

CAL POLY POMONA FOUNDATION, INC.

Single Audit Reports

For the Year Ended June 30, 2004

(With Independent Auditors' Report Thereon)

CAL POLY POMONA FOUNDATION, INC.

Single Audit Reports

For the Year Ended June 30, 2004

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**Independent Auditors' Report on Compliance
and on Internal Control Over Financial Reporting
Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

Board of Directors
Cal Poly Pomona Foundation, Inc.:

We have audited 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, 2004 and have issued our report thereon dated September 3, 2004. 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.

Compliance

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 grants, 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Foundation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operation that we consider to be material weaknesses.

**Independent Auditors' Report on Compliance
and on Internal Control Over Financial Reporting
Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

(Continued)

This report is intended solely for the information of the Foundation's Board of Directors, the University, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

VICENTI, LLOYD & STUTZMAN, LLP

September 3, 2004

**Report on Compliance With Requirements
Applicable to Each Major Program and on
Internal Control Over Compliance in Accordance
With OMB Circular A-133 and
Supplementary Schedule of Expenditures of Federal Awards**

Board of Directors
Cal Poly Pomona Foundation, Inc.:

Compliance

We have audited the compliance of Cal Poly Pomona Foundation, Inc. (a California State University Auxiliary Organization) (the Foundation) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major programs for the year ended June 30, 2004. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Foundation's management. Our responsibility is to express an opinion on the Foundation's compliance based on our audit.

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 the major federal programs 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. Our audit is not intended to and does not provide a legal determination of Foundation's compliance with those requirements.

In our opinion, the Foundation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal program for the year ended June 30, 2004.

**Report on Compliance With Requirements
Applicable to Each Major Program and on
Internal Control Over Compliance in Accordance
With OMB Circular A-133 and
Supplementary Schedule of Expenditures of Federal Awards**

(Continued)

Internal Control Over Compliance

The management of the Foundation is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Foundation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of Cal Poly Pomona Foundation, Inc. as of and for the year ended June 30, 2004, and have issued our report thereon, dated September 3, 2004. Our audit was performed for the purpose of forming an opinion on the financial statements taken as 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information of the Foundation's Board of Directors, the University, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

VICENTI, LLOYD & STUTZMAN, LLP

September 3, 2004

CAL POLY POMONA FOUNDATION, INC.

**Schedule of Expenditures of Federal Awards
Year ended June 30, 2004**

Federal grantor/program title	Federal CFDA number	Pass-through grantor	Pass-thru #	Total Federal expenditures
U.S. Department of Education:				
California Association of Health Occupations Students of America	84.048	US Department of Education	0469	\$ 46,623
Building Bonds-Career Ladder	84.195E			210,056
McNair Post-Baccalaureate Achievement	84.217A			246,072
Math and Science Teacher Education Recruitment	84.367	CA Postsecondary Ed. Comm.		24,637
Special Education -Children with Disabilities	84.325E			137,079
Project REACH--Realizing Educational Achievement and Coll. Honors	84.334A			788,063
Child Care Means Parents in School Program	84.335A			133,319
TRIO Dissemination Partnership	84.344A			3,060
Improving Access to Information Systems	84.031	Cal State University San Bernardino	P031S010013	79,176
The Multicultural/Diversity Outcome Assessment Dissemination	N/A	Emporia State University	P116B011069	2,887
Total Department of Education				<u>\$ 1,670,972</u>
National Science Foundation:				
AIM's Fifth Internatinal Conference on Dynamical Syst.	47.049			\$ 4,000
NSF Scholars Program	47.076			42,009
SimEcon: Economics Issues and Principals	47.076			91,192
MEP NSF Scholarship Program	47.076	The Regents of the Univ. of California	DUE-9987282	19,797
Regional Info. Systems Security Center	47.076	Mt. San Antonio College	DUE-0302942	91,650
CSU Phase III LSAMP--Year I	47.076	San Francisco State University	HRD-0331537	8,366
Summer 2002 AMP Summer Bridge	47.076	San Francisco State University	HRD-9802113	45,285
AMP AEW Fall 2003	47.076	San Francisco State University	HRD-9802113	6,225
Total National Science Foundation				<u>\$ 308,524</u>
TRIO Cluster:				
U.S. Department of Education				
College Reading Skills 01-03	84.042A			\$ 319,274
Student Support Services 01-03	84.042A			285,442
Upward Bound 99-00	84.047A			158,806
Upward Bound - North	84.047A			208,957
Upward Bound - South	84.047A			127,601
Upward Bound Math & Science Comp.	84.047M			236,343
Total TRIO Cluster				<u>\$ 1,336,423</u>
U.S. Department of Justice				
Get Smart-Stop Violence	16.710		2000WAVX0014	\$ 155,569
Total U.S. Department of Justice				<u>\$ 155,569</u>

See accompanying notes to Schedule of Federal Awards and Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.

CAL POLY POMONA FOUNDATION, INC.

Schedule of Expenditures of Federal Awards
Year ended June 30, 2004

Federal grantor/program title	Federal CFDA number	Pass-through grantor	Pass-thru #	Total Federal expenditures
Research and Development Cluster:				
Department of Health and Human Services:				
Research Center for Dietary Supplements--Year 5	93.213	Univ. of California Los Angeles	5 P50 AT00151:03	\$ 128,162
RISE Program--Year 3	93.375			22
RISE Program--Year 4	93.375			667,505
SCORE Program--Year 3	93.375			103,055
SCORE Program--Year 4	93.375			2,258,386
Genetics of Mitochondrial Inheritance in C. Elegans	93.390			964
Trafficking of Dendritic Membrane Proteins	93.853			10,025
Universal Influenza Matrix Vaccine	93.856	Molecular Express, Inc.	1R43 AI56890-01	95,275
Mechanism of Melanocortin & AGRP Signaling	N/A	Oregon Health and Science University	3R01DK051730-08S1	114,936
Department of Agriculture:				
Effectiveness of Natural Dietary Folate	10.206		2001-35200-10678	61,794
Mechanisms and Determinants of Sperm in Heliiothis Virescens	10.206		2001-35302-14165	4,828
Molecular Genetics of Seed Dormancy	10.206			76,609
Enhancement of Vet Technology	10.223	Mt. San Antonio College	99-38422-8169	78,691
Genetic Map. of Seq. Tags in Lettuce	10.000	Cal State Fresno University		62,516
U.S. Department of Interior:				
Bird-Foot Checkerbloom Reserve Design	15.615			22,934
National Science Foundation:				
Animation and Visualization in Engineering	47.076			53,111
Acquisition of a Network of Workstations for Research	47.070			1,575
Proteins as Guidance for Modifications of Steroids	47.074			2,393
U.S. Department of Commerce:				
Fuzzy Forecasting of Women's Apparel Sales	N/A	Philadelphia University	02-07400	12,000
National Aeronautics and Space Administration:				
NASA Pair: Deep Space Robotic Rover Project	N/A	Jet Propulsion Laboratory	NAS7-1407	298,478
Synthesis and Characterization of High-Temp. Aerogels	N/A	Jet Propulsion Laboratory	NMO710741	6,284
Total Research and Development Cluster				<u>\$ 4,059,543</u>
Department of Agriculture:				
Summer Food Service Program-UB 2003	10.559	CA Department of Education	1977190V	\$ 3,359
Summer Food Service Program-UBMS 2003	10.559	CA Department of Education	1977190V	2,869
CACFP-Needs Assessment	10.574	CA Department of Education	1339	7,212
A Day on the Farm Experimental Learning Activity	10.000	CA Department of Food and Ag.		43,501
Total Department of Agriculture				<u>\$ 56,941</u>

See accompanying notes to Schedule of Federal Awards and Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.

CAL POLY POMONA FOUNDATION, INC.

**Schedule of Expenditures of Federal Awards
Year ended June 30, 2004**

Federal grantor/program title	Federal CFDA number	Pass-through grantor	Pass-thru #	Total Federal expenditures
Department of Health and Human Services:				
Bridges to the Doctoral Degree Program	93.960	University of Minnesota	1R25-GM67539-01	\$ 12,955
Children's Center Instructional Materials 03-04	93.575	CA Department of Education		528
Advancing School-Age and After School Programs	93.575	CA Department of Education	3096	183,534
Total Department of Health and Human Services				<u>\$ 197,017</u>
U.S. Department of Interior:				
Life History of Santa Ana Sucker-San Gabriel Riv	15.615			\$ 39,318
Archaeological Field Class on Public Lands	N/A		BAA 03 0007	4,657
Total U.S. Department of Interior				<u>\$ 43,975</u>
U.S. Department of Housing and Urban Development:				
Community Outreach Partnership Center in Pomona	14.511			\$ 77,199
U.S. Department of Labor:				
Entrepreneur Quest	17.261			\$ 563,362
U.S. State Department:				
Partnership with Engineering Univ.-Armenia	19.405			\$ 59,623
Freedom Support Educational Partnership Program	19.406			97,019
Public Admin Curriculum & Capacity Development (Subcontract)	19.406			46,581
Capacity Building at New Bugarian University	N/A		S-ECASS-03-GR-246(JY)	34,535
Total U.S. State Department				<u>\$ 237,758</u>
Agency for International Development:				
CASS/Cooperative Managers for Central America	N/A	Georgetown University	EDH-A-00-03-0004-00	\$ 85,208
Retail Association Management-Macedonia	N/A	World Learning	EEEEI-00-01-00016-00	11,388
Total Agency for International Development				<u>\$ 96,596</u>
National Aeronautics and Space Administration:				
Establishment of a New NASA Bus.	N/A		NCC7-10	\$ 161,911
Total Federal Expenditures				<u>\$ 8,965,790</u>

See accompanying notes to Schedule of Federal Awards and Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.

CAL POLY POMONA FOUNDATION, INC.

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2004

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 accrual basis of accounting, as described in note 1 of the notes to the financial statements of the Cal Poly Pomona Foundation, Inc. as of and for the year ended June 30, 2004.

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., with the exception of certain expenditures capitalized for the financial statement purposes presented in accordance with accounting principles generally accepted in the United States of America. 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	\$ 8,965,790
Add expenditures of nonfederal awards	<u>4,267,600</u>
Total expenditure of federal and nonfederal awards per the financial statements	\$ <u>13,233,390</u>

CAL POLY POMONA FOUNDATION, INC.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2004

Section I : Summary of Auditor's Results

Financial Statements

Type of auditor's report issued September 3, 2004: *Unqualified*

Internal control over financial reporting:

Material weaknesses identified? *No*

Reportable conditions 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*

Reportable conditions 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:

Gaining Early Awareness and Readiness for Undergraduate Programs (Project REACH),
CFDA #84.334

Research Initiative for Scientific Enhancement (RISE), CFDA #93.375

MBRS Support of Continuous Research Excellence (SCORE), CFDA #93.375

Building Bonds, CFDA #84.195

NASA Deep Space, CFDA # Not Available

Establishment of a New NASA Business Incubator, CFDA # Not Available

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, 2004

Section II: Financial Statement Findings

None noted.

CAL POLY POMONA FOUNDATION, INC.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2004

Section III—Federal Award Findings and Questioned Costs

None noted.