trademarks	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:								
Interest Capital	(336,245)	—	—	(336,245)	(46,775)	—	—	(383,020)
Cost of issuance	(278,656)	—	—	(278,656)	—	278,656	—	—
Startup Costs/License fees	(79,878)	—	—	(79,878)	(11,834)	—	—	(91,712)
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
Total intangible assets	(694,779)	—	—	(694,779)	(58,609)	278,656	—	(474,732)
Total accumulated depreciation/amortization	(39,480,350)	—	—	(39,480,350)	(3,780,173)	928,280	—	(42,332,243)
Total capital assets, net	\$ 57,738,880	—	—	\$ 57,738,880	2,378,854	(4,136,596)	—	\$ 55,981,138

See the accompanying independent auditor's report.

CAL POLY POMONA FOUNDATION, INC.
Other Information
June 30, 2013
(for inclusion in the California State University)

5 Future minimum lease payments - capital lease obligations:

	Principal	Interest	Principal and Interest
Year ending June 30:			
2014	786,518	1,377,159	2,163,677
2015	824,847	1,338,369	2,163,216
2016	864,573	1,296,832	2,161,405
2017	907,492	1,252,210	2,159,702
2018	955,000	1,205,625	2,160,625
2019 - 2023	5,535,000	5,245,125	10,780,125
2024 - 2028	6,045,000	3,749,625	9,794,625
2029 - 2033	6,960,000	2,179,750	9,139,750
2034 - 2038	5,095,000	390,625	5,485,625
2039 - 2043	—	—	—
2044 - 2048	—	—	—
2049 - 2053	—	—	—
2054 - 2058	—	—	—
2059 - 2063	—	—	—
Total minimum lease payments			46,008,750
Less amounts representing interest			(18,035,320)
Present value of future minimum lease payments			27,973,430
Less: current portion			(786,518)
Capitalized lease obligation, net of current portion			\$ 27,186,912

6 Long-term debt obligation schedule

	Revenue Bonds			All other long-term debt obligations			Total		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
Year ending June 30:									
2014	\$ —	—	—	—	—	—	—	—	—
2015	—	—	—	—	—	—	—	—	—
2016	—	—	—	—	—	—	—	—	—
2017	—	—	—	—	—	—	—	—	—
2018	—	—	—	—	—	—	—	—	—
2019 - 2023	—	—	—	—	—	—	—	—	—
2024 - 2028	—	—	—	—	—	—	—	—	—
2029 - 2033	—	—	—	—	—	—	—	—	—
2034 - 2038	—	—	—	—	—	—	—	—	—
2039 - 2043	—	—	—	—	—	—	—	—	—
2044 - 2048	—	—	—	—	—	—	—	—	—
2049 - 2053	—	—	—	—	—	—	—	—	—
2054 - 2058	—	—	—	—	—	—	—	—	—
2059 - 2063	—	—	—	—	—	—	—	—	—
Total	\$ —	—	—	—	—	—	—	—	—

See the accompanying independent auditor's report.

CAL POLY POMONA FOUNDATION, INC.
Other Information
June 30, 2013
(for inclusion in the California State University)

7 Calculation of net position

	<u>Auxiliary Organizations</u>		<u>Total</u>
	<u>GASB</u>	<u>FASB</u>	<u>Auxiliaries</u>
7.1 Calculation of net position - Net investment in capital assets			
Capital assets, net of accumulated depreciation	\$ 55,981,138	—	55,981,138
Capitalized lease obligations - current portion	(786,518)	—	(786,518)
Capitalized lease obligations, net of current portion	(28,161,131)	—	(28,161,131)
Long-term debt obligations - current portion	—	—	—
Long-term debt obligations, net of current portion	—	—	—
Portion of outstanding debt that is unspent at year-end	—	—	—
Other adjustments: (please list)			
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Net position - net investment in capital asset	<u>\$ 27,033,489</u>	<u>—</u>	<u>27,033,489</u>

7.2 Calculation of net position - Restricted for nonexpendable - endowments

Portion of restricted cash and cash equivalents related to endowments	\$ 1,247,301	—	1,247,301
Endowment investments	68,024,560	—	68,024,560
Other adjustments: (please list)			
Portion of restricted investments related to temporarily restricted assets	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Net position - Restricted for nonexpendable - endowments per SNP	<u>\$ 69,271,861</u>	<u>—</u>	<u>69,271,861</u>

8 Transactions with Related Entities

	<u>Amount</u>
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 1,705,321
Payments to University for other than salaries of University personnel	8,951,821
Payments received from University for services, space, and programs	11,623,476
Gifts-in-kind to the University from Auxiliary Organizations	—
Gifts (cash or assets) to the University from recognized Auxiliary Organizations	3,662,792
Accounts (payable to) University (enter as negative number)	(850,473)
Other amounts (payable to) University (enter as negative number)	—
Accounts receivable from University	843,837
Other amounts receivable from University	—

See the accompanying independent auditor's report.

CAL POLY POMONA FOUNDATION, INC.
 Other Information
 June 30, 2013
 (for inclusion in the California State University)

9 Other Postemployment Benefits Obligation (OPEB)

Annual required contribution (ARC)	\$ 825,439
Contributions during the year	<u>(1,442,742)</u>
Increase (decrease) in net OPEB obligation (NOO)	(617,303)
NOO - beginning of year	1,847,759
NOO - end of year	<u>\$ 1,230,456</u>

10 Pollution remediation liabilities under GASB Statement No. 49:

Description	Amount
Add description	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total pollution remediation liabilities	<u>\$ —</u>
Less: current portion	—
Pollution remediation liabilities, net of current portion	<u>—</u>

11 The nature and amount of the prior period adjustment(s) recorded to beginning net position

	Net Position Class	Amount Dr. (Cr.)
Net position as of June 30, 2012, as previously reported		\$ 127,390,762
Prior period adjustments:		
1 (list description of each adjustment)		—
2 (list description of each adjustment)		—
3 (list description of each adjustment)		—
4 (list description of each adjustment)		—
5 (list description of each adjustment)		—
6 (list description of each adjustment)		—
7 (list description of each adjustment)		—
8 (list description of each adjustment)		—
9 (list description of each adjustment)		—
10 (list description of each adjustment)		—
Net position as of June 30, 2012, as restated		<u>\$ 127,390,762</u>

See the accompanying independent auditor's report.

CAL POLY POMONA FOUNDATION, INC.
 Other Information
 June 30, 2013
 (for inclusion in the California State University)

Provide a detailed breakdown of the journal entries (at the financial statement line item level) booked to record each prior period adjustment:

	Debit	Credit
Net position class: 1 (breakdown of adjusting journal entry)	\$ —	—
Net position class: 2 (breakdown of adjusting journal entry)	—	—
Net position class: 3 (breakdown of adjusting journal entry)	—	—
Net position class: 4 (breakdown of adjusting journal entry)	—	—
Net position class: 5 (breakdown of adjusting journal entry)	—	—
Net position class: 6 (breakdown of adjusting journal entry)	—	—
Net position class: 7 (breakdown of adjusting journal entry)	—	—
Net position class: 8 (breakdown of adjusting journal entry)	—	—
Net position class: 9 (breakdown of adjusting journal entry)	—	—
Net position class: 10 (breakdown of adjusting journal entry)	—	—

See the accompanying independent auditor's report.



**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***

The Board of Directors
Cal Poly Pomona Foundation, Inc.

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 basic financial statements of the Cal Poly Pomona Foundation, Inc. (a California State University Auxiliary Organization) (the Foundation) as of and for the year ended June 30, 2013 and have issued our report thereon dated September 12, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 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 may exist that have not been identified

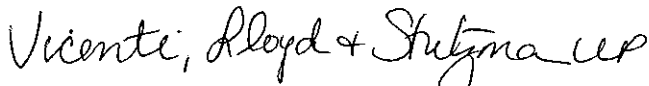
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Compliance and Other Matters

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

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.



VICENTI, LLOYD & STUTZMAN^{LLP}
Glendora, CA
September 12, 2013

CAL POLY POMONA FOUNDATION, INC.

Single Audit Reports

For the Year Ended June 30, 2013

(With Independent Auditor's Report Thereon)

CAL POLY POMONA FOUNDATION, INC.

Single Audit Reports

For the Year Ended June 30, 2013

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**INDEPENDENT AUDITORS' 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***

Board of Directors
Cal Poly Pomona Foundation, Inc.
3801 W. Temple Avenue
Pomona, CA 91768

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 Cal Poly Pomona Foundation, Inc. (a California State University Auxiliary Organization) (the Foundation) as of and for the year ended June 30, 2013 and have issued our report thereon dated September 12, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 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 may exist that have not been identified.

**INDEPENDENT AUDITORS' 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***

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance 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.

Vicenti, Lloyd & Stutzman LLP

VICENTI, LLOYD & STUTZMAN LLP
Glendora, California
September 12, 2013



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM; REPORT
ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS REQUIRED BY OMB CIRCULAR A-133**

Board of Directors
Cal Poly Pomona Foundation, Inc.
3801 W. Temple Avenue
Pomona, CA 91768

Report on Compliance for Each Major Federal Program

We have audited Cal Poly Pomona Foundation, Inc.'s (a California State University Auxiliary Organization) (the Foundation) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the Foundation's major federal programs for the year ended June 30, 2013. The Foundation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Foundation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Foundation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Foundation's compliance.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM; REPORT
ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS REQUIRED BY OMB CIRCULAR A-133**

Opinion on Each Major Federal Program

In our opinion, the Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the Foundation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Foundation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance, for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM; REPORT
ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS REQUIRED BY OMB CIRCULAR A-133**

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the Foundation, as of and for the year ended June 30, 2013, and have issued our report thereon dated September 12, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Vicenti, Lloyd + Stutzman

VICENTI, LLOYD & STUTZMAN LLP
Glendora, California
September 12, 2013

CAL POLY POMONA FOUNDATION, INC.

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013**

Federal grantor/program title	Federal CFDA number	Pass-through grantor	Pass-thru #	Total Federal expenditures
U.S. Department of Education:				
TRIO Cluster:				
ARCHES-Student Support Services	84.042A			\$ 287,923
College Reading Skills - Student Support Services	84.042A			385,761
TRIO Talent Search Program - Chino Valley Unified	84.044A			244,521
Upward Bound - North	84.047A			346,447
Upward Bound - South	84.047A			253,297
Upward Bound - Chino Valley Unified	84.047A			111,222
Upward Bound Math & Science Competition - North	84.047M			228,766
Upward Bound Math & Science Competition - South	84.047M			243,378
McNair Scholars Program	84.217A			231,544
Total TRIO Cluster				<u>\$ 2,332,859</u>
Other Programs				
San Gabriel Valley Mathematics	84.367	University of California, Office of the President	CN120273	52,086
San Gabriel Valley Mathematics	84.367	University of California, Office of the President	CN110113	10,319
Great Leaders for Great Schools	84.363A			289,682
Applied Mathematics	84.011	Bakersfield City Elementary School District	11-14326-6332-00	37,897
CCAMPIS	84.335A			205,983
Pasadena City College - Cal Poly Pomona STEM Pathways	84.031C	Pasadena City College	P031C110056	332,614
CMP Supporting Readers to Increase Retention	84.367	Regents of the University of California	JTQ-03-360	35,739
Total Department of Education				<u>\$ 964,320</u>
National Science Foundation:				
Increasing the Number and Quality of High School Physics Teachers	47.049	The American Physical Society	PHY0808790	\$ 17,886
Bringing NSF MARGINS/GeoPRISMS Continental Margins Research into Undergraduate Curriculum	47.076			8,308
College of Science Scholars Program	47.076			113,367
The Path to Leadership: Collaborative Institutional Change	47.076			119,093
CSU LSAMP Student Scholar Project	47.076	University Enterprises, Inc.	HRD-0802628	66,924
Scholarship Programs for Math, Biology, and Computer Science Majors	47.076			39,078
Logistics Technicians: Goods to Go	47.076	Riverside Community College District	DUE-0802358	1,691
NSF Noyce Master Teacher Fellows Program	47.076			253,896
ARRA: Robert Noyce Teacher Scholarship Program	47.082			161,659
Three Strategies to Improve STEM Graduation Rates	47.076			115,575
MESA NSF-S STEM Scholarship Grant	47.076	University of California, Office of the President	DUE-0631188	29,708
Regional Information Systems Security Center	47.076	Mt San Antonio College	DUE-1104278	101,848
Total National Science Foundation				<u>\$ 1,029,033</u>
Research and Development Cluster:				
Department of Health and Human Services:				
Genital Herpes Vaccine Discovery	93.855	Molecular Express, Inc.	2R44AI066621-03	\$ 26,682
Targeted Dendritic Cell Activation	93.855	Molecular Express, Inc.	1R43AI09489101A1	13,349
Molecular Physiology of γ -Aminobutyric Acid Transporters	93.859			239,924
DNA Microarray Analysis of Clostridium Botulinum	93.859			65,356
RISE Program	93.859			447,311
Effects of Cannabinoids and the Peripheral Cannabinoid Receptor	93.859			81,670
Effects of Threatening Environments on Women's Success in Biomedical Majors	93.859			363,973
Control of Cell Differentiation: Inhibition of Sperm Activation	93.859			63,326
Understanding Plasma Assisted Biofilm Inactivation	93.859			49,068
Regulation of a Novel Xenopus Polo-Like Kinase 1 Substrate	93.859			65,430
Adipogenic Toxicity Study of Obesogenic Drugs	93.859			102,413
Signaling Cascade in Skeletal Muscle	93.859			143,303

See accompanying notes to Schedule of Expenditures of Federal Awards and Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133.

CAL POLY POMONA FOUNDATION, INC.

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013**

Federal grantor/program title	Federal CFDA number	Pass-through grantor	Pass-thru #	Total Federal expenditures
U.S. Department of Energy				
High Temperature Materials and Coatings for Ultrasupercritical Boilers	81.049	University of North Dakota	DE-FG02-06ER46292	14,106
Ultra-Low Energy Use Appliance Design	81.000	Lawrence Berkeley National Laboratory	DE-AC02-05CH12231	1,964
U.S. Department of Defense				
Remote Sensing Technology for Plant Species	12.000			9,560
U.S. Environmental Protection Agency				
Capturing CD2 with MgD Aerogels	66.516			14,405
U.S. Department of Interior:				
Improving the Use of Depth Phases of Earthquakes	15.807	United States Geological Service	G11AP20194	5,146
Monitoring the Dynamics of Rocky Populations in So. Cal	15.423	CSU Fullerton Auxiliary Services, Corp	M10AC20000	23,648
Documentation of Forty Acres in Delano California	15.000			20,927
National Science Foundation:				
Robotic Locomotor Training and Muscle Atrophy in the Rat Model	47.041	CSU San Marcos Foundation	CBET-0755702	45,941
NEESR-CR: NEESsoft Seismic Risk Reduction for Soft Story Woodframe Buildings	47.041	University of Alabama	CMMI-1041631	3,169
NEESR-CR: NEESsoft Seismic Risk Reduction for Soft Story Woodframe Buildings	47.041	Board of Governors of the Colorado State University System	CMMI-1314957	494
SRN: Routes to Sustainability for Natural Gas Development	47.071	Regents of the University of Colorado	CBET-1240584	26,963
Robust Nonlinear Adaptive Control of Unmanned Aerial Vehicles	47.041			68,834
Superhard Boride Coatings	47.049	Regents of the University of California, Los Angeles	DMR-0805357	3,775
Comparative Genomics of Phenotypic Variation	47.074	The Trustees of the Indiana University	IUB-4824334-CPPF	108,584
Partnership with University of Colorado in Liquid Crystalline Photovoltaics	47.049	Regents of the University of Colorado	DMR-0820579	378
Scholar's Award: -Transnational Science During the Cold War and Beyond	47.075			32,109
ARRA: The California-Arizona Minority Partnership for Astronomy Research	47.082			415,923
Collaborative Research: REU Seismogenesis of Middle America	47.050			7,974
ADVANCE-IT Catalyst Project	47.076	CSU Fullerton Auxiliary Services, Corp.	HRD-1209200	14,999
ARRA: NEESR-CR: Performance-Based Design For Seismic Hazard Mitigation	47.082	Lehigh University	CMMI-0936610	8,840
U.S. Department of Agriculture:				
Development, Implementation and Evaluation of a Spanish Dietetic Curriculum	10.223			18,093
Combination Liposomal and DNA Vaccine Technologies	10.200	CSU Fresno Foundation	2009-38908-20108	39,920
Next Generation Lettuce Breeding: Genes to Growers	10.309	University of California, Davis	2010-51181-21631	197,406
Assessing the Significance of Epigenetic Control in Lettuce	10.200	CSU Fresno Foundation	2010-38908-20998	53,117
Sowing the Seeds for the Next Generation of Plant Breeders	10.223			68,262
National Aeronautics and Space Administration:				
Contributions to the ARIA-EQ System Development	43.000	California Institution of Technology	NAS7-1407	50,592
Engineered Coatings for Sublimation Suppression	43.000	Glenn Research Center	NNC12VA09P	28,806
Environmental Gas Monitoring Using Unmanned Aerial Vehicles	43.001	Jet Propulsion Laboratory	NAS7-03001	4,511
Novel Spacecraft Thermal Design Concepts	43.001	Jet Propulsion Laboratory	NAS7-03001	2,010
Radiation-Tolerant Implementation of Delta Sigma Converter	43.001	Jet Propulsion Laboratory	NAS7-03001	11,330
Attitude Control Research for Small Satellites	43.001	Jet Propulsion Laboratory	NAS7-03001	497
Vertical Habitability Layout Studies	43.003	National Space Grant Foundation	NNX10AJ76A	29,427
U.S. Department of Transportation				
Empirical Bayes-Estimated OTS Collision Rankings for Cities	20.610	State of California - Office of Traffic Safety	2700-101-0890	2,527
Total Research and Development Cluster				\$ 2,996,042

See accompanying notes to Schedule of Expenditures of Federal Awards and Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133.

CAL POLY POMONA FOUNDATION, INC.

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013**

Federal grantor/program title	Federal CFDA number	Pass-through grantor	Pass-thru #	Total Federal expenditures
U.S. Department of Justice:				
Stop Violence Project	16.710			\$ 875
Violence Prevention Program	16.525			<u>72,007</u>
				<u>\$ 72,882</u>
Department of Health and Human Services				
State Preschool Program 2012/13 (CSPP)	93.575	CA Department of Education	CSPP-2150	\$ 76,876
General Child Care and Development Program (CCTR)	93.575	CA Department of Education	CCTR-2075	<u>58,922</u>
				<u>\$ 135,798</u>
U.S. Department of Defense				
Directed Support of the Collegiate Cyber Defense Competition	12.300	University of Texas, San Antonio	FA8750-12-2-0100	<u>\$ 13,723</u>
U.S. Department of Agriculture:				
Business Marketing Planning for New Agricultural Products	10.233			\$ 20,007
National Register Evaluation and Recreation Resident Tract	10.000			10,123
Summer Food--Upward Bound Programs	10.559	CA Department of Education	19-7719-0V	24,193
Focus on the Future: 21st Century Multicultural Workforce	10.223			<u>100,151</u>
				<u>\$ 154,474</u>
Department of Labor				
ARRA: California Biotechnology Clinical Laboratory Consortium Project	17.275	San Jose State University Research Foundation	GJ-20049-10-60-A-6	<u>\$ 49,319</u>
National Aeronautics and Space Administration				
Jet Propulsion Laboratory Student Intern	43.001	Jet Propulsion Laboratory	NAS7-03001	<u>\$ 12,017</u>
National Endowment of the Humanities				
Library Special Collections Preservation Enhancements	45.149			<u>\$ 287</u>
				<u>\$ 7,760,754</u>
Total Federal Expenditures				
Passed Through to Subrecipients				
Of the federal expenditures presented in this schedule, the Foundation provided federal awards to the subrecipients as follows:				
National Science Foundation				
ARRA: The California-Arizona Minority Partnership for Astronomy Research	47.082			<u>\$ 89,818</u>

See accompanying notes to Schedule of Expenditures of Federal Awards and Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133.

CAL POLY POMONA FOUNDATION, INC.

Notes to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2013

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Note 2: Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting.

Note 3: Relationship to Federal Financial Reports

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, with amounts reported in the related financial reports filed by the Cal Poly Pomona Foundation, Inc. The following presents a reconciliation of grant expenditures to those reported in the financial statements:

Total expenditures per the schedule of expenditures of federal awards	\$7,760,754
Add expenditures of nonfederal awards	<u>4,413,376</u>
Total expenditure of federal and nonfederal awards per the financial statements	<u>\$12,174,130</u>

CAL POLY POMONA FOUNDATION, INC.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2013

Section I : Summary of Auditor's Results

Financial Statements

Type of auditor's report issued September 12, 2013: *Unqualified*

Internal control over financial reporting:

Material weaknesses identified? *No*

Significant deficiencies identified that are not considered to be material weaknesses? *No*

Noncompliance material to financial statements noted? *No*

Federal Awards

Internal control over major programs:

Material weaknesses identified? *No*

Significant deficiencies identified that are not considered to be material weaknesses? *No*

Type of auditor's report issued on compliance for major programs: *Unqualified*

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of (Circular A-133)? *No*

Identification of major programs:

Research and Development Cluster including ARRA Funds, CFDA # Various
ARRA: Robert Noyce Teacher Scholarship Program, CFDA #47.082

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? *Yes*

CAL POLY POMONA FOUNDATION, INC.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2013

Section II: Financial Statement Findings

None noted.

CAL POLY POMONA FOUNDATION, INC.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2013

Section III—Federal Award Findings and Questioned Costs

None noted.

Memorandum



Date: September 26, 2013

To: Board of Directors
Cal Poly Pomona Foundation, Inc.

From: *G. Paul Storey*
G. Paul Storey
Executive Director

Subject: ENDOWMENT EARNINGS DISTRIBUTION 2013-14

On an annual basis, the performance of the endowment portfolio and the values of the undistributed earnings are reviewed to determine if there are funds available for an endowment distribution per the Administration of Program, Scholarship and Endowment Funds Policy # 133, please see attached for further details. Please keep in mind, some endowments may have terms and conditions that take precedence over this policy and accordingly the following recommendation will include such terms and conditions.

Upon review of the performance of the endowment portfolio and the values of the undistributed earnings, Foundation management is proposing an endowment distribution of \$3,387,912 or 4.89% comprised of the lessor of 5% of the endowment value (corpus plus undistributed earnings) or the undistributed earnings value as of June 30, 2013 subject to any endowment terms and conditions that would take precedence as follows:

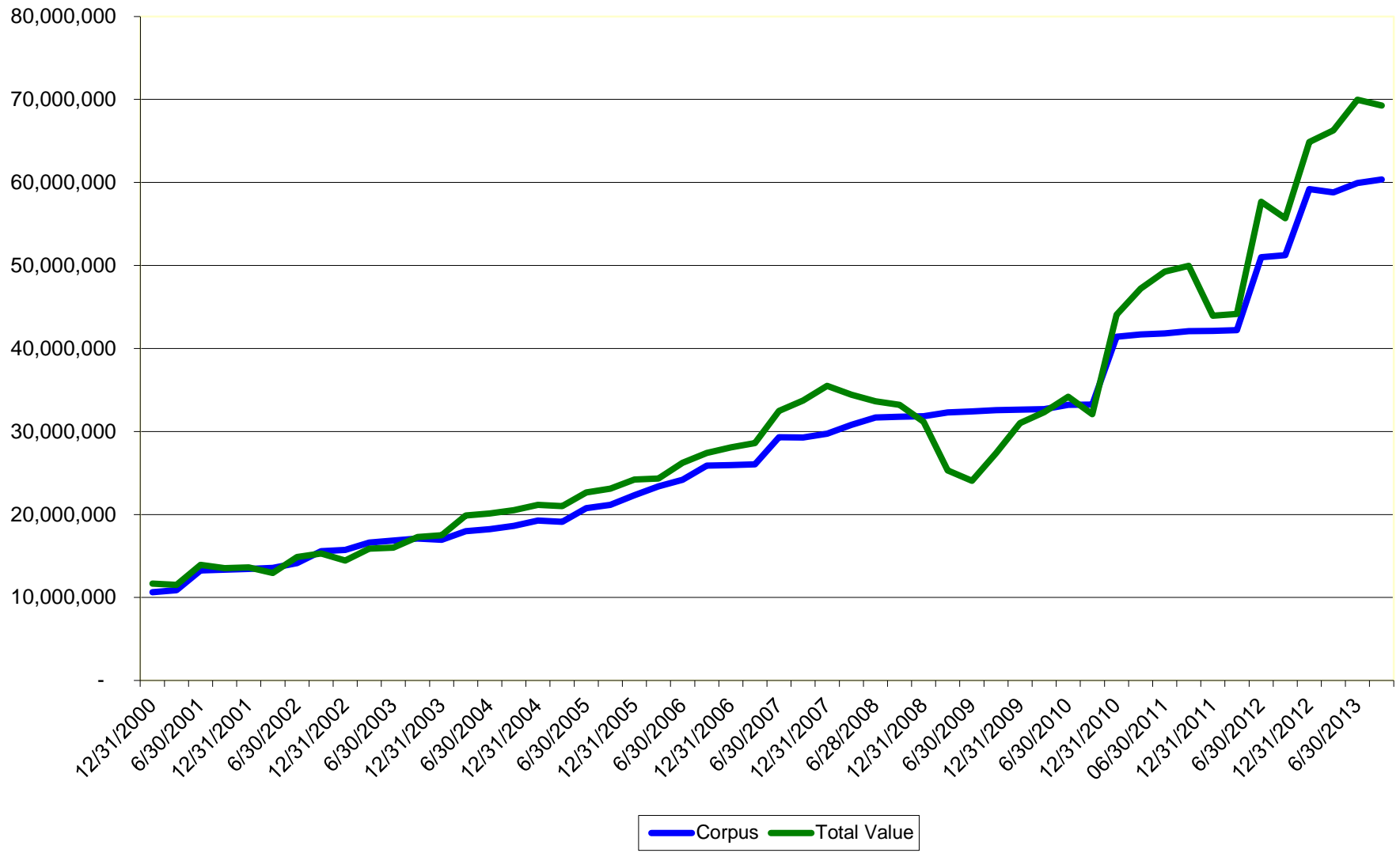
- Propose a distribution of \$707,412 to 227 scholarship endowment operating accounts.
- Propose a distribution of \$1,345,709 to 91 program endowment operating accounts.
- Propose a distribution of \$1,334,791 from the Kellogg Foundation Legacy endowment per the terms and conditions of the grant.

Now therefore be it resolved that the Board of Directors approves an endowment distribution proposal by Foundation management of \$3,387,912 to 227 scholarship endowment operating accounts, 91 program endowment operating accounts and the Kellogg Foundation Legacy endowment operating account.

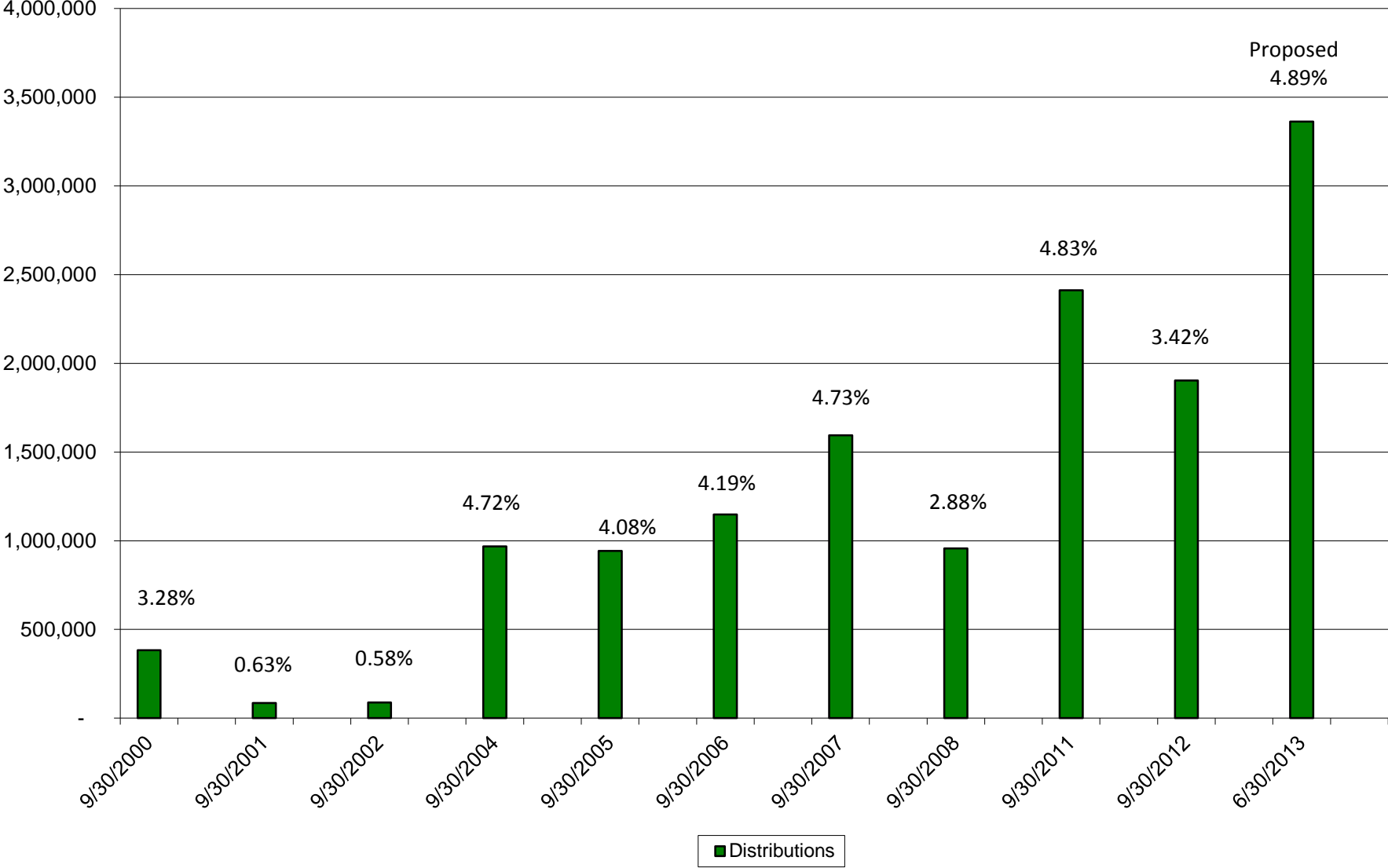
PASSED AND ADOPTED THIS 26th DAY OF SEPTEMBER 2013

By: *Rachel Dominguez*
Rachel Dominguez, Secretary
Board of Directors
Cal Poly Pomona Foundation, Inc.

Endowment Corpus and Total Value



Endowment Distributions



CAL POLY POMONA FOUNDATION, INC.

POLICIES AND PROCEDURES

Subject:	Administration of Program, Scholarship and Endowment Funds	Policy No.	133
		Old No.	1996-3
Reference:	283-II-C, 301-II-D, 320-III-A, 333-III-B 350-III-B	Date:	10/01/97
Replaces:	1973-4, 1992-1	Revision:	02/27/01, 02/17/05, 11/15/07 02/13/12

PURPOSE

To provide guidance for the administration of Program, Scholarship and Endowment Funds. The recovery of administrative costs represented by this policy include a Foundation "gift of support" equivalent to 25% of the Foundation's estimated administrative cost for maintaining Foundation program, scholarship, endowment/endowment operating accounts.

POLICY

The yield, mark-to-market and fees assessed will be determined by the type of funds. It is understood that donated funds may contain terms and conditions that take precedence over this policy.

Foundation Program Funds - represent funds invested by the Foundation per the General Investment Policy # 131 in support of University activities.

1. Yield will be allocated quarterly on the average daily balance of the respective account.
2. The yield is the weighted average yield (coupon rate of the security plus or minus the amortization or accretion of any premium or discount) of the interest bearing securities and cash equivalents in the General Investment Portfolio less an annual investment administrative fee of 0.50% basis points to provide support to the general fund of the Foundation.
3. An administrative fee of **2.55%** will be assessed on all expenditures processed, including transfer of funds, payroll and accounts payable disbursements to provide support to the general fund of the Foundation. The maximum administrative fee per transaction is \$2,550.
4. All donations will be assessed a fee of 5%.

Scholarships Funds - represent funds invested by the Foundation per the General Investment Policy # 131 that are restricted only for the distribution of scholarships.

1. Yield will be allocated quarterly on the average daily balance of the respective account.
2. The yield is the weighted average yield (coupon rate plus or minus the amortization or accretion of any premium or discount) of the interest bearing securities and cash equivalents in the

General Investment Portfolio less an annual investment administrative fee of 0.50% basis points to provide support to the general fund of the Foundation.

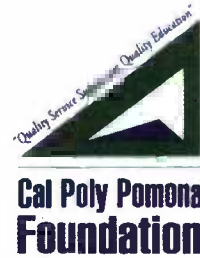
3. An administrative fee of **0.0%** will be assessed on all expenditures processed, including transfer of funds, payroll and accounts payable disbursements.
4. All donations will be assessed a fee of 5%.

Endowment Funds - represent funds invested per the Foundation Endowment Investment Policy 130.

1. It is the Foundation's goal to distribute annually a minimum net return of 5% of endowment value as established on June 30th. Earnings for the fiscal year in excess of the Consumer Price Index (CPI) for the Los Angeles area, as reported in July for the prior 12 months, and in excess of 5% endowment value, may also be distributed. Endowment earnings shall generally be available for distribution from those endowments invested for no less than three (3) consecutive months. Exceptions may be authorized per approval by the Executive Director or his/her designee and the Board of Directors. Endowment earning distribution will occur in the first quarter of each fiscal year based upon the percentage of the endowment value and or an amount as approved by the Board.
2. Endowment scholarship funds with little or no earnings are eligible for an interest free loan up to 5% of the endowment value at June 30th upon approval by the Board. Loans are to be repaid within 3 years to the General Fund from future scholarship endowment earning distributions.
3. The endowment funds will be assessed an annual administrative fee of seventy-five basis points (0.75%). If the annual earnings are less than 0.75%, fees will first be recovered from prior undistributed earnings and if no available prior year earnings, then from corpus.
4. All donations will be assessed a fee of 5%.

Endowment Operating Funds - represent funds invested by the Foundation per the General Investment Policy 131.

1. Yield will be paid quarterly on the average daily balance of the respective account.
2. The yield is the weighted average yield (coupon rate of the security plus or minus the amortization or accretion of any premium or discount) of the interest bearing securities and cash equivalents in the General Investment Portfolio less an annual investment administrative fee of 0.50% basis points to provide support to the general fund of the Foundation.
3. An administrative fee of **2.55%** will be assessed on all expenditures processed, including transfer of funds, payroll and accounts payable disbursements to provide support the general fund of the Foundation. The maximum administrative fee per transaction is \$2,550.
4. All donations will be assessed a fee of 5%.



Memorandum

Date: September 26, 2013

To: Board of Directors
Cal Poly Pomona Foundation, Inc.

From: G. Paul Storey *G. Paul Storey*
Executive Director

Subject: **2013-2014 Budget Amendment Foundation Dining Services – Brewery Laboratory**

The Cal Poly Pomona Foundation's Dining Services is requesting a capital budget amount of \$400,000 for the development of a Brewery Laboratory at the Center for Training, Technology and Incubation (CTTi) in the current Café/Bookstore space. The concept would provide Collins College of Hospitality Management and College of Agriculture students with a hands on-learning environment for brewing and brewpub operations. This concept would produce a revenue stream for the Foundation and is consistent with the Dining Services Master Plan developed by Envision Strategies in 2012.

Products produced would be sold at the Café adjacent to the proposed brewery location, as well as the Collins's College, Farm Store, Kellogg West, Round Table Pizza and at catering events that allow beer and wine service.

Several universities currently have brewery laboratories but this would be one of the first to offer the opportunity for both brewing and brewpub operations. Craft Beer Brewpubs is one of the fastest growing industries in the United States.

The expectation is that the Brewery Laboratory would be operational by the start of the Spring Quarter 2014.

The following resolution is recommended for approval:

RESOLVED, the Board of Directors approves a capital budget request of \$400,000 for the development of a Brewery Laboratory at CTTi in the current Café/Bookstore space.

PASSED AND ADOPTED THIS 26th DAY OF SEPTEMBER 2013.

By: *Rachel Dominguez*

Rachel Dominguez, Secretary
Board of Directors
Cal Poly Pomona Foundation

Aaron P. Neilson
Interim Director, Foundation Dining Services

August 29, 2013

G. Paul Storey
Executive Director
Cal Poly Pomona Foundation, Inc.



Re: Brewery Laboratory at CTTI

Dear Paul:

Attached is a preliminary design of a brewery laboratory developed in concert with Owen Williams, owner of Ritual Brewing in Redlands, CA and faculty member at Collins College of Hospitality Management. This concept would provide a learning environment for our students, while providing additional academic and commercial revenue streams to the Foundation, making this concept consistent with the Dining Services Master Plan developed by Envision Strategies in 2012.

Products produced in this operation would be sold at the Café adjacent to the proposed brewery location, as well as Collin's School, Farm Store, Kellogg West, and even Round Table Pizza. The menu at the existing Café' at CTTI would be enhanced to create a Brewpub or Gastropub atmosphere, creating a destination in this historically problematic location.

Overview of Brewery Lab:

The main system would consist of a 3 barrel system capable of brewing 46.5 gallons of beer at a time. Additionally, a set of smaller systems with a 10 gallon capacity will allow small groups of students to experiment with a variety of brewing styles. Our students will be exposed to hands-on propagation of custom yeast strains, the nitrogenation and/or carbonation process, and the development unique hop and malt blends. The brewery would provide for both kegging and small-scale bottling.

We envision the College of Agriculture's involvement in producing hops and grains for a "Polycentric" line of specialty brews. The Collins College could offer credit courses directly, and leverage other courses through the CEU.

Sample Course Descriptions

HOME BREWING BASICS (Draft)
COURSE DESCRIPTION:

This is a four-week program for first-time or relatively new homebrewers. Students will learn the basic brewing ingredients and how they work together to create various ales and lagers. The course provides a brief history of brewing, its origins including the oldest recipe in the world, the brewing process, and the traditional beer styles of various countries. Students will discuss various equipment options for establishing a basic extract home brewery in their kitchen. The course concludes with a friendly, small batch, extract brewing tasting competition.

ALL-GRAIN BREWING (Draft)

COURSE DESCRIPTION:

This is an advanced four-week program designed for homebrewers to take the step beyond brew-your-own retail establishments, beer kits, and homebrewing with malt extracts. The course will give brewers the opportunity to learn and practice all-grain brewing using a nano brewing system. All-grain brewing allows homebrewers to develop and brew more complex beer styles and beer recipes. All-grain systems provide the brewer with more flexibility and control over the finished product. This course takes the homebrewer through a critical and beneficial personal assessment prior to making the commitment and investment in an all-grain system for the home, which can move brewing from the stove-top to an advanced single-tier sculpture or gravity-brew tower.

THE SCIENCE AND ART OF BREWING (Draft)

COURSE DESCRIPTION:

This is the study of the science/art of brewing ales and lagers. As a great step for advanced homebrewers, several types of brewing methods will be explored and implemented on nano brewing systems. The course will cover formulations of recipes to styles of beer as well as a deeper understanding of brewing equipment, malts, grains, hops, and water chemistry. Additional topics include brewing ingredients beyond the basics, proper professional service of each beer style, and career options in the brewing industry. Hands-on for all pieces of brewery equipment will be established while one small batch of beer will be produced from grain to glass. Core competencies will allow successful students to acquire Certification in Brewing.

A variety of Cicerone certifications could also be facilitated.

Capital Requirements:

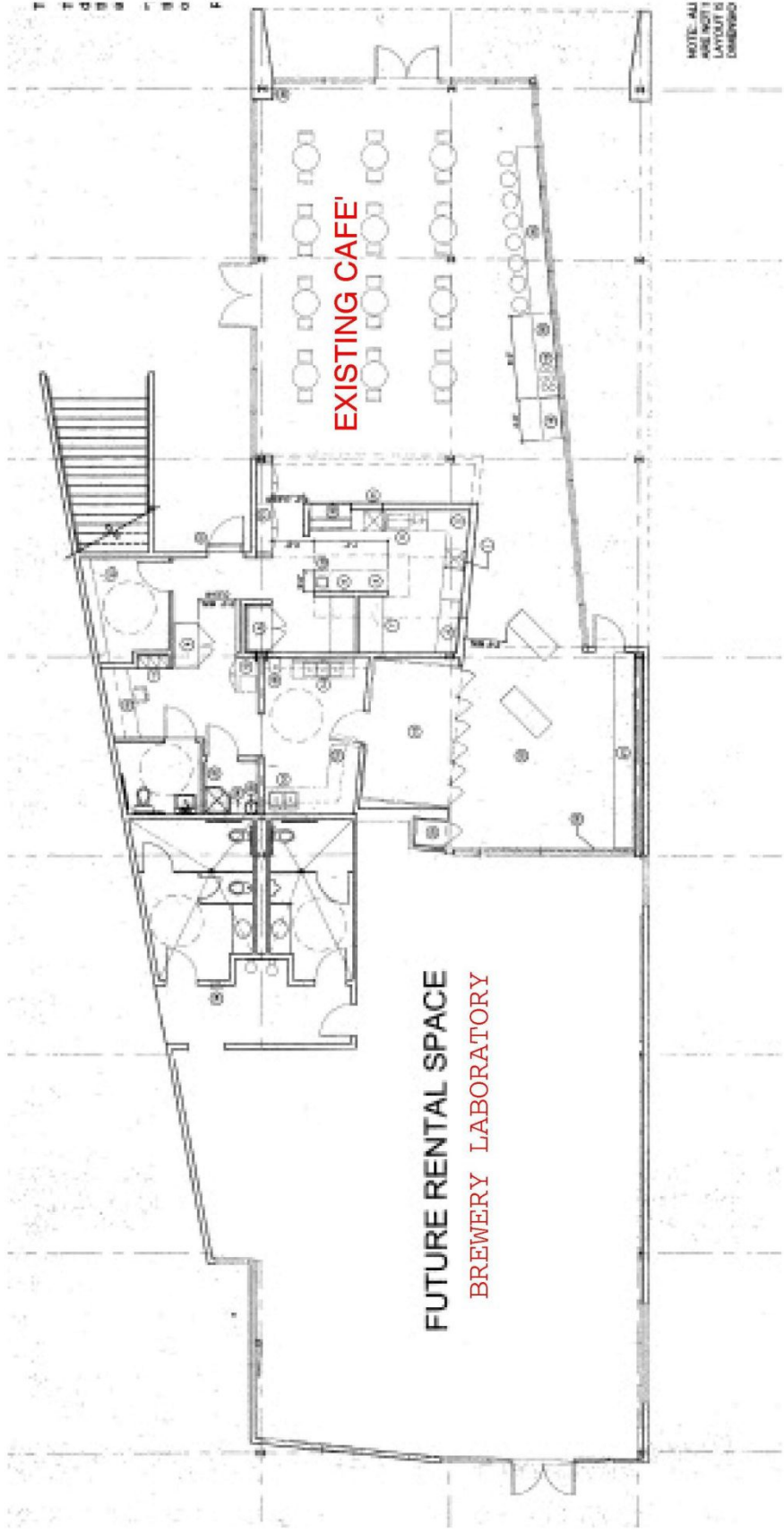
The brewery laboratory would require approximately \$400,000 in initial capital outlays:

Architectural/Engineering:	\$ 40,000
Brewhouse Equipment:	\$ 208,000
Build Out/Install:	\$ 152,000
Total:	\$ 400,000

Please feel free to contact me with any questions you may have. I am very excited about the possibilities of this partnership with the Collins College.

Sincerely,

Aaron Neilson
Interim Director, Foundation Dining Services





CAL POLY POMONA FOUNDATION, INC.

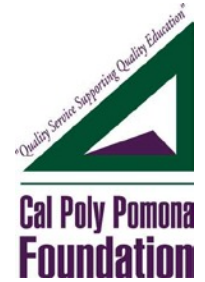
Memorandum

Date: September 20, 2013

To: Board of Directors
Cal Poly Pomona Foundation, Inc.

From: G. Paul Storey
Executive Director
Chief Financial Officer

Subject: Legal Counsel



Each auxiliary organization of the CSU is required to have the advice and counsel of an attorney. These individuals are formally appointed by the auxiliary organization's governing board and are to be available on an on-call basis to respond to concerns of management or the governing board (Education Code Section 89900(a) 89903. The Foundation selected and has used the services of Jaffe D. Dickerson, Littler Mendelson, PC for several years.

Because of the complexity of auxiliary organizations, it is desirable to have regular briefings of the governing board by an attorney with knowledge of the auxiliary organization provisions of the Education Code and the Corporate Code governing nonprofit entities to clarify and update legal responsibilities and provide the organization with necessary legal advice in operating the auxiliary as a separate yet integral part of the campus community.

At this Board Meeting Mr. Jaffe Dickerson will provide a briefing and respond to any questions related to his responsibility as counsel for the Cal Poly Pomona Foundation, Inc.

CAL POLY POMONA FOUNDATION, INC.
CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Annual Meeting of the Board of Directors, Number 356

September 26, 2013

General Counsel Presentation

Why an Annual Meeting?

Education Code § 89903: “(b) Each governing board [of a CSU auxiliary organization] shall, during each fiscal year, hold at least one business meeting in accordance with [Section 89920 *et seq.*, the open meeting law requirements for auxiliary organizations]. The board shall have the benefit of the advice and counsel of at least one attorney admitted to practice law in this state and at least one licensed certified public accountant.”

What new laws and regulations affect us as Board Members?

1. The Richard McKee Transparency Act of 2011 (Education Code § 89913 *et seq.*): “The Legislature finds and declares ... Access to information concerning the conduct of the people's business is a necessary and fundamental right of every person in this state... Access to records used, owned, or maintained by auxiliary organizations must be balanced by the need to protect the individual privacy rights of donors and volunteers, and to protect an auxiliary organization's fiduciary interests.”

The Act mirrors most of the access to public records requirements found in the California Public Records Act (Government Code § 6250 *et seq.*), which applies to state and local governmental agencies. The McKee Act does allow most Foundation donors to remain anonymous (EC § 89916).

2. 5 California Code of Regulations § 42600: “By December 31, 2012, the articles of incorporation or constitution of an auxiliary organization shall contain a provision that upon dissolution of the organization, net assets, other than trust funds, shall be distributed to a successor approved by the president of the campus and by the Chancellor.”

Previously this regulation required approval by the campus president and the *CSU Board of Trustees*. The change required all auxiliary organizations to amend and re-file their articles of incorporation with the Secretary of State.

What are “9 Steps To Success” for a Board Member?

1. Keep an exceptional educational experience and maximum career opportunities for students as your primary focus.
2. Value, support, and advocate for the Foundation.

3. Recognize and respect differences of perspective and style on the Board and amongst staff, students and University administration.
4. Act with dignity; treat others with dignity.
5. Strive for consensus, avoid conflict.
6. Understand the distinctions between Board and staff roles.
7. Understand that authority rests with the Board as a whole, and not with individuals.
8. Keep confidential matters confidential.
9. Commit the time and energy necessary to be an informed and effective leader.

Have a great year!

Jaffe Dickerson
Littler Mendelson, P.C.

Jaffe D. Dickerson

Shareholder

2049 Century Park East
5th Floor
Los Angeles, CA 90067
main: (310) 553-0308
direct: (310) 772-7255
fax: (310) 553-5583
jdickerson@littler.com



Practice Areas

Corporate Compliance and Ethics
Corporate Diversity and Inclusion
Discrimination and Harassment
Higher Education
Workplace Violence Protection

Overview

Jaffe D. Dickerson has been a specialist in the field of labor and employment law for over 30 years and represents public and private sector employers in all aspects of labor and employment law before state and federal administrative agencies and courts. He also has particular expertise in education law and non-profit corporation law, working most often with universities, non-profit organizations, and public and private sector employers.

Additionally, Jaffe regularly presents management training programs and advises on specialized areas of labor and employment law, including:

- Alternative dispute resolution
- Workplace privacy issues
- Performance evaluation
- Executive employment agreements
- Employment discrimination
- Wrongful termination
- Sexual harassment

He has authored and co-authored numerous articles on labor, employment and education law.

Jaffe joined Littler in 1988 after 11 successful years as university counsel for the California State University. He previously served on Littler's Board of Directors and is the former chair and a founding

member of Littler's Diversity and Inclusion Council. He also helps employers create diversity programs that are legally defensible and monitors their success.

Professional and Community Affiliations

- Member, Labor and Employment Law / Public Law sections - State Bar of California
- Member, Beverly Hills Bar Association
- Member, Los Angeles County Bar Association
- Member, National Association of College and University Attorneys
- Former member, Finance Committee - National Association of College and University Attorneys
- Former chair, Finance Committee Subcommittee on Investments - National Association of College and University Attorneys
- Former chair, Labor and Employment Section - National Bar Association
- Former member/chair/advisor, Executive Committee, Public Law Section - State Bar of California
- Former member/chair/advisor, Executive Committee, Labor and Employment Law Section - State Bar of California

Recognition

- Recipient, Public Service Award - Compton Unified School District Education Foundation, 2010
- Named, Super Lawyer - Southern California, 2010-2014

Education

J.D., Boston College Law School

B.A., College of the Holy Cross

Bar Admissions

California

Publications & Press

May 28, 2012

The Returning Veteran: 8 Strategies to Ease Their Return to the Workplace
TLNT

February 15, 2012

The 2011 Global Employer: Highlights of Littler's Fourth Annual Global Employer Institute
Littler Report

November 1, 2011

Presenting MCCA's 2011 Diversity Award Winners

Diversity & the Bar

September 2, 2010

The Tricky Business of Background Checks

Los Angeles Daily Journal

March 31, 2009

Court Curbs NLRB Jurisdiction Over Academic Religious Institutions

Littler ASAP

November 6, 2007

USERRA Protections Have Far-Reaching Implications for Employers

Lawdragon

December 15, 2006

Diversifying Party Politics

Los Angeles Daily Journal

December 15, 2006

Diversifying Party Politics

Los Angeles Daily Journal

November 30, 2005

To Blog or Not To Blog

Black Enterprise

Speaking Engagements

August 12, 2013

Retail Employers and Guns in the Workplace

Littler Mendelson Webinar

August 9, 2013

Board Member Orientation

California State Student Association

CSUnity Student Leadership Conference

July 15, 2013

Law and School Violence

3rd Annual Institutes of Higher Education Threat Assessment Training – The Federal Bureau of Investigation Los Angeles Field Office and Golden West College, Huntington Beach, CA

May 21, 2013

Guns and the Workplace: Who Speaks for the Employer?

HR.com Webinar

May 21, 2013

Increasing your Leadership & Visibility Throughout your Career
2013 Diversity Leadership Summit - California Employment Lawyers Association (CELA)

May 8-10, 2013

Guns and the Workplace: Who Speaks for the Employer?
The 2013 Executive Employer® Conference

April 2013

Preventing Campus Violence: Legal Do's and Don'ts
5th Annual Violence and Victimization Conference on School Violence - California Lutheran University

2007-2013

Workplace Violence Assessment and Prevention
Biannual Mandatory Training, Rules Committee - California State Assembly

June 14, 2012

Workplace Diversity and Discrimination Claims
Littler Mendelson, Denver, CO

May 10, 2012

Controlling Employee Personal Behavior in the Age of Social Media and Personal Technology?
The 2012 Executive Employer® Conference, Littler Mendelson, Scottsdale, AZ

April 2012

Workplace Violence Assessment & Prevention: What Every Employer Should Know
California Lutheran University

July 2011

Institutes of Higher Education Threat Assessment Training: Legal Requirements and Risk Management
Loyola Marymount University

November 21, 2009

Essential Employment Law Issues for California Businesses
Littler Mendelson, Los Angeles, CA

October 18, 2005


Concepts of Understanding Diversity in the Work Place
Full Three-Day Program, University Professional Development/Training Services - Sacramento State
University, Sacramento, CA

Memorandum



Date: September 26, 2013

To: Board of Directors
Cal Poly Pomona Foundation, Inc.

From: G. Paul Storey 
Executive Director

Subject: **SODEXO SYSTEMS AGREEMENT FOR DINING SERVICES (UPDATE)**

The Foundation started a partnership with Sodexo Campus Services (Sodexo) in the Spring of 2012. This partnership was to assist in leveraging the purchasing power of our Dining Services operations.

The partnership, at the time was the first of its kind in the country, which leveraged Sodexo's \$5 billion in purchasing power and allowed access to a broad range of tools, services, and expertise included the following:

- Nutritional Analysis
- Menu management tools
- Professional dining room graphics for resident dining
- On-trend recipe database of 6000+ recipes for higher education
- Menu analysis tools
- Web menu development with nutritional information
- In-House brand development
- Design Services

In order to implement these new systems, Sodexo placed a technician on-site to support our purchasing and menu management tasks.

Attached is a summary of the program accomplishments and the plan for the 2013-14 year. We are still very excited about the partnership and feel there are more opportunities to pursue to improve productivity.

Sodexo Year in Review 2013 - 2013

- Los Olivos Enhancements
 - Food Production System WITH Recipe Database
 - Nutritional Analysis System
 - Menu Graphics System (Signage w/ nutritional/allergen information)
 - Inventory System Integrated with “live” pricing from prime vendors
- Food Purchasing Leverage Saved 3.25%, or nearly \$49K FY 2012-2013
- Reduced on-hand inventories freed up an average of \$10,950 in Cash per month
- EcoLab Program saved 10.3% in 2012-2013 , or nearly \$5K
- Processed \$1.5M in accounts payable on behalf of Foundation AP department



Sodexo 2013-2014

New Contract Will Save Us \$88k Per Year Versus “Doing It Ourselves”


- **Newly Renegotiated Contract**
 - *Annual Costs Estimated:* \$86K
 - *Continued Annual Cost Savings:* <\$55K>
 - **Net Annual Cost:** **\$31,000**
- **Costs of “Doing It Ourselves”**
 - *Limited/No Recipe Database*
 - *Initial Capital Outlay* \$82,000
 - *Annual License Fees* \$62,000
 - *Labor for Database Maintenance/Recipe Writing -* \$45,000
 - **DIY Annual Costs** (Years 1-7): **\$118,714**



Memorandum

Date: September 26, 2013

To: Board of Directors
Cal Poly Pomona Foundation, Inc.

From: 
G. Paul Storey
Executive Director

Subject: Compliance Audit Update

Once every three years, the Office of the University Auditor conducts a compliance audit (internal audit) of the Foundation as directed by the Committee on Audit of the CSU Board of Trustees. The Foundation was notified by e-mail on Wednesday January 23, 2013 that the compliance audit for the period July 2010 through January 2013 will be conducted and a formal letter from the Office of the CSU University Auditor was sent to the President a few weeks prior to the start of their fieldwork.

The fieldwork began on Monday March 25, 2013 and concluded on Friday April 26, 2013. An entrance conference was scheduled for Monday March 25, 2013 and we invited the members of the Audit Committee and the Board to attend. At the entrance conference the CSU auditors discussed the scope, objectives, schedule and the process of reporting for the compliance audit. The auditors interviewed key personnel and reviewed Federal statutes, California code of regulations, Trustee resolutions, Executive Orders, Campus and Foundation policies/practices and sound business practices to develop a risk assessment and scope to produce an audit program.

Foundation management and staff completed the process of gathering various documents and questionnaires in preparation for the audit. These documents assisted the auditors in evaluating internal controls related to the recording of business transactions, safeguarding Foundation assets, compliance with policies and the promotion of operational efficiency.

On the last day of the auditor's fieldwork an informal exit conference was held wherein the preliminary observations were presented for further discussion and clarification. The auditor's final report was issued and is available on the Chancellor's Office website at http://www.calstate.edu/audit/Audit_Reports/auxorg/2013/1302AUXORGPOM.pdf and includes the following recommendations:

- Petty Cash and Change Funds
- Fees, Revenues, and Receivables (Collections and Write-Offs)
- Purchasing and Accounts Payable (Purchase Orders)
- Personnel and Payroll (Student Employees 20 hour approval and Unclaimed Checks)
- Travel (Indemnification and Waivers)
- Auxiliary Programs (Management's periodic documentation of Bookstore system reports)

Following is the latest correspondence to the Office of the Auditor whereby we communicated that all the above recommendations have been completed.



Office of the Vice President
for Administrative Affairs

August 26, 2013

Mr. Larry Mandel, University Auditor
Office of the Auditor
The California State University
400 Golden Shore, Suite 210
Long Beach, CA 90802

Dear Mr. Mandel:

Subject: Status Report to Recommendations of Auxiliary Organizations 13-02

Enclosed is California State Polytechnic's status report to the Auxiliary Organizations Audit 13-02. As supported by the attached documentation, we believe the University has completed recommendations 1, 2, 3, 4, 5, 6, 7, 8, 10a and 11. A table is also attached, summarizing the state of completion in each recommendation.

Please direct questions concerning the response to Darwin Labordo, Associate Vice President of Finance and Administrative Services and Associate Chief Financial Officer at 909-869-2008 or dlabordo@csupomona.edu.

Sincerely,

Edwin A. Barnes, III, Vice President
Administrative Affairs

Cc: J. Michael Ortiz, President
Cora Culla, Executive Director, ASI
Darwin Labordo, Associate Vice President, Finance & Administrative Services
David Prenovost, CFO, Financial Services, Cal Poly Foundation
G. Paul Storey, Executive Director, Cal Poly Foundation
Joice Xiong, University Auditor

Enclosure

AUXILIARY ORGANIZATIONS
CALIFORNIA STATE POLYTECHNIC UNIVERSITY,
POMONA

Status Report 13-02
August 26, 2013

CAL POLY POMONA FOUNDATION, INC.

PETTY CASH AND CHANGE FUNDS

Recommendation 1

We recommend that the Foundation write off the cited petty cash account.

Status Report

The petty cash fund was written off and the account closed during fieldwork. (Attachment A)

Timeline: Completed

FEES, REVENUES, AND RECEIVABLES

COLLECTIONS

Recommendation 2

We recommend that the Foundation:

- a. Perform and document collection and follow-up activity for delinquent accounts receivable to facilitate collection or support account write-off.
- b. Periodically review and validate supporting documentation for long-outstanding accounts receivable.

Status Report

We have developed procedures to perform and document collection and follow-up activities and periodically review and validate long-outstanding accounts receivable. As a result, we have written off the appropriate accounts receivables. (Attachment B)

Timeline: Completed

WRITE-OFFS

Recommendation 3

We recommend that the Foundation reiterate to project managers that uncollectible receivables must be written off in a timely manner.

Status Report

We have reiterated to project managers that uncollectible receivables must be written off in a timely manner. We have written off the affected accounts receivables. (Attachment C)

Timeline: Completed

PURCHASING AND ACCOUNTS PAYABLE

PURCHASE ORDERS

Recommendation 4

We recommend that the Foundation investigate and resolve open purchase orders in a timely manner.

Status Report

We have developed procedures to investigate and resolve open purchase orders. We have cleared the affected open purchase orders. (Attachment D)

Timeline: Completed

UNCLAIMED CHECKS

Recommendation 5

We recommend that the Foundation promptly escheat the cited unclaimed checks to the state.

Status Report

We have escheated the unclaimed checks. (Attachment E)

Timeline: Completed

TRAVEL

Recommendation 6

We recommend that the Foundation reiterate to project managers that properly completed release forms or waivers are to be obtained from all students traveling by air.

Status Report

We have reiterated to project managers to complete release forms and waivers. (Attachment F)

Timeline: Completed

PERSONNEL AND PAYROLL

Recommendation 7

We recommend that the Foundation monitor and document approval for student employees working more than 20 hours per week.

Status Report

We have developed procedures to monitor and document approval for student employees working more than 20 hours per week. (Attachment G)

Timeline: Completed

AUXILIARY PROGRAMS

Recommendation 8

We recommend that the Foundation document periodic management review of bookstore system monitoring reports.

Status Report

We have developed procedures to document periodic review of bookstore system monitoring reports. (Attachment H)

Timeline: Completed

ASSOCIATED STUDENTS, INCORPORATED

CASH RECEIPTS AND HANDLING

Recommendation 10

We recommend that ASI:

- a. Update cash handling procedures to reflect current operations.

- b. Include an independent cash count of each cashier's opening bank in daily cash register opening procedures.
- c. Include an independent count of each cash bag in daily cash register close-out procedures.
- d. Independently reconcile daily sales receipts for the last shift of the day before cash is dropped in the safe for deposit.

Status Report

- a) ASI updated the cash handling procedures in the Bronco Fitness Center (Attachment I).

Timeline: August 31, 2013.

FEES, REVENUES, AND RECEIVABLES

Recommendation 11

We recommend that ASI reiterate to staff that collection and follow-up activity for delinquent accounts receivable must be performed and documented to facilitate collection or support timely account write-off.

Status Report

ASI began performing and documenting the collection and follow-up activity for delinquent accounts receivable to support the timely account write-off effective April 30, 2013. (Attachment J)

Timeline: Completed

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA
Auxiliary Organizations
Status Report, August 26, 2013

Recommendation Number	Description	Completed	In Progress	Expected Completion
CPP FOUNDATION				
1	Petty Cash and Change Funds	X		Completed
2	Fees, Revenues, and Receivables Collections	X		Completed
3	Fees, Revenues, and Receivables Write Offs	X		Completed
4	Purchasing and Accounts Payable Purchase Orders	X		Completed
5	Purchasing and Accounts Payable Unclaimed Checks	X		Completed
6	Purchasing and Accounts Payable Travel	X		Completed
7	Personnel and Payroll	X		Completed
8	Auxiliary Programs	X		Completed
ASSOCIATED STUDENTS, INCORPORATED				
9	Fiscal Compliance			October 31, 2013
10	Cash Receipts and Handling			October 31, 2013
11	Fees, Revenues, and Receivables	X		Completed

Memorandum



Date: September 26, 2013

To: Board of Directors
Cal Poly Pomona Foundation, Inc.

From: 
G. Paul Storey
Executive Director

**Subject: Status Report on the 2013-2014 Board-approved
Capital Improvement Program**

We are delivering a status update on the Foundation progress related to the 2013-2014 Board approved capital improvement budget as reflected in the attachment. The Cal Poly Pomona Foundation Capital Improvement Program included \$3,824,500 in 2013-14 for new capital improvement requests, and \$488,503 in capital improvement carry forward from prior years.

**CAL POLY POMONA FOUNDATION, INC.
2013-14 PROPOSED CAPITAL BUDGET**

		Prior Years Remaining	Proposed Detail 2013-14	Proposed Total 2013-14		Directors Update - September 2013
Enterprise Activities						
Foundation Housing						
	University Village	235,303	696,000		Security camera system replacement (\$100,000), Security gate system replacement (\$80,000), Refurbish Phase II (\$155,000), Bathroom vanities Phases I and II (\$61,000), Kitchen cabinets Phase II (\$275,000), Carpet replacement- various apts (\$25,000)	Security Camera system-In Process of Completion-Expected Date: 10/1; Security gate system replacement Expected Date: 10/1; Phase II Paint/refurbish completed 9/1: bathroom vanity project postponed; kitchen cabinet replacement completed 9/1; carpet replacement by 10/1
	Total Foundation Housing			696,000		
Bronco Bookstore						
	Bookstore	-	40,000	40,000	Sales floor space (\$30,000), Repair atrium doors (\$10,000)	Doors repaired by Sep 20; sales floor space by Sep 26
Dining Services						
	Dining	16,000	147,500		POS upgrade (\$10,000), Bldg 97 generator hookup (\$18,000), Bldg 97 lighting retro (\$60,000), Bldg 97 fire alarm (\$30,000), Kikka workstation (\$4,500), Mobile implementation project (\$10,000), Jamba Juice equipment (\$15,000)	POS Upgrade complete, generator hookup complete, Kikka POS Complete, Mobile implementation (Food Truck) 90% (Testing tablet now)
	ENV Café	5,000			Tables and chairs for patio with umbrellas	Found some umbrellas on campus, tables/chairs deferred.
	Vending		50,000		Shop 24 infrastructure	Will be complete by end of September 2013
	Los Olivos		229,000		Server refresh- counters, floor, abatement, cabinets, paint, lights, add vegan station, ceiling	In Process, targeted 9/18 completion.
	Vista Market		10,600		Magellan 8405 scanner/scale, sapphire glass, produce rail (\$4,600), Office space optimization (\$6,000)	Complete
	Kellogg West Dining		234,000		Truck (\$15,000), Walk in doors, paint kitchen and PDR's, stone tops for 2 cabinets, curtains for dining room, upgrades to dining area (\$219,000)	Complete with the exception of staining new doors.
	Subway		5,400		Turbo chef oven	Complete. Transferred old oven to LO for Deli
	Round Table Pizza		18,000		Install booths	Will be complete by 9/15/13.
	Taco Bell		23,000		Brand refresh- license fees, prepare for new contract	80% Complete
	Total Dining Services			717,500		
Kellogg West Conference Center & Lodge						
	Kellogg West Rooms & Conference		1,000,000		Crestview Bldg 77 exterior and courtyard update	Completed by 10/1 with the exception of pool decking
	Total Kellogg West			1,000,000		
Facilities						
	Facilities	-			No capital budget requested	N/A
	Total Facilities			-		
Real Estate Activities						
	CTTI Buildings	13,000	192,000		Patch & paint exterior (\$110,000), LED wall lights (\$11,000), Repair and resurface decks and stairways (\$63,000), HVAC compressor replacement (\$8,000)	Work beginning 9/14 – cost below budget \$90,000 including decks. Wall lights on order and on budget, HVAC compressor replacement likely in the next few months.

**CAL POLY POMONA FOUNDATION, INC.
2013-14 PROPOSED CAPITAL BUDGET**

		Prior Years Remaining	Proposed Detail 2013-14	Proposed Total 2013-14		Directors Update - September 2013
	Innovation Village		50,000		Master planning consultant fees	Master planning for Spadra 100%complete
	Bldg 97		31,000		Fire alarm system replacement	Not yet scheduled
	Bldg 66		52,000		Exterior paint (\$17,000), Energy management system (\$7,000), Fan motor replacement (\$10,000), Atrium furniture and trash containers (\$8,000), Door repair (\$10,000)	Exterior paint complete right on budget. EM system, door repair by Sep 20; furniture not yet started, fan motor not needed yet.
	Total Real Estate Activities			325,000		
College of Ag						
	Spadra/Westwind Ranch		59,000		Pickup truck (\$29,000), John Deere Gator (\$15,000), Tropic Breeze wind machine R/R (\$15,000)	Activity has not commenced
	Pine Tree Ranch	77,000	60,000		Repairs to residence/Phase 2	Activity has not commenced
	Farm Store	55,000	255,000		Re-location of Farm Store entrance	Activity has not commenced
	Arabian Horse Center		50,000		Digital X-ray machine	Activity has not commenced
	Vet Clinic		80,000		Stationary X-ray machine	Activity has not commenced
				504,000		
College of Science						
	Chemistry Agilent Project	10,000		-	Computer Equipment	
College of Extended University						
	CPELI Standard		310,000	310,000	48'x60' modular building (\$165,000), Concrete slab (\$75,000), Signage for building and CPELI complex area (\$50,000), Electrical, plumbing, and utility set up (\$20,000)	Activity has not commenced
Administration						
	Human Resources		12,000		3 Kronos touch terminals	Purchase by 12/1
	Marketing		10,000		Wide format printer z6200	Purchase by 11/1
	Admin	15,000	70,000		Bldg 55 HVAC units (\$60,000), Exterior paint Bldg 55 (\$10,000)	HVAC and exterior painting by 12/1
	Management Info Systems		45,000		Kronos updates- expansion of services and upgrade from 6.1 to 6.3. Wrap up interface work related to upgrade	90% complete, waiting on final VPN connection to go live on the cloud, scheduled for 9/18
	Management Info Systems		15,000		SAN storage expansion- to ensure adequate space for disaster recovery, disk-to-disk recovery and anticipated growth in data services	Waiting for completion of One Solution upgrade in October before initiating
	Management Info Systems		15,000		Disaster recovery equipment migration to hosted- project costs for the movement of equipment and services to co-location and sync DR data	Quote has been developed from Exagrid and scheduled for review
	Management Info Systems	12,200			Disk to Disk Back-up solution- For enterprise backup and recover as well as disaster recovery capability	Disk-to-disk backup has been integrated into the DR project for efficiency
	Management Info Systems		15,000		Mobile device lab- preproduction testing environment to provide mobile file access and security improvements	To be initiated in January 2014
	Management Info Systems		30,000		VM VDI hardware/software purchases- to expand virtual desktops to reduce desktop hardware costs	Will be started pending completion of One Solution upgrade
	Management Info Systems	50,000			OneSolution/Endowment Software Upgrade- To provide more efficient processing of donations and endowments	70% complete, Webforms, Mock go-live done, pending Cognos training and RC testing to remain on track
	Management Info Systems		20,000		Security log monitoring software	Pending close of PCI Gap Analysis
	Total Administration			232,000		
	Prior Years and Proposed Capital Budget	488,503		3,824,500		
	Total Prior Years and Proposed Capital Budget			4,313,003		

Note - the proposed capital budget assumes funding of \$1,309,000 from the Capital Reserve, \$229,000 from the Residential Board Meal Program Surplus Reserve and \$1,104,997 from the operations of the units.













College Services

The Magazine Connecting College Auxiliary Services Professionals

Greetings from

ANAHEIM

**OCTOBER
27-30 | 2013**

**ANAHEIM MARRIOTT HOTEL
ANAHEIM, CA**

NACAS 20THIRTEEN

CALIFORNIA DREAMIN'

MAKING TODAY'S DREAMS TOMORROW'S REALITY

INSIDE:

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Sessions, Big
Ideas**
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Your CA
Colleagues:
Take a
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TAKE A TOUR

Don't miss this opportunity to observe some auxiliary best practices in action during the campus tours as part of NACAS 2013. There is so much to see and experience at these beautiful institutions! All tours require pre-registration. Register for the tours when you register for the conference. If you have already registered for the conference and would like to add a campus tour, please print a registration form to provide payment and note which event you'd like to attend.

CAMPUS TOURS

NACAS 45th
Annual Conference
Oct. 27-30, 2013
Tuesday, Oct. 29
1:30 p.m. - 6 p.m.

CAL POLY POMONA

Striking a balance between urban excitement and rural charm, Cal Poly Pomona, one of only seven polytechnic universities nationwide, covers 1,438 acres and is the second largest in area among the California State University's 23 campuses. More than 3,000 faculty and staff support the education of 21,000 students.

In support of the polytechnic learn-by-doing philosophy, Innovation Village Research Park seeks to establish a world-class research and development environment for public-private partnerships. The leaders of tomorrow's industries exchange new ideas and work together with the campus community in creating new foundations for the future.

Aside from traditional classroom instruction, College of Agriculture students have the opportunity to learn everything about food production from start to finish using the latest technology on the Cal Poly Pomona fields, facilities and in the greenhouses. All products from student enterprise projects eventually end up for sale in the Farm Store at Kellogg Ranch.

ATTENDEES WILL:

Observe public-private partnerships at their finest by touring Innovation Village Research Park.

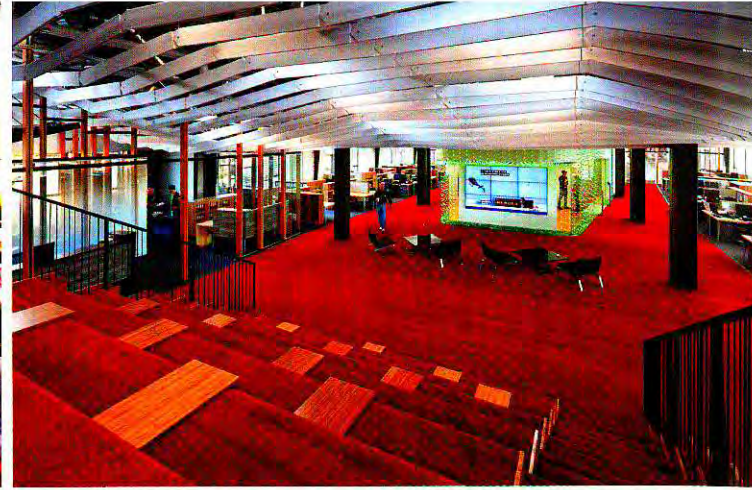
Innovation Village partners include Southern California Edison and the American Red Cross.

Gain insights from university-auxiliary partnership at the Farm Store at Kellogg Ranch and learn how campus grown and raised products can be used in commercial units and in student meal plans.

Tour the Arabian Horse Center, home to approximately 85 purebred Arabian horses used in Equin Sciences' teachings, outreach, research and internationally recognized breeding and training programs. Student employees and volunteers play an important role in center activities, connecting with the surrounding community.

Tour traditional retail locations including the bookstore, dining service operations, and the Kellogg West Conference Center and Hotel as part of the support offered to students, faculty, staff and visitors to the university.





CLAREMONT UNIVERSITY CONSORTIUM

A visit to The Claremont Colleges is a visit to eight institutions at once. Through a combination of discussions, bus tour, and visits to the Huntley Bookstore, and “Connection”—the ID card, copy, mail, discount ticket, laundry/dry cleaning services and café one-stop in the library—participants will learn about and see six of the seven colleges plus The Claremont University Consortium, which is the central support and services institution of the colleges. Additionally, we will briefly discuss the Association for Collaborative Leadership (ACL), which is headquartered at CUC, and offers support (much like NACAS) for hundreds of formal institutional

collaborations around the world (many NACAS members are also members of ACL). The tour will include a visit to one institution which was named by *Forbes* as one of the five most beautiful campuses in the world (you’ll have to take the tour to find out which one!).

ATTENDEES WILL:

Learn the very unique way that seven colleges and one support institution, sharing one footprint, work together to offer “the inestimable personal values of the small college and the facilities of the great university” through shared resources, cross-registrations and inter-campus social and educational opportunities, following the original Oxford-Cambridge Model.


Learn how The Claremont Colleges and CUC have integrated several student services including library, café, copy, ID card and laundry service into one convenient stop for students, faculty and staff.

Observe how all seven educational institutions, including five undergraduate colleges and two graduate schools share one bookstore, one library, one student health service, and many other resources. The colleges include Pomona College, Claremont Graduate University, Scripps College, Claremont McKenna College, Harvey Mudd College, Pitzer College and Keck Graduate Institute for Applied Sciences.

UNIVERSITY OF CALIFORNIA IRVINE

In 2012, UC Irvine (UCI) ranked first in the U.S. and fourth in the world among the 100 best universities less than 50 years old, according to an analysis by Times Higher Education. In 2013, Kiplinger ranked UCI 16th out of the top 100 best-value public colleges and universities in the nation. What is University of California Irvine’s secret? UCI constantly and consistently strives to provide students with high quality, service excellence. And most importantly the school strives to provide great value in every area of student life. UCI seeks innovative partnerships that assist the University in achieving their goal of providing an exceptional student experience.

Visit the newly renovated and expanded Student Center where careful and intentional selection and placement of a variety of regional, national and proprietary dining retail brands increased revenue by 125 percent since opening in 2008.

Visit Vista del Campo, which opened in 2004 and Camino del Sol, which opened in 2010 as part of a public/private partnership with American Campus Communities (ACC). At these properties, participants will tour the Community Center’s common area amenities, see a typical apartment and see a brief demonstration of ACC’s “Virtual Leasing Tool.” American Campus Communities has developed and now manages four distinct apartment communities on the UCI Campus, totaling 1,753 units and 5,158 beds, comprising nearly 40 percent of the university’s total housing stock. 

ATTENDEES WILL:

Learn how UCI’s Hospitality Service intentionally selected a dining retail brand portfolio to drive revenue growth by exceeding expectations and delivering a consistently exceptional customer experience. They implemented a data-driven market research process coupled with industry data and trends to increase the probability of success.



Photo by UC Irvine Communications.