

CAL POLY POMONA FOUNDATION, INC.

Single Audit Reports

For the Year Ended June 30, 2006

(With Independent Auditors' Report Thereon)

CAL POLY POMONA FOUNDATION, INC.

Single Audit Reports

For the Year Ended June 30, 2006

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

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

Chairman
ROYCE A. STUTZMAN

Partners
PETER F. GAUTREAU
RENEE S. GRAVES
WADE N. McMULLEN
KARIN HECKMAN NELSON
CARL PON
GEMA M. PTASINSKI
MARY ANN QUAY
LINDA M. SADDLEMIRE

Principal
JERI A. WENGER

Senior Managers
JANETTE CAMPS
TIMOTHY D. EVANS
PRISCILLA OSBORNE FLORES
TINA HENTON
PHEBE M. McCUTCHEON
SHARI PROSSER
COLLEEN K. TAYLOR

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, 2006 and have issued our report thereon dated August 24, 2006. 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.

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 an opinion 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 caused by error or fraud 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.

Compliance and Other Matters

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

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

This report is intended solely for the information of the audit committee, 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
VICENTI, LLOYD & STUTZMAN LLP

August 24, 2006



**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 Foundation, Inc.
3801 W. Temple Avenue
Pomona, CA 91768

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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, 2006. 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, 2006.

**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**

Internal Control Over Compliance

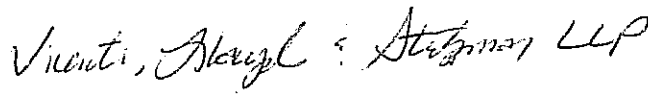
The management of the Foundation is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Foundation's internal control 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, 2006, and have issued our report thereon, dated August 24, 2006. 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 audit committee, 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

August 24, 2006

CAL POLY POMONA FOUNDATION, INC.

Schedule of Expenditures of Federal Awards

Year ended June 30, 2006

Federal grantor/program title	Federal CFDA number	Pass-through grantor	Pass-thru #	Total Federal expenditures
U.S. Department of Education:				
Carol M. White Physical Education Program	84.215F	Boys and Girls Club of Pomona Valley	Q215F050078	\$ 25,230
Teaching American History	84.215	Hacienda La Puente Unified School District		113,681
Math and Science Teacher Education Recruitment—Year 2	84.367	California Postsecondary Education Commission		104,275
Math and Science Teacher Education Recruitment—Year 3	84.367	California Postsecondary Education Commission		81,511
CMP Modeling and Leadership Institute	84.367	University of California, Office of the President		10,211
Digital Media Program	84.116Z			301,599
San Gabriel Valley Science Project (NCLB)	84.367	University of California, Office of the President	5293	21,369
San Gabriel Valley Math Project-No Child Left Behind	84.367	University of California, Office of the President	332H	22,806
San Gabriel Valley Science Project 2004/2005	84.367	University of California, Office of the President		31,545
San Gabriel Valley Science Project 2005/2006	84.367	University of California, Office of the President	3320	37,194
Special Education -Children with Disabilities	84.325E			39,176
Project STELLAR: Students and Teachers Excelling in Literacy	84.367	California Postsecondary Education Commission		72,935
Project REACH—Realizing Educational Achievement and Coll. Honors	84.334A			832,610
Project REACH—Hacienda La Puente Subcontract	84.334A			19,863
Project REACH—LA Education Partnership Subcontract	84.334A			18,282
Child Care Means Parents in School Program	84.335A			164,470
Teacher Pathways - Evaluation Services	84.336B			118,800
Teacher Pathways Reaching Excellence Through Partnership	84.336B			610,904
Mentoring and Professional Development Equity Project	84.083A			30,194
Improving Access to Information Systems	84.031	California State University San Bernardino	P031S010013	80,688
Strengthening Library-Based Learning	84.031S			166,767
Total Department of Education				<u>\$ 2,906,110</u>
National Science Foundation:				
Individual National Mentor Award for Dr. Burke	47.076			\$ 2,091
Integrating Service-Learning into Engineering Curricula	47.041			62,450
Regional Information Systems Security Center	47.076	Mt. San Antonio College	DUE-0302942	50,538
CSU Phase III LSAMP—Year 2 and 3	47.076	University Enterprises	HRD-0331537	55,743
Cal Poly Pomona Robert Noyce Scholarship Program	47.076			89,365
MESA CSEMS Scholarship Program 04/08	47.076	University of California, Office of the President	DUE-0422499	6,250
MESA CSEMS Scholarship Program	47.076	University of California, Office of the President	DUE-0324218	30,208
Total National Science Foundation				<u>\$ 296,585</u>
TRIO Cluster:				
U.S. Department of Education				
College Reading Skills 01-06	84.042A			\$ 403,939
Student Support Services 01-06	84.042A			242,080
Upward Bound - North	84.047A			389,921
Upward Bound - South	84.047A			320,116
Upward Bound Math & Science Comp.	84.047M			234,224
McNair Post-Baccalaureate Achievement 2003	84.217A			238,541
Total TRIO Cluster				<u>\$ 1,828,821</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, 2006

Federal grantor/program title	Federal CFDA number	Pass-through grantor	Pass-thru #	Total Federal expenditures
U.S. Department of Justice:				
Get Smart-Stop Violence	16.710		2000WAVX0014	\$ 58,494
Research and Development Cluster:				
Department of Health and Human Services:				
Research Center for Dietary Supplements—Year 6	93.213	University of California Los Angeles	S P50 AT00151-03	\$ 12,692
SCORE Program—Year 5	93.895			520,809
Trafficking of Dendritic Membrane Proteins	93.853			24,156
Universal Influenza Matrix Vaccine	93.856	Molecular Express, Inc.	1R43 AI56890-01	26,614
Excision Nucleases in Mismatch Repair and Tumorigenesis	93.398			82,196
Predicting Protein Flexibility and Stability	93.859	The University of North Carolina at Charlotte	1R01 GM073082-01A1	21,445
Bridges to the Doctoral Program Year 3	93.859	University of Minnesota		13,805
SCORE Program—Year 6	93.859			886,219
Mechanism of Melanocortin & AGRP Signaling	N/A	Oregon Health and Science University	1 R01 DK051730-08S1	22,570
U.S. Department of Agriculture				
Mechanisms and Determinants of Sperm in <i>Heliothis Virescens</i>	10.206		2001-35302-14165	19,554
Genetic Map. of Seq. Tags in Lettuce	10.000	Cal State Fresno University		115,345
National Security Agency:				
Applied Mathematical Loyola Marymount University	12.901			20,195
Applied Mathematical Sciences Summer Institute	12.901			25,953
U.S. Department of Interior:				
Bird-Foot Checkerbloom Reserve Design	15.615	California Department of Fish and Game		8,725
National Science Foundation:				
REU: Loyola Marymount University	47.049			33,872
MRI: Acquisition of Seismic Simulating System	47.041			123,207
NUE: Linking Introductory Physics Laboratories with Modern Technology	47.049			13,451
REU Site: Applied Mathematical Sciences Summer Institute	47.049			117,309
Acquisition of a Network of Workstations for Research	47.070			83,557
Proteins as Guidance for Modifications of Steroids	47.074			4,241
Comparative Genomics of the Compositae	47.074	Trustees of Indiana University	DBI-0421630	44,876
U.S. Army:				
Study of Controllable Active Materials	N/A	Texas Engineering Experiment Station	W911W6-05-C-0015	30,231
National Aeronautics and Space Administration:				
NASA Pair: Deep Space Robotic Rover Project	N/A	Jet Propulsion Laboratory	NAS7-1407	242,268
Synthesis and Characterization of High-Temp. Aerogels	N/A	Jet Propulsion Laboratory	NM0710741	8,842
Total Research and Development Cluster				\$ 2,502,132

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, 2006

Federal grantor/program title	Federal CFDA number	Pass-through grantor	Pass-thru #	Total Federal expenditures
Department of Agriculture:				
Summer Food Service Program-Upward Bound	10.559	CA Department of Education	19-7719-0V	\$ 10,472
Summer Food Service Program-Upward Bound Math Science	10.559	CA Department of Education	19-7719-0V	4,218
Developing an Intersegmental Pipeline to Ag-Related Degrees	10.223	Glendale Community College	2004-38422-14598	21,719
Total Department of Agriculture				<u>\$ 36,409</u>
Department of Health and Human Services:				
Children's Center Instructional Materials 05-06	93.596	CA Department of Education	CIMS-5173	\$ 500
Pre Kindergarten Child Care Resource Program	93.575	CA Department of Education		1,960
Advancing School-Age and After School Programs	93.575	CA Department of Education	3096	159,807
CalProNet: Center for Leadership Development	93.938	CA Department of Education	3342	4,774
Total Department of Health and Human Services				<u>\$ 167,041</u>
Cooperation for National and Community Service:				
Martin Luther King Jr. Day of Service	94.007	Trustees of the California State University	06BHCA002	\$ 4,639
Realizing The Civic Mission of Education in the CSU	94.005	Trustees of the California State University		18,865
Total Cooperation for National and Community Service				<u>\$ 23,504</u>
U.S. Department of Labor:				
Entrepreneur Quest-Phase II	17.261			\$ 81,720
Entrepreneur Quest	17.261			594
Total U.S. Department of Labor				<u>\$ 82,314</u>
U.S. State Department:				
AMIDEast/Plus 2006	N/A	AMIDEAST	S-ECAAE-05-CA-164(DH)	\$ 1,313
Border Crossings A Trans-Atlantic Project in Theatre	19.401	Council of International Exchange of Scholars		16,860
English Language Fellows Recruiting Center	N/A	Georgetown University	S-EC AAL-06-CA-003(LM)	6,019
Partnership with Engineering University-Amenia	19.405		S-ECAAS-03-GR-247 (JL)	50,470
Freedom Support Educational Partnership Program	19.406		S-ECAAS-03-GR-222(JL)	139,254
Public Admin Cur& Cap Develop-Cal State San Bernardino	19.406		ASJY-1299	1,405
Public Administration Curriculum & Capacity Development	19.406		ASJY-1299	8,184
Capacity Building at New Bulgarian University	N/A		S-ECASS-03-GR-246(JY)	109,063
Total U.S. State Department				<u>\$ 332,568</u>
U.S. Agency for International Development:				
Sustainable Management of Agribusiness Associations	N/A	Institute of International Education, Inc.	EEE-1-800-01-00012-00	25,774
CASS V-Bilingual Teacher Training	N/A	Georgetown University	EDH-A-00-03-0004-00	872
CASS/Cooperative Managers for Central America III	N/A	Georgetown University	EDH-A-00-03-0004-00	5,881
CASS/Cooperative Managers for Central America IV	N/A	Georgetown University	EDH-A-00-03-0004-00	125,482
Total U.S. Agency for International Development				<u>\$ 158,009</u>
National Highway Traffic Safety Administration:				
CSU Alcohol and Traffic Safety	N/A	Cal State Fresno Foundation	AL 0534	\$ 6,114
National Aeronautics and Space Administration:				
ESSE 21st Century	N/A	Loma Linda University	05121-17	\$ 4,501
SBIR & STTR Phase I & II Commercialization Evaluations	N/A	NASA Dryden Flight Research Center	NND05AD22P	3,363
NOVA	N/A	University of Alabama	NNG04G093G	8,494
NOVA-Community College Workshop	N/A	University of Alabama	NNG04G093G	28,386
Engineering Student Activities-Computing Rocket Design	N/A	NASA Dryden Flight Research Center	NND05AD76P	44,192
Establishment of a New NASA Bus	N/A		NCC7-10	219,971
Total National Aeronautics and Space Administration				<u>\$ 308,907</u>
Total Federal Expenditures				<u>\$ 8,707,007</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 FOUNDATION, INC.

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2006

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, 2006.

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 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	\$ 8,707,007
Add expenditures of nonfederal awards	<u>3,767,288</u>
Total expenditure of federal and nonfederal awards per the financial statements	\$ <u>12,474,295</u>

CAL POLY FOUNDATION, INC.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2006

Section I : Summary of Auditor's Results

Financial Statements

Type of auditor's report issued August 24, 2006: *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:

Trio Cluster, CFDA #S 84.042A, 84.047A, 84.047M, and 84.217A
Teaching American History, CFDA # 84.215
Teacher Pathways Reaching Excellence
through Partnership and Evaluation Services, CFDA #84.336B
Math and Science Teacher Education Recruitment, CFDA #84.367
Strengthening Library Based Learning, CFDA #84.031S

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

Auditee qualified as low-risk auditee? *Yes*

CAL POLY FOUNDATION, INC.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2006

Section II: Financial Statement Findings

None noted.

CAL POLY FOUNDATION, INC.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2006

Section III—Federal Award Findings and Questioned Costs

None noted.