

# Cal Poly Pomona Philanthropic Foundation

FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

Year Ended June 30, 2024

**CAL POLY POMONA PHILANTHROPIC FOUNDATION**  
Financial Statements and Supplementary Information  
Year Ended June 30, 2024

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## INDEPENDENT AUDITOR'S REPORT

To the Audit Committee  
Cal Poly Pomona Philanthropic Foundation

### **Report on the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the major fund and aggregate remaining fund information of Cal Poly Pomona Philanthropic Foundation (a nonprofit organization referred to as the Philanthropic Foundation), a component unit of Cal Poly Pomona, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Cal Poly Pomona Philanthropic Foundation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and aggregate remaining fund information of Cal Poly Pomona Philanthropic Foundation as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management's 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.

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

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

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

## INDEPENDENT AUDITOR'S REPORT, CONTINUED

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 – 11 to 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information for the California State University Chancellor's Office, on pages 31 – 49, 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 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 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## INDEPENDENT AUDITOR'S REPORT, CONTINUED

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2024, on our consideration of the Philanthropic 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 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 Philanthropic Foundation's internal control over financial reporting and compliance.

*Aldrich CPAs + Advisors LLP*

San Diego, California  
September 13, 2024

## **CAL POLY POMONA PHILANTHROPIC FOUNDATION**

Management's Discussion and Analysis (MD&A)

Year Ended June 30, 2024

### **INTRODUCTION**

The Cal Poly Pomona Philanthropic Foundation (Philanthropic Foundation) is a 501(c)(3) nonprofit auxiliary organization of California State Polytechnic University, Pomona (University). In March 2019, the Philanthropic Foundation received exempt status as a nonprofit organization under the Internal Revenue Service. It began operations on July 1, 2019, when, at the request of the University, the Cal Poly Pomona Foundation, Inc. (Enterprises) transferred, by gift, approximately \$133 million of restricted assets to the Philanthropic Foundation.

The Philanthropic Foundation has entered into a Support Services Agreement with Enterprises, wherein the latter provides fiscal and administrative services to the Philanthropic Foundation. The Philanthropic Foundation has no direct employees.

The Philanthropic Foundation was formed to support and advance the mission of the University. To fulfill its mission, the Philanthropic Foundation promotes, secures and stewards private support for the University through the receipt and management of gift assets, including endowment and program funds. It works in close partnership with the University's advancement division, which oversees the University's fundraising efforts. The Philanthropic Foundation accepts gifts of cash, securities, real estate, artwork, estate plans, and other in-kind gifts. The Philanthropic Foundation does not accept or administer government grants or contracts.

### **INTRODUCTION TO FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements prepared in accordance with the Governmental Accounting Standards Board (GASB) principles. The financial statements include the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; Statement of Cash Flows; Statement of Fiduciary Net Position; and Statement of Changes in Fiduciary Net Position. These statements are supported by notes to the basic financial statements and this section. All sections must be considered together to obtain a complete understanding of the financial picture of the Philanthropic Foundation.

Fiduciary funds are used to account for resources held for the benefit of parties outside the Philanthropic Foundation. The Philanthropic Foundation holds funds for the Cal Poly Pomona Alumni Association (Alumni Association). The Philanthropic Foundation's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position. Fiduciary funds are not reflected in the Philanthropic Foundation's financial statements because the resources of those funds are not available to support the Philanthropic Foundation's own programs.

The following discussion and analysis provide an overview of the financial position and activities of the Philanthropic Foundation for the year ended June 30, 2024.

See independent auditor's report.

**CAL POLY POMONA PHILANTHROPIC FOUNDATION**  
Management's Discussion and Analysis (MD&A)  
Year Ended June 30, 2024

**STATEMENT OF NET POSITION**

The Philanthropic Foundation's net position (the difference between assets and liabilities plus deferred inflows of resources), which is reported in the Statement of Net Position, is one indicator of the Philanthropic Foundation's financial health. The change in net position is an indicator of whether the overall financial condition has improved or worsened during the year. It also identifies major categories of restrictions on the net position of the Philanthropic Foundation.

Assets and liabilities are generally measured using current values. Two notable exceptions are investments and capital assets, with investments measured at either fair value using quoted market prices or net asset value (NAV) and capital assets at historical costs less accumulated 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 Statement of Net Position date.

**CAL POLY POMONA PHILANTHROPIC FOUNDATION**  
Management's Discussion and Analysis (MD&A)  
Year Ended June 30, 2024

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

	<b>2024</b> (in thousands)	<b>2023</b> (in thousands)
<b>Assets:</b>		
Current assets	\$ 65,045	\$ 54,177
Non-current assets:		
Restricted cash and cash equivalents	2,236	1,794
Accounts receivable	470	397
Pledges receivable, net	2,092	2,278
Endowment investments	184,756	163,701
Capital assets, net	10,853	10,782
Total non-current assets	200,407	178,952
<b>Total Assets</b>	<b>265,452</b>	<b>233,129</b>
<b>Liabilities:</b>		
Current liabilities	2,270	851
Non-current liabilities	258	234
<b>Total Liabilities</b>	<b>2,528</b>	<b>1,085</b>
<b>Deferred inflows of resources:</b>		
Split interest agreements	982	870
<b>Total Deferred Inflows of Resources</b>	<b>982</b>	<b>870</b>
<b>Net position:</b>		
Investment in capital assets, net	10,853	10,782
Restricted for:		
Nonexpendable - endowments	111,768	108,243
Expendable - endowments	39,004	25,417
Other - scholarships & programs	48,732	43,561
Unrestricted	51,585	43,171
<b>Total Net Position</b>	<b>\$ 261,942</b>	<b>\$ 231,174</b>

See independent auditor's report.



**CAL POLY POMONA PHILANTHROPIC FOUNDATION**  
Management's Discussion and Analysis (MD&A)  
Year Ended June 30, 2024

Assets totaled \$265.5 million and \$233.1 million for the fiscal years 2023-24 and 2022-23, respectively. The increase in assets was mainly due to the \$21 million increase in Endowment investments, as noted below in the Endowment Investments and Donations section, as well as the increase of \$9.3 million in General Investments. Total liabilities and deferred inflows were \$3.5 million and \$2.0 million for the fiscal years 2023-24 and 2022-23, respectively.

***Net Position***

Net position represents the residual interest in the Philanthropic Foundation's assets after liabilities plus deferred inflows of resources are deducted.

	<b>2024</b>	<b>2023</b>
	<i>(in thousands)</i>	<i>(in thousands)</i>
Investment in capital assets, net	\$ 10,853	\$ 10,782
Restricted for:		
Nonexpendable - endowments	111,768	108,243
Expendable - endowments	39,004	25,417
Other - scholarships & programs	48,732	43,561
Unrestricted	51,585	43,171
<b>Total net position</b>	<b>\$ 261,942</b>	<b>\$ 231,174</b>

Restricted nonexpendable net position includes the permanent endowment funds and restricted expendable net position includes funds designated to support scholarships and fellowships and other program activities, as well as the expendable portion of endowment funds. Unrestricted net position includes general fund net assets of the Philanthropic Foundation. The increase of \$30.8 million in net position was mainly due to the increase in endowment investment assets, as noted below in the Endowment Investments and Donations section.

***Endowment Investments and Donations***

Additions to endowment portfolio were \$3.4 million for the fiscal year ended June 30, 2024. The endowment portfolio had investment gains of \$24.1 million and had endowment distributions of \$5.3 million and administrative and investment fees of approximately \$0.5 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 Philanthropic 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.

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.

See independent auditor's report.

**CAL POLY POMONA PHILANTHROPIC FOUNDATION**  
Management's Discussion and Analysis (MD&A)  
Year Ended June 30, 2024

General investments consist of expendable funds that have been invested in the Philanthropic Foundation's general investment portfolio. The Philanthropic 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 2023-2024, net investment gains were approximately \$6.4 million (net of fees) as a result of capital markets influencing asset values and over-performance to the benchmark. 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.

During fiscal year 2023-2024 the University generated gifts of \$12.4 million. This amount does not include payments made on prior year pledges or commitments. The commitments by source are reported by University Advancement following Council for Advancement and Support Education (CASE) standards as follows:

**Cal Poly Pomona Philanthropic Foundation**

**Commitments by Source**  
**Campaign and Non-Campaign**  
**Year Ended June 30, 2024**

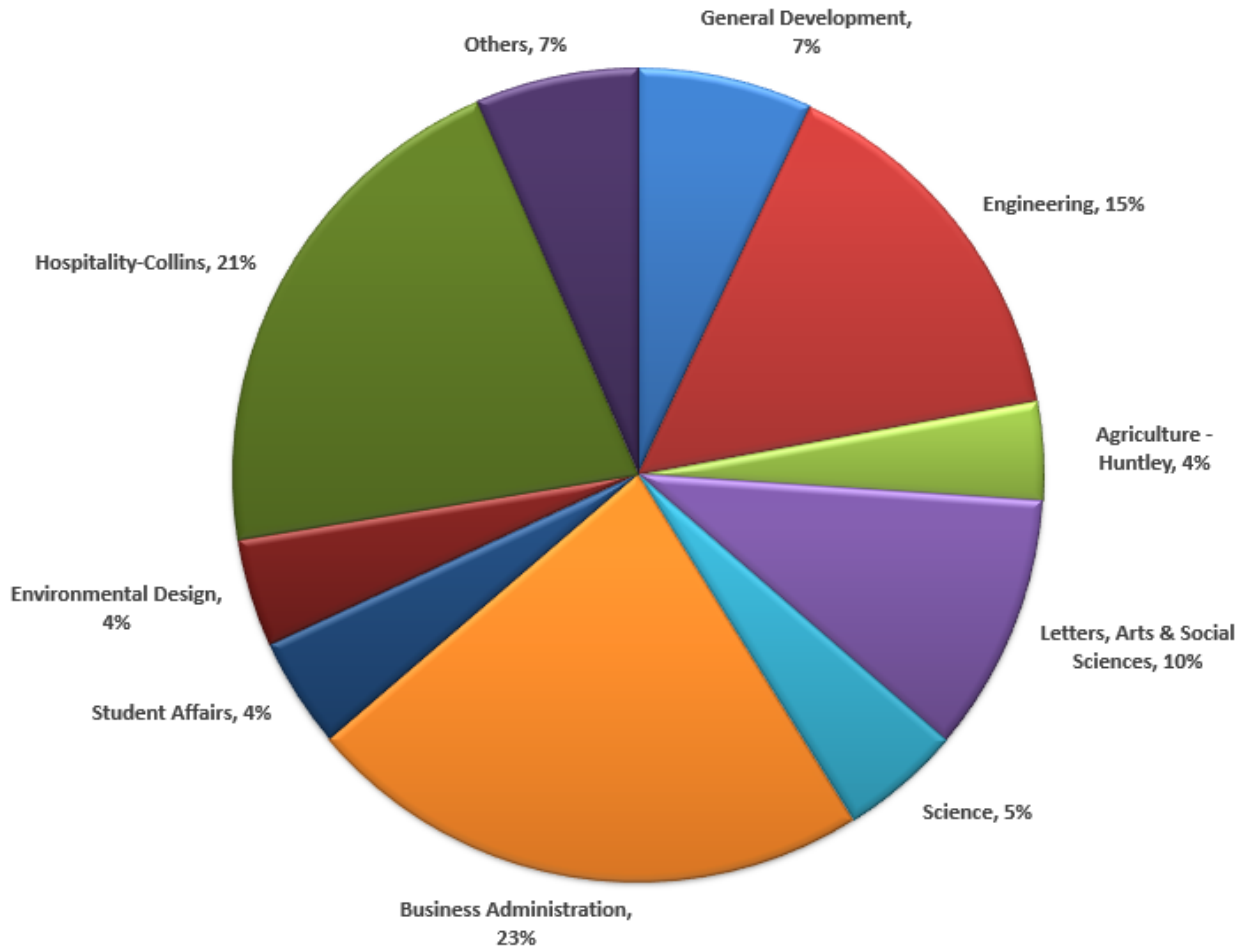
College/Area	Cash, GIK, Stock, Current Yr Pledge Payments	New Pledges	Planned Giving	Grand Total of New Gifts and Commitments
Agriculture-Huntley	\$ 452,558	\$ 35,000	\$ -	\$ 487,558
Athletics	\$ 195,065	\$ -	\$ -	\$ 195,065
Business Administration	\$ 2,246,668	\$ 560,000	\$ -	\$ 2,806,668
Education & Integrative Studies	\$ 188,665	\$ -	\$ -	\$ 188,665
Engineering	\$ 1,122,349	\$ 451,500	\$ 300,000	\$ 1,873,849
Environmental Design	\$ 410,547	\$ 101,026	\$ 20,000	\$ 531,573
General Development	\$ 594,175	\$ 269,000	\$ -	\$ 863,175
Hospitality-Collins	\$ 608,763	\$ -	\$ 2,000,000	\$ 2,608,763
Letters, Arts & Social Sciences	\$ 329,027	\$ 940,750	\$ -	\$ 1,269,777
Library	\$ 30,605	\$ -	\$ 200,000	\$ 230,605
Other-Acad Affairs, Alum, CPGE, IT, NCD	\$ 164,836	\$ -	\$ -	\$ 164,836
Science	\$ 587,538	\$ 7,500	\$ -	\$ 595,038
Student Affairs	\$ 347,590	\$ 110,000	\$ 86,799	\$ 544,389
Suspense/Pending	\$ 25,656	\$ -	\$ -	\$ 25,656
<b>Grand Total</b>	<b>\$ 7,304,042</b>	<b>\$ 2,474,776</b>	<b>\$ 2,606,799</b>	<b>\$ 12,385,617</b>

See independent auditor's report.

**CAL POLY POMONA PHILANTHROPIC FOUNDATION**  
 Management's Discussion and Analysis (MD&A)  
 Year Ended June 30, 2024

**Commitments by Source**

Total Gift: \$12.4 million  
 Year Ended June 30, 2024



\*Others Includes: Athletics, Education & Integrative Studies, Library, and Suspense/Pending.

***Capital Assets and Net Investment***

Net position invested in capital assets represents the Philanthropic Foundation's capital assets, net of accumulated depreciation. Capital asset purchases for the year totaled \$211,167 and \$149,532 in assets were transferred to the University. Depreciation expense for the year ended June 30, 2024, totaled \$140,560.

See independent auditor's report.

**CAL POLY POMONA PHILANTHROPIC FOUNDATION**  
Management's Discussion and Analysis (MD&A)  
Year Ended June 30, 2024

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

The Statement of Revenues, Expenses, and Changes in Net Position presents revenues earned and expenses incurred during the year. Activities are reported as either operating or nonoperating. This statement is prepared using the accrual basis of accounting.

A summary of the Philanthropic Foundation's revenues, expenses, and changes in net position for the years ended June 30 are as follows:

	<u>2024</u> <u>(in thousands)</u>
Operating revenues:	
Gifts, noncapital	\$ 9,221
Gifts, endowments	3,386
Other operating revenues	347
Total operating revenues	12,954
Operating expenses	12,431
Operating income	523
Nonoperating revenues (expenses):	
Investment income, net	6,369
Endowment income, net	24,055
Transfer to the University	(179)
Total nonoperating revenues, net	30,245
Increase in net position	30,768
Net position:	
Net position at beginning of year	231,174
Net position at end of year	\$ 261,942

Operating revenues include endowment gifts and noncapital gifts and can be affected by the timing of when a pledge payment is received, correspondingly the expenditures (i.e., instruction, academic and institutional support) may not be incurred in the same fiscal year.

See independent auditor's report.

**CAL POLY POMONA PHILANTHROPIC FOUNDATION**  
Management's Discussion and Analysis (MD&A)  
Year Ended June 30, 2024

Operating expenses for the Philanthropic Foundation include expenses for university programs, student scholarships, and administrative activities. University programs includes expenses associated with programs managed by the University, including expenses associated with University Advancement. Administrative activities include the contracted fees for service with the Foundation, audit fees, legal fees, and insurance fees.

Nonoperating revenues and expenses include interest and dividends earned by the General Investment Pool and the Endowment Fund, the transfer of assets to the University and other expenses.

**STATEMENT OF CASH FLOWS**

The Statement of Cash Flows provides relevant information about sources and uses of cash of an entity during a given period. It provides additional information on the Philanthropic Foundation's financial results by reporting the major sources and uses of cash. In addition, it provides information on the effects that cash and noncash investing, capital, and financing transactions during the year have on the Philanthropic Foundation's financial position.

The Statement of Cash Flows is prepared using the direct method of cash flows, and therefore presents gross transaction amounts rather than presenting the changes in Statement of Net Position line items year over year. It also provides insight into the reasons for differences between operating income and associated cash receipts and payments.

# CAL POLY POMONA PHILANTHROPIC FOUNDATION

## Statement of Net Position

June 30, 2024

### Assets:

#### Current assets:

Cash and cash equivalents	\$	3,363,235
Short-term investments		60,035,625
Accounts receivable		436,896
Accounts receivable from related parties		128,473
Pledges receivable, net		1,080,584
Total current assets		<u>65,044,813</u>

#### Non-current assets:

Restricted cash and cash equivalents		2,236,511
Accounts receivable		470,520
Pledges receivable, net		2,091,729
Endowment investments		184,756,069
Capital assets, net		10,852,639
Total non-current assets		<u>200,407,468</u>
Total assets	\$	<u><u>265,452,281</u></u>

### Liabilities:

#### Current liabilities:

Accounts payable	\$	403,574
Accounts payable to related parties		1,866,750
Total current liabilities		<u>2,270,324</u>

#### Non-current liabilities

Total liabilities		<u>2,528,512</u>
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### Deferred inflows of resources:

Split interest agreements		<u>982,142</u>
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### Net position:

Investment in capital assets, net		10,852,639
Restricted for:		
Nonexpendable - endowments		111,768,237
Expendable:		
Programs		40,534,881
Endowments		39,004,311
Scholarships and fellowships		8,196,351
Unrestricted		<u>51,585,208</u>
Total net position		<u>261,941,627</u>
Total liabilities, deferred inflows, and net position	\$	<u><u>265,452,281</u></u>

See accompanying notes to financial statements.

# CAL POLY POMONA PHILANTHROPIC FOUNDATION

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

Year Ended June 30, 2024

### Revenues:

#### Operating revenues:

Gifts, noncapital	\$	8,827,657
Gifts, endowments		3,385,957
Other operating revenues		745,216
Total operating revenues		<u>12,958,830</u>

### Expenses:

#### Operating expenses:

University programs		7,599,570
Student scholarships		2,806,676
Administrative activities		2,025,223
Total operating expenses		<u>12,431,469</u>
Operating income		<u>527,361</u>

### Nonoperating revenues (expenses):

Investment income, net		6,360,744
Endowment income, net		24,058,517
Other nonoperating expenses		(179,333)
Net nonoperating revenues (expenses)		<u>30,239,928</u>

Increase in net position 30,767,289

### Net position:

Net position at beginning of year		<u>231,174,338</u>
Net position at end of year	\$	<u>261,941,627</u>

See accompanying notes to financial statements.

**CAL POLY POMONA PHILANTHROPIC FOUNDATION**

Statement of Cash Flows

Year Ended June 30, 2024

<b>Cash Flows from Operating Activities:</b>	
Cash contributions received	\$ 12,823,534
Payments to suppliers	(10,871,257)
Other receipts	391,239
Net cash provided by operating activities	<u>2,343,516</u>
<b>Cash Flows from Noncapital Financing Activities:</b>	
Other noncapital financing activities	(155,301)
Net cash used by noncapital financing activities	<u>(155,301)</u>
<b>Cash Flows from Capital and Financing Activities:</b>	
Acquisitions of capital assets	(211,167)
Net cash used by capital and related financing activities	<u>(211,167)</u>
<b>Cash Flows from Investing Activities:</b>	
Proceeds from sales and maturities of investments	319,040,115
Purchases of investments	(341,473,709)
Investment income	22,493,698
Net cash provided by investing activities	<u>60,104</u>
Net increase in cash and cash equivalents	2,037,152
Cash and cash equivalents at beginning of year	<u>3,562,594</u>
Cash and cash equivalents at end of year	<u>\$ 5,599,746</u>
<b>Breakdown of ending cash balance:</b>	
Cash and cash equivalents	\$ 3,363,235
Restricted cash and cash equivalents	2,236,511
	<u>\$ 5,599,746</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	\$ 527,361
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	140,560
Change in assets and liabilities:	
Accounts receivable	(353,977)
Pledges receivable, net	609,920
Accounts payable and amounts payable to related parties	1,419,652
Net cash provided by operating activities	<u>\$ 2,343,516</u>

See accompanying notes to financial statements.



**CAL POLY POMONA PHILANTHROPIC FOUNDATION**

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2024

	<u>Alumni Association</u>
<b>Assets:</b>	
Current assets:	
Cash and cash equivalents	\$ 700,912
Accounts receivable	550
Total current assets	<u>701,462</u>
Non-current assets:	
Endowment investments	<u>540,336</u>
Total non-current assets	<u>540,336</u>
Total assets	<u>1,241,798</u>
<b>Net position:</b>	
Restricted for:	
Nonexpendable - endowments	450,000
Expendable:	
Programs	696,424
Endowments	90,336
Scholarships and fellowships	5,038
Total net position	<u>\$ 1,241,798</u>

See accompanying notes to financial statements.

**CAL POLY POMONA PHILANTHROPIC FOUNDATION**

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year Ended June 30, 2024

	<u>Alumni Association</u>
<b>Additions:</b>	
Commissions and fees	\$ 25,434
Contributions	2,588
Dues	57,594
Endowment distribution	29,801
Investment earnings	47,238
Total additions	<u>162,655</u>
<b>Deductions:</b>	
Operating expenses	61,246
Scholarships	3,000
Professional services	14,105
Fees	130
Total deductions	<u>78,481</u>
Increase in net position	<u>84,174</u>
<b>Net position:</b>	
Net position at beginning of year	<u>1,157,624</u>
Net position at end of year	<u>\$ <u>1,241,798</u></u>

See accompanying notes to financial statements.

## CAL POLY POMONA PHILANTHROPIC FOUNDATION

Notes to Financial Statements

Year Ended June 30, 2024

### Note (1) Organization

Cal Poly Pomona Philanthropic Foundation (Philanthropic Foundation) was organized as a nonprofit corporation and auxiliary organization of California State Polytechnic University, Pomona (University) in 2019. The Philanthropic Foundation provides and augments programs that are an integral part of the educational mission of the University. It was organized to assist the University primarily in the acquisition, investment and administration of gifts and endowments for the benefit of the University. The Philanthropic Foundation began its operations effective July 1, 2019, when, at the request of the University, the Cal Poly Pomona Foundation, Inc. (Foundation) transferred assets to the Philanthropic Foundation consisting of gifts and endowments which the Foundation held for the benefit of the University.

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

#### (a) *Financial Reporting Entity*

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

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

The Philanthropic Foundation is the trustee, or fiduciary, for assets that belong to the Cal Poly Pomona Alumni Association (Alumni Association). The Philanthropic Foundation is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The Philanthropic Foundation excludes these activities from their financial statements because the Philanthropic Foundation cannot use these assets to finance its operations.

## CAL POLY POMONA PHILANTHROPIC FOUNDATION

Notes to Financial Statements

Year Ended June 30, 2024

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

#### ***(b) Basis of Presentation***

The Philanthropic Foundation records revenue in part from assisting the University in various activities as described in Note 1 above and accordingly, presents 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 Philanthropic Foundation to be reported in a single column each year in each of the basic financial statements. The effect of any internal activity between funds or groups of funds has been eliminated from these basic financial statements.

#### ***(c) 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 GASB. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Fiduciary fund financial statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The Philanthropic Foundation's fiduciary funds only include Custodial Funds, which are used to report fiduciary activities where the Philanthropic Foundation does not control the assets and the assets are for the benefit of the Alumni Association. These assets are not held in a trust and are distributed based on the direction of the Alumni Association. The Custodial Funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting in accordance with GASB Statement No. 84, Fiduciary Activities.

#### ***(d) Classification of Current and Noncurrent Assets and Liabilities***

The Philanthropic Foundation considers assets to be current that can reasonably be expected, as part of its normal business operations, to be converted to cash and be available for liquidation within 12 months of the statement of net position date. Liabilities that reasonably can be expected, as part of normal Philanthropic Foundation business operations, to be liquidated within 12 months of the statement of net position date are considered to be current. All other assets and liabilities are considered to be noncurrent.

## CAL POLY POMONA PHILANTHROPIC FOUNDATION

Notes to Financial Statements

Year Ended June 30, 2024

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

#### *(e) Cash and Cash Equivalents*

The Philanthropic Foundation considers all highly liquid investments with an original maturity date of three months or less to be cash equivalents. Restricted cash consists of cash and other highly liquid investments with original maturity dates of three months or less held in the Philanthropic Foundation's endowment portfolio.

#### *(f) Investments and Endowment Investments*

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

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

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

#### *(g) Accounts Receivable*

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Philanthropic Foundation provides for losses on account receivables using the allowance method. The allowance is based on the length of time the receivable has been outstanding. There was no allowance for doubtful accounts at June 30, 2024 as management believes all receivables are collectible.

#### *(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 rate used ranges from 0.43% to 5.75% depending upon the year the pledge began. An allowance for uncollectible pledges is provided based upon management's judgment, including such factors as prior collection history, type of contribution and nature of fundraising activity.

## CAL POLY POMONA PHILANTHROPIC FOUNDATION

Notes to Financial Statements

Year Ended June 30, 2024

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

#### (i) *Capital Assets*

Capital assets are stated at 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 Philanthropic Foundation or title to an asset is transferred to the University and not included in the Philanthropic Foundation's capital assets. Depreciation is determined using the straight-line method over the estimated lives of the assets ranging from 7 to 30 years. 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.

#### (j) *Deferred Inflows of Resources*

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

#### (k) *Net Position*

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

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

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

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

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

## CAL POLY POMONA PHILANTHROPIC FOUNDATION

Notes to Financial Statements

Year Ended June 30, 2024

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

#### *(l) Classification of Revenues and Expenses*

The Philanthropic 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 Philanthropic Foundation's primary functions. Exchange transactions include charges for services rendered and the acquisition of goods and services. Certain other transactions are reported as nonoperating revenues and expenses in accordance with GASB Statement No. 33. These nonoperating activities include the Philanthropic Foundation's net investment income/loss, endowment income/loss, transfer of assets to the University, and net assets transferred from the Foundation.

#### *(m) Income Taxes*

The Philanthropic 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 Philanthropic 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 Philanthropic 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.

#### *(n) 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, outflows, liabilities, inflows, revenues, and expenses in the accompanying basic financial statements. Actual results could differ from those estimates.

#### *(o) Subsequent Events*

The Philanthropic Foundation has evaluated subsequent events through September 13, 2024, which is the date the financial statements were available to be issued.

## CAL POLY POMONA PHILANTHROPIC FOUNDATION

Notes to Financial Statements

Year Ended June 30, 2024

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

#### ***(p) Implementation of a New Accounting Standard***

During the fiscal year ended June 30, 2024, the Philanthropic Foundation implemented GASB Statement No. 100, Accounting Changes and Error Corrections. The objective of the Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. Included within the guidance are updates to how to report changes in accounting principles, changes in accounting estimates, changes to or within the financial reporting entity, and error corrections. Additionally, the Statement provides information on required note disclosures and the effect of prior period restatements on the Management's Discussion and Analysis (MD&A). The Philanthropic Foundation's financial statements were not impacted by the implementation of this standard in the current year.

### **Note (3) Cash, Cash Equivalents, and Investments**

#### **Custodial Credit Risk**

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

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

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Philanthropic Foundation will not be able to recover the value of its investments that are in the possession of the counterparty. As of June 30, 2024, all investments are in the name of the Philanthropic Foundation, and the Philanthropic Foundation is not exposed to custodial credit risk associated with its investments.



**CAL POLY POMONA PHILANTHROPIC FOUNDATION**

Notes to Financial Statements

Year Ended June 30, 2024

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

Following is a list of acceptable instruments to invest in as of June 30, 2024:

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

**Interest Rate Risk**

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

As of June 30, 2024, all mutual funds and exchange traded funds invested in fixed income securities, with total fair value of \$75,856,340, have a duration between one and ten years. Of that total, \$25,957,936 were in general investments and \$49,898,404 were in endowment investments.

**CAL POLY POMONA PHILANTHROPIC FOUNDATION**

Notes to Financial Statements

Year Ended June 30, 2024

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

**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 Philanthropic Foundation’s investment policy requires that corporate debt must carry an investment grade rating by at least two of three rating agencies at the time of purchase. The debt mutual funds and exchanged traded funds are unrated.

The Philanthropic Foundation had the following investments subject to credit risk:

<u>Investment Type</u>	<u>Rating (S&amp;P/Moody's)</u>	<u>Fair Value</u>
Mutual Funds - Domestic Fixed Income	Various	\$70,401,561
Mutual Funds - Global Fixed Income	Various	\$ 5,454,779

**Concentration of Credit Risk**

The Philanthropic 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 returns in the investment portfolio while preserving capital, the Philanthropic Foundation’s investment policy provides for a range and target weighted asset allocation as follows:

<u>Asset Class</u>	<u>Range</u>	<u>Range</u>
Equities	20-45%	25-60%
U.S Equity	20-45%	25-60%
Non-U.S. Equity	0-30%	10-35%
Fixed Income	25-50%	15-40%
Alternatives	0-25%	0-30%
Cash Equivalents	0-10%	0-10%

As of June 30, 2024, the Philanthropic Foundation was not exposed to concentration of credit risk as there were no investments in a single issuer in excess of 5%.

## CAL POLY POMONA PHILANTHROPIC FOUNDATION

Notes to Financial Statements

Year Ended June 30, 2024

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

#### Fair Value Measurement

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

The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels. Level 1 inputs are quoted prices (unadjusted) for identical investments in active markets at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an investment, either directly or indirectly. Level 3 inputs are unobservable inputs for an investment. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

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

The carrying value of cash, receivables, and payables approximates fair value as of June 30, 2024 due to the relatively short maturities of these instruments.

	Assets at Fair Value				
	Total	Level 1	Level 2	Level 3	NAV
Mutual Funds:					
Domestic Fixed Income	\$ 70,401,561	\$ 70,401,561	\$ -	\$ -	\$ -
Global Fixed Income	5,454,779	5,454,779	-	-	-
Large Cap Equities	104,199,432	104,199,432	-	-	-
Small-Mid Cap Equities	8,092,786	8,092,786	-	-	-
Int'l & EM Equities	39,406,151	39,406,151	-	-	-
REITS and ETPs	4,465	4,465	-	-	-
Exchange Traded Funds:					
Large Cap Equities	77,520	77,520	-	-	-
Small-Mid Cap Equities	54,377	54,377	-	-	-
REITS and ETPs	25,547	25,547	-	-	-
Hedged Equity	10,041	-	-	-	10,041
Equity Securities:					
Large Cap Equities	99,124	99,124	-	-	-
Int'l & EM Equities	12,232	12,232	-	-	-
Alternative Investments:					
Private Equity	11,950,344	-	-	-	11,950,344
Hedge Funds	3,624,667	-	-	-	3,624,667
REITS and ETPs	1,871,323	-	-	-	1,871,323
Hedged Equity	47,681	47,681	-	-	-
	<u>\$ 245,332,030</u>	<u>\$ 227,875,655</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,456,375</u>

**CAL POLY POMONA PHILANTHROPIC FOUNDATION**

Notes to Financial Statements

Year Ended June 30, 2024

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

**Fair Value Measurement (continued)**

Fair value measurements on the Statement of Net Position consist of the following:

	<u>General Funds</u>	<u>Fiduciary Funds</u>	<u>Total Investments</u>
Short-Term Investments	\$ 60,035,625	\$ -	\$ 60,035,625
Endowment Investments	184,756,069	540,336	185,296,405
	<u>\$ 244,791,694</u>	<u>\$ 540,336</u>	<u>\$ 245,332,030</u>

As a practical expedient, certain financial instruments may be valued using NAV per share. NAV is the amount of net assets attributable to each share of outstanding capital stock at the end of the period.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2024.

- a) Mutual funds are managed by separate investment management firms. These mutual funds are valued using quoted market prices for identical investments in active markets which approximate fair value.
- b) Exchange traded funds are valued at the closing price reported on the active market on which the individual securities are traded.
- c) Equity securities are valued at quoted market prices in active markets.
- d) Hedge funds are managed by four separate investment management firms in either pooled master limited partnerships or mutual funds. Hedge Funds are valued using net asset value per share.
- e) Private equity funds are master limited partnership multi-manager program investments valued using net asset value per share.
- f) Real estate investment trusts (REITs) are managed by an investment management firm (Blackstone) and are valued using net asset value per share.
- g) Money market valued at cost plus interest.

## CAL POLY POMONA PHILANTHROPIC FOUNDATION

Notes to Financial Statements

Year Ended June 30, 2024

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

#### Investments Measured at NAV

Commitments and redemption schedules for those investments value based on net asset values are as follows:

Description	Fair Value	Unfunded Comittment	Redemption Frequency	Redemption Notice
Private Equity Funds - Hamilton Lane	\$9,622,120	\$3,128,088	None	None
Private Credit Fund - BP Credit Opportunities Fund BVI, LP	2,328,224	210,445	None	None
Private Credit Fund - Apollo Diversified Real Estate Fund	1,871,323	-	None	None
Hedge Fund - Ironwood	1,817,396	-	Quarterly	65 days
Hedge Fund - Atlas	1,807,271	-	Semi-annual	30 days
Hedged Equity - WisdomTree (Japan)	10,041	-	None	None

The Philanthropic Foundation invested in the private equity funds, Hamilton Lane and has unfunded commitments of \$3,128,088 against its commitment of \$12,000,000 in the endowment portfolio. The market value is \$9,622,210 as of June 30, 2024. The funds are managed by a general partnership and is not redeemable during the term of 12 years with a three-year option to extend by the general partner.

The Philanthropic Foundation's hedge fund investments are managed by three separate investment management firms in either pooled limited partnerships or mutual funds. The Philanthropic Foundation's REIT investments are managed by Apollo. Hedge funds and REITs have historically provided a differentiated risk and rate-of-return profile than equities or fixed income and thus are expected to increase portfolio diversification and help smooth overall portfolio returns. The market value of the hedge fund investments is \$3,624,667 as of June 30, 2024. The market value of the REIT is \$1,871,323 as of June 30, 2024.

#### Investment Earnings

Net investment gains for the year ended June 30, 2024, for the Operating Fund were \$30,419,261 and \$47,238 for the Fiduciary Fund. The total is comprised of interest, dividends, realized gains and losses, and unrealized gains and losses due to changes in the fair value of investments held at year-end, net of investment fees. Investment income or losses are distributed ratably to participating funds.

## CAL POLY POMONA PHILANTHROPIC FOUNDATION

Notes to Financial Statements

Year Ended June 30, 2024

### Note (4) Accounts and Pledges Receivable

Receivables consisted of the following:

#### Pledges receivable:

Within one year	\$	1,089,498
Within two to five years		2,323,491
Less allowance for uncollectible pledges		(8,914)
Less discount to reflect pledges receivable at present value		(231,762)
Pledge receivable, net		<u>3,172,313</u>

#### Other activities:

Accounts receivable		436,896
Due from Related Parties		128,473
Total receivables, net		<u>565,369</u>

Total accounts and pledges receivable	\$	<u><u>3,737,682</u></u>
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### Note (5) Endowments

As of June 30, 2024, the Philanthropic Foundation has approximately \$184.76 million in its endowment portfolio.

Endowments are administered in an investment pool using the dollar weighted daily average methodology. Contributions to an individual endowment increase the percentage of the endowment's dollar weighted daily average thus increasing the endowment's share of investment returns for the month. It is the goal of the Philanthropic 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 PHILANTHROPIC FOUNDATION**

Notes to Financial Statements  
Year Ended June 30, 2024

**Note (5) Endowments (continued)**

The Philanthropic Foundation follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA). 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 Philanthropic Foundation’s administration of endowment funds policy provides the guidance for the distribution of the net appreciation of restricted endowments. It is the Philanthropic Foundation’s policy to distribute annually an amount up to 4% of the endowment market value based on the 12-quarter moving average market value. The effective rate equals the amount distributed divided by the market value on September 30th. At the time of valuation, no distribution will be made from an individual endowment if its market value is equal to or less than 90% of its corpus. Partial distributions will be made as long as a distribution shall not cause the market value to drop below 90% of the corpus. Endowment earning distributions will occur as approved by the Board.

**Note (6) Capital Assets**

The following provides a summary of changes in capital assets for the year ended June 30, 2024:

	Balance June 30, 2023	Additions	Retirement / Transfer	Balance June 30, 2024
Capital assets not being depreciated:				
Land	\$ 5,015,474	\$ -	\$ -	\$ 5,015,474
Works of art and historical treasures	1,663,065	-	-	1,663,065
Construction work in progress (CWIP)	412,227	166,166	-	578,393
Total capital assets not being depreciated	7,090,766	166,166	-	7,256,932
Capital assets being depreciated:				
Buildings and buildings improvements	4,117,519	-	-	4,117,519
Equipment, furniture, and vehicles	15,291	45,001	-	60,292
Total capital assets being depreciated	4,132,810	45,001	-	4,177,811
Total capital assets	11,223,576	211,167	-	11,434,743
Less accumulated depreciation for:				
Buildings and building improvements	434,627	137,251	-	571,878
Equipment, furniture, and vehicles	6,917	3,309	-	10,226
Total accumulated depreciation	441,544	140,560	-	582,104
Depreciable assets, net	3,691,266	(95,559)	-	3,595,707
Total capital assets, net	\$ 10,782,032	\$ 70,607	\$ -	\$ 10,852,639

## CAL POLY POMONA PHILANTHROPIC FOUNDATION

Notes to Financial Statements

Year Ended June 30, 2024

### Note (7) Transactions with Related Parties

#### *California State Polytechnic University, Pomona*

The Philanthropic Foundation and the University provide various services on each other's behalf. Such services are appropriately billed. Accounts payable include \$1,284,281 due to the University at June 30, 2024.

Amounts paid by the Philanthropic Foundation for the year ended June 30, 2024 totaled \$3,719,177. Amounts paid to the Philanthropic Foundation for the year ended June 30, 2024 totaled \$244,650. At June 30, 2024, receivables due from the University totaled \$95,598.

During the year ended June 30, 2024, the Philanthropic Foundation transferred assets totaling \$149,532 comprised of building improvements, equipment and renovations to various facilities at the University. The University assumed ownership and management of the building improvements, equipment and facilities.

#### *Associated Students, Inc. California State Polytechnic University, Pomona (ASI)*

The Philanthropic Foundation provides various services on ASI's behalf, a separate non-profit corporation that serves students. Such services are appropriately billed. Accounts payable include \$6,049 due to ASI at June 30, 2024.

Amounts paid by the Philanthropic Foundation for the year ended June 30, 2024 totaled \$9,725. Amounts paid to the Philanthropic Foundation for the year ended June 30, 2024 totaled \$14,606. At June 30, 2024, receivables due from ASI totaled \$28,669.

#### *Cal Poly Pomona Foundation, Inc.*

The Foundation and Philanthropic Foundation are subject to Support Services Agreement, wherein the Foundation provides fiscal and administrative services to the Philanthropic Foundation. Such services are appropriately billed. Amounts paid by the Philanthropic Foundation for the year ended June 30, 2024, totaled \$2,997,262, of which \$500,000 was part of the Support Services Agreement. Accounts payable to the Foundation totaled \$576,420 as of June 30, 2024.

Amounts paid to the Philanthropic Foundation for the year ended June 30, 2024 totaled \$497,562. At June 30, 2024, receivables due from the Foundation totaled \$4,206.

### Note (8) Supplemental Non-Cash Disclosures

The following are non-cash transactions for the year ended June 30, 2024.

New Pledges receivable made during the year	\$	3,034,181
Transfer of Assets to the University	\$	149,532



**SUPPLEMENTARY INFORMATION**

**CAL POLY POMONA PHILANTHROPIC FOUNDATION**  
Schedule of Net Position  
June 30, 2024  
(for inclusion in the California State University)

**Assets:**

**Current assets:**

Cash and cash equivalents	3,363,235
Short-term investments	60,035,625
Accounts receivable, net	565,369
Lease receivable, current portion	-
P3 receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	1,080,584
Prepaid expenses and other current assets	-
	-
<b>Total current assets</b>	<b>65,044,813</b>

**Noncurrent assets:**

Restricted cash and cash equivalents	2,236,511
Accounts receivable, net	470,520
Lease receivable, net of current portion	-
P3 receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	2,091,729
Endowment investments	184,756,069
Other long-term investments	-
Capital assets, net	10,852,639
Other assets	-
	-
<b>Total noncurrent assets</b>	<b>200,407,468</b>
<b>Total assets</b>	<b>265,452,281</b>

**Deferred outflows of resources:**

Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	-
Leases	-
P3	-
Others	-
	-
<b>Total deferred outflows of resources</b>	<b>-</b>

See independent auditor's report.

**CAL POLY POMONA PHILANTHROPIC FOUNDATION**  
Schedule of Net Position  
June 30, 2024  
(for inclusion in the California State University)

**Liabilities:**

**Current liabilities:**

Accounts payable	2,270,324
Accrued salaries and benefits	-
Accrued compensated absences, current portion	-
Unearned revenues	-
Lease liabilities, current portion	-
SBITA liabilities - current portion	-
P3 liabilities - current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	-
	-
<b>Total current liabilities</b>	2,270,324

**Noncurrent liabilities:**

Accrued compensated absences, net of current portion	-
Unearned revenues	-
Grants refundable	-
Lease liabilities, net of current portion	-
SBITA liabilities, net of current portion	-
P3 liabilities, net of current portion	-
Long-term debt obligations, net of current portion	-
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	-
Net pension liability	-
Other liabilities	-
	258,188
<b>Total noncurrent liabilities</b>	258,188
<b>Total liabilities</b>	2,528,512

See independent auditor's report.

**CAL POLY POMONA PHILANTHROPIC FOUNDATION**  
Schedule of Net Position  
June 30, 2024  
(for inclusion in the California State University)

<b>Deferred inflows of resources:</b>	
P3 service concession arrangements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Lease	-
P3	-
Others	982,142
	<hr/>
<b>Total deferred inflows of resources</b>	<b>982,142</b>
	<hr/>
<b>Net position:</b>	
Net investment in capital assets	10,852,639
Restricted for:	
Nonexpendable – endowments	111,768,237
Expendable:	
Scholarships and fellowships	8,196,351
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	131,124,400
Unrestricted	-
	<hr/>
<b>Total net position</b>	<b>261,941,627</b>
	<hr/> <hr/>

See independent auditor's report.

**CAL POLY POMONA PHILANTHROPIC FOUNDATION**  
Schedule of Revenue, Expenses, and Changes in Net Position  
Year Ended June 30, 2024  
(for inclusion in the California State University)

**Revenues:**

**Operating revenues:**

Student tuition and fees, gross	-
Scholarship allowances (enter as negative)	-
<b>Grants and contracts, noncapital:</b>	
Federal	-
State	-
Local	-
Nongovernmental	-
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	-
Scholarship allowances (enter as negative)	-
Other operating revenues	745,216
	<u>745,216</u>
<b>Total operating revenues</b>	<b><u>745,216</u></b>

**Expenses:**

**Operating expenses:**

Instruction	1,147,875
Research	242,576
Public service	90,922
Academic support	3,857,015
Student services	306,050
Institutional support	1,786,989
Operation and maintenance of plant	27,583
Student grants and scholarships	2,806,676
Auxiliary enterprise expenses	2,025,223
Depreciation and amortization	140,560
	<u>12,431,469</u>
<b>Total operating expenses</b>	<b><u>12,431,469</u></b>
<b>Operating income (loss)</b>	<b><u>(11,686,253)</u></b>

See independent auditor's report.

**CAL POLY POMONA PHILANTHROPIC FOUNDATION**  
Schedule of Revenue, Expenses, and Changes in Net Position  
Year Ended June 30, 2024  
(for inclusion in the California State University)

**Nonoperating revenues (expenses):**

State appropriations, noncapital	-
Federal financial aid grants, noncapital	-
State financial aid grants, noncapital	-
Local financial aid grants, noncapital	-
Nongovernmental and other financial aid grants, noncapital	-
Other federal nonoperating grants, noncapital	-
Gifts, noncapital	12,213,614
Investment income (loss), net	6,360,744
Endowment income (loss), net	24,058,517
Interest expense	-
Other nonoperating revenues (expenses)	(179,333)

<b>Net nonoperating revenues (expenses)</b>	<b>42,453,542</b>
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<b>Income (loss) before other revenues (expenses)</b>	<b>30,767,289</b>
---	-------------------

State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-

<b>Increase (decrease) in net position</b>	<b>30,767,289</b>
--	-------------------

**Net position:**

Net position at beginning of year, as previously reported	231,174,338
Restatements	-

<b>Net position at beginning of year, as restated</b>	<b>231,174,338</b>
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<b>Net position at end of year</b>	<b>261,941,627</b>
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See independent auditor's report.

**CAL POLY POMONA PHILANTHROPIC FOUNDATION**

Other Information

June 30, 2024

(for inclusion in the California State University)

**1 Cash and cash equivalents:**

Portion of restricted cash and cash equivalents related to endowments	\$	2,236,511
All other restricted cash and cash equivalents		
<b>Noncurrent restricted cash and cash equivalents</b>		<u><b>2,236,511</b></u>
Current cash and cash equivalents		<u>3,363,235</u>
<b>Total</b>	<b>\$</b>	<b><u><u>5,599,746</u></u></b>

See independent auditor's report.

**CAL POLY POMONA PHILANTHROPIC FOUNDATION**

Other Information

June 30, 2024

(for inclusion in the California State University)

**2.1 Composition of investments:**

<b>Investment Type</b>	<b>Current</b>	<b>Noncurrent</b>	<b>Total</b>
Money market funds	\$ -	-	-
Repurchase agreements	-	-	-
Certificates of deposit	-	-	-
U.S. agency securities	-	-	-
U.S. treasury securities	8,828,189	12,004,062	<b>20,832,251</b>
Municipal bonds	-	-	-
Corporate bonds	14,807,913	28,866,562	<b>43,674,475</b>
Asset-backed securities	-	-	-
Mortgage-backed securities	-	-	-
Commercial paper	-	-	-
Supranational	-	-	-
Mutual funds	35,597,803	126,914,309	<b>162,512,112</b>
Exchange-traded funds	10,041	157,444	<b>167,485</b>
Equity securities	111,356	-	<b>111,356</b>
Alternative investments:			
Private equity (including limited partnerships)	-	11,950,344	<b>11,950,344</b>
Hedge funds	-	3,672,348	<b>3,672,348</b>
Managed futures	-	-	-
Real estate investments (including REITs)	680,323	1,191,000	<b>1,871,323</b>
Commodities	-	-	-
Derivatives	-	-	-
Other alternative investments	-	-	-
Other external investment pools	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-
State of California Local Agency Investment Fund (LAIF)	-	-	-
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Other investments:			
Total other investments	-	-	-
<b>Total investments</b>	<b>60,035,625</b>	<b>184,756,069</b>	<b>244,791,694</b>
Less endowment investments (enter as negative number)		<b>(184,756,069)</b>	<b>(184,756,069)</b>
<b>Total investments, net of endowments</b>	<b>\$ 60,035,625</b>	<b>-</b>	<b>60,035,625</b>

See independent auditor’s report.









**CAL POLY POMONA PHILANTHROPIC FOUNDATION**  
**Other Information**  
**June 30, 2024**  
**(for inclusion in the California State University)**

**Capital Assets, Right of Use**

<u>Composition of capital assets - Lease ROU, net:</u>	Balance June 30, 2023	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2023 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2024
<b>Non-depreciable/Non-amortizable lease assets:</b>									
Land and land improvements	-				-				-
<b>Total non-depreciable/non-amortizable lease assets</b>	<b>-</b>				<b>-</b>				<b>-</b>
<b>Depreciable/Amortizable lease assets:</b>									
Land and land improvements					-				-
Buildings and building improvements					-				-
Improvements, other than buildings					-				-
Infrastructure					-				-
Personal property:									
Equipment					-				-
<b>Total depreciable/amortizable lease assets</b>	<b>-</b>				<b>-</b>				<b>-</b>
<b>Less accumulated depreciation/amortization:</b>									
Land and land improvements					-				-
Buildings and building improvements					-				-
Improvements, other than buildings					-				-
Infrastructure					-				-
Personal property:									
Equipment					-				-
<b>Total accumulated depreciation/amortization</b>	<b>-</b>				<b>-</b>				<b>-</b>
<b>Total capital assets - lease ROU, net</b>	<b>-</b>				<b>-</b>				<b>- \$</b>

See independent auditor's report.

**CAL POLY POMONA PHILANTHROPIC FOUNDATION**  
**Other Information**  
**June 30, 2024**  
**(for inclusion in the California State University)**

<u>Composition of capital assets - SBITA ROU, net</u>	Balance June 30, 2023	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2023 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2024
<b>Depreciable/Amortizable SBITA assets:</b>									
Software					-				-
<b>Total depreciable/amortizable SBITA assets</b>	-	-	-	-	-	-	-	-	-
<b>Less accumulated depreciation/amortization:</b>									
Software					-				-
<b>Total accumulated depreciation/amortization</b>	-	-	-	-	-	-	-	-	-
<b>Total capital assets - SBITA ROU, net</b>	-	-	-	-	-	-	-	-	-
<b>Composition of capital assets - P3 ROU, net:</b>	Balance June 30, 2023	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2023 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2024
<b>Non-depreciable/Non-amortizable P3 assets:</b>									
Land and land improvements					-				-
<b>Total non-depreciable/non-amortizable P3 assets</b>	-	-	-	-	-	-	-	-	-
<b>Depreciable/Amortizable P3 assets:</b>									
Land and land improvements					-				-
Buildings and building improvements					-				-
Improvements, other than buildings					-				-
Infrastructure					-				-
Personal property:									
Equipment					-				-
<b>Total depreciable/amortizable P3 assets</b>	-	-	-	-	-	-	-	-	-
<b>Less accumulated depreciation/amortization:</b>									
Land and land improvements					-				-
Buildings and building improvements					-				-
Improvements, other than buildings					-				-
Infrastructure					-				-
Personal property:									
Equipment					-				-
<b>Total accumulated depreciation/amortization</b>	-	-	-	-	-	-	-	-	-
<b>Total capital assets - P3 ROU, net</b>	-	-	-	-	-	-	-	-	-
<b>Total capital assets, net including ROU assets</b>									<u>\$ 10,852,639</u>
<b>Total capital assets, net including ROU assets</b>									<u>\$ -</u>

See independent auditor's report.

**CAL POLY POMONA PHILANTHROPIC FOUNDATION**

Other Information

June 30, 2024

(for inclusion in the California State University)

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

Depreciation and amortization expense - capital assets, excluding ROU assets	\$	140,560
Amortization expense - Leases ROU		-
Amortization expense - SBITA ROU		-
Amortization expense - P3 ROU		-
Depreciation and Amortization expense - Others		-
<b>Total depreciation and amortization</b>	<b>\$</b>	<b>140,560</b>

**4 Long-term liabilities: Not Applicable**

**Future minimum payments schedule - leases, SBITA, P3: Not**

**5 Applicable**

**Future minimum payments schedule - Long-term debt obligations: Not**

**6 Applicable**

**7 Transactions with related entities:**

Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$	815,387
Payments to University for other than salaries of University personnel		2,903,790
Payments received from University for services, space, and programs		244,650
Gifts-in-kind to the University from discretely presented component units		-
Gifts (cash or assets) to the University from discretely presented component units		149,532
Accounts payable to University		(1,284,281)
Other amounts payable to University		-
Accounts receivable from University		95,598
Other amounts receivable from University		-

**8 Restatements: Not Applicable**

See independent auditor's report.

**CAL POLY POMONA PHILANTHROPIC FOUNDATION**

Other Information

June 30, 2024

(for inclusion in the California State University)

9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	\$ -	-	-	-	-	1,147,875		1,147,875
Research	-	-	-	-	-	242,576		242,576
Public service	-	-	-	-	-	90,922		90,922
Academic support	-	-	-	-	-	3,857,015		3,857,015
Student services	-	-	-	-	-	306,050		306,050
Institutional support	-	-	-	-	-	1,786,989		1,786,989
Operation and maintenance of plant	-	-	-	-	-	27,583		27,583
Student grants and scholarships	-	-	-	-	2,806,676			2,806,676
Auxiliary enterprise expenses	-	-	-	-	-	2,025,223		2,025,223
Depreciation and amortization							140,560	140,560
<b>Total operating expenses</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,806,676</b>	<b>9,484,233</b>	<b>140,560</b>	<b>\$ 12,431,469</b>

See independent auditor's report.

**CAL POLY POMONA PHILANTHROPIC FOUNDATION**

Other Information

June 30, 2024

(for inclusion in the California State University)

**No pension plan reported**

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

**1. Deferred Outflows of Resources**

Deferred outflows - unamortized loss on refunding(s)

Deferred outflows - net pension liability

Deferred outflows - net OPEB liability

Deferred outflows - leases

Deferred outflows - P3

Deferred outflows - others:

Sales/intra-entity transfers of future revenues

Gain/loss on sale leaseback

Loan origination fees and costs

Change in fair value of hedging derivative instrument

Irrevocable split-interest agreements

Total deferred outflows - others

-
---

**Total deferred outflows of resources**

<b>\$ -</b>
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See independent auditor's report.



**CAL POLY POMONA PHILANTHROPIC FOUNDATION**

Other Information

June 30, 2024

(for inclusion in the California State University)

**2. Deferred Inflows of Resources**

Deferred inflows - P3 service concession arrangements

Deferred inflows - net pension liability

Deferred inflows - net OPEB liability

Deferred inflows - unamortized gain on debt refunding(s)

Deferred inflows - nonexchange transactions

Deferred inflows - leases

Deferred inflows - P3

Deferred inflows - others:

Sales/intra-entity transfers of future revenues

Gain/loss on sale leaseback

Loan origination fees and costs

Change in fair value of hedging derivative instrument

Irrevocable split-interest agreements

982,142

Total deferred inflows - others

982,142

**Total deferred inflows of resources**

**\$ 982,142**

**11 Other nonoperating revenues (expenses)**

Other nonoperating revenues

Other nonoperating (expenses)

(179,333)

**Total other nonoperating revenues (expenses)**

**\$ (179,333)**

See independent auditor's report.

**CAL POLY POMONA PHILANTHROPIC FOUNDATION**

Other Information

June 30, 2024

(for inclusion in the California State University)

Description	DPCU - Fiduciary Funds Net Position					Total
	Pension trust funds Net Position 992	Other employee benefit trust funds Net Position 993	Investment trust funds Net Position 994	Private-purpose trust funds Net Position 995	Custodial funds Net Position 996	
<b>Assets</b>						
<b>Current assets:</b>						
Cash and cash equivalents					700,912	<b>700,912</b>
Short-term investments						-
Accounts receivable, net					550	<b>550</b>
Lease receivable, current portion						-
P3 receivable, current portion						-
Notes receivable, current portion						-
Pledges receivable, net						-
Prepaid expenses and other current assets						-
<b>Total current assets</b>	-	-	-	-	<b>701,462</b>	<b>701,462</b>
<b>Noncurrent assets:</b>						
Restricted cash and cash equivalents						-
Accounts receivable, net						-
Lease receivable, net of current portion						-
P3 receivable, net of current portion						-
Notes receivable, net of current portion						-
Student loans receivable, net						-
Pledges receivable, net						-
Endowment investments					540,336	<b>540,336</b>
Other long-term investments						-
Capital assets, net						-
Capital assets, net - lease ROU						-
Capital assets, net - SBITA ROU						-
Capital assets, net - P3 ROU						-
Other assets						-
<b>Total noncurrent assets</b>	-	-	-	-	<b>540,336</b>	<b>540,336</b>
<b>Total assets</b>	-	-	-	-	<b>1,241,798</b>	<b>1,241,798</b>
<b>Deferred outflows of resources:</b>						
Unamortized loss on debt refunding						-
Net pension liability						-
Net OPEB liability						-
Leases						-
P3						-
Others						-
<b>Total deferred outflows of resources</b>	-	-	-	-	-	-

See independent auditor's report.

**CAL POLY POMONA PHILANTHROPIC FOUNDATION**  
 Other Information  
 June 30, 2024  
 (for inclusion in the California State University)

<b>Liabilities</b>					
<b>Current liabilities:</b>					
Accounts payable	-				
Accrued salaries and benefits	-				
Accrued compensated absences, current portion	-				
Unearned revenues	-				
Lease liabilities, current portion	-				
SBITA liabilities - current portion	-				
P3 liabilities - current portion	-				
Long-term debt obligations, current portion	-				
Claims liability for losses and loss adjustment expenses, current portion	-				
Depository accounts	-				
Other liabilities	-				
<b>Total current liabilities</b>	-	-	-	-	-
<b>Noncurrent liabilities:</b>					
Accrued compensated absences, net of current portion	-				
Unearned revenues	-				
Grants refundable	-				
Lease liabilities, net of current portion	-				
SBITA liabilities, net of current portion	-				
P3 liabilities, net of current portion	-				
Long-term debt obligations, net of current portion	-				
Claims liability for losses and loss adjustment expenses, net of current portion	-				
Depository accounts	-				
Net other postemployment benefits liability	-				
Net pension liability	-				
Other liabilities	-				
<b>Total noncurrent liabilities</b>	-	-	-	-	-
<b>Total liabilities</b>	-	-	-	-	-
<b>Deferred inflows of resources:</b>					
P3 service concession arrangements	-				
Net pension liability	-				
Net OPEB liability	-				
Unamortized gain on debt refunding	-				
Nonexchange transactions	-				
Lease	-				
P3	-				
Others	-				
<b>Total deferred inflows of resources</b>	-	-	-	-	-
<b>Net position</b>					
<b>Total ending net position</b>	-	-	-	-	1,241,798
					1,241,798

See independent auditor's report.

# CAL POLY POMONA PHILANTHROPIC FOUNDATION

## Other Information

June 30, 2024

(for inclusion in the California State University)

		DPCU - Fiduciary Funds Net Position					
GAAP Account	Description	Other employee		Private-purpose trust		Custodial funds	Total
		Pension trust funds	benefit trust funds	Investment trust funds	funds		
		Net Position 992	Net Position 993	Net Position 994	Net Position 995		
Additions	Contributions from employers						-
Additions	Contributions from nonemployer contributing entities						-
Additions	Contributions from plan members						-
Additions	Contributions from all sources					2,588	2,588
Additions	Investment earnings					47,238	47,238
Additions	Investment costs						-
Additions	Commissions & Program Fee Revenue					25,434	25,434
Additions	Membership Dues					57,594	57,594
Additions	Endowment Distribution					29,801	29,801
Additions							-
Additions							-
Additions							-
Additions							-
Additions							-
Additions							-
<b>Total Additions</b>		-	-	-	-	<b>162,655</b>	<b>162,655</b>
Deductions	Benefit payments to plan members						-
Deductions	Total administrative expenses						-
Deductions	Benefit payments						-
Deductions	Redemptions						-
Deductions	Operating Expenses					61,246	61,246
Deductions	Scholarships					3,000	3,000
Deductions	Professional Services					14,105	14,105
Deductions	Fees					130	130
Deductions							-
Deductions							-
Deductions							-
Deductions							-
Deductions							-
<b>Total Deductions</b>		-	-	-	-	<b>78,481</b>	<b>78,481</b>
Increase (decrease) in net position		-	-	-	-	<b>84,174</b>	<b>84,174</b>
Net position at beginning of year, as previously reported						1,157,624	1,157,624
Restatements							-
Net position at beginning of year, as restated		-	-	-	-	<b>1,157,624</b>	<b>1,157,624</b>
Net position at end of year		-	-	-	-	<b>1,241,798</b>	<b>1,241,798</b>

See 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*

To the Audit Committee  
Cal Poly Pomona Philanthropic Foundation

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 the major fund and aggregate remaining fund information of Cal Poly Pomona Philanthropic Foundation (a nonprofit organization referred to as the Philanthropic Foundation), as of and for the year ended June 30, 2024, the related notes to the financial statements, which collectively comprise the Philanthropic Foundation's basic financial statements, and have issued our report thereon dated September 13, 2024.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Philanthropic 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 Philanthropic Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Philanthropic Foundation's internal control.

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

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

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Philanthropic Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

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

***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 Philanthropic Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Aldrich CPAs + Advisors LLP*

San Diego, California  
September 13, 2024