



CAL POLY POMONA FOUNDATION, INC.

Single Audit Reports

Year ended June 30, 2002

(With Independent Auditors' Reports Thereon)



CAL POLY POMONA FOUNDATION, INC.

Single Audit Reports

Year ended June 30, 2002

Table of Contents

	Page
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	3
Schedule of Expenditures of Federal Awards	5
Notes to Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs	8



355 South Grand Avenue
Suite 2000
Los Angeles, CA 90071-1568

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

The 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, 2002, and have issued our report thereon dated August 23, 2002. 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 internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more 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.

This report is intended solely for the information and use of the Foundation's board of directors, management, and its 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.

KPMG LLP

August 23, 2002



355 South Grand Avenue
Suite 2000
Los Angeles, CA 90071-1568

**Report on Compliance with Requirements
Applicable to Each Major Program and on Internal Control over
Compliance in Accordance with OMB Circular A-133**

The 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 federal programs for the year ended June 30, 2002. The Foundation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs 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 a major federal program occurred. An audit includes examining, on a test basis, evidence about the Foundation's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the 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 programs for the year ended June 30, 2002.

Internal Control over Compliance

The management of the Foundation is responsible for establishing and maintaining effective internal control over compliance with 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 internal control over compliance in accordance with OMB Circular A-133.



Our consideration of internal control over compliance would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with 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 internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of Cal Poly Pomona Foundation, Inc. as of and for the year ended June 30, 2002, and have issued our report thereon dated August 23, 2002. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Foundation's board of directors, management, and its 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.

KPMG LLP

August 23, 2002

CAL POLY POMONA FOUNDATION, INC.

Schedule of Expenditures of Federal Awards

Year ended June 30, 2002

<u>Federal grantor/program title</u>	<u>Federal CFDA number</u>	<u>Pass-through grantor</u>	<u>Grant number</u>	<u>Total federal expenditures</u>
U.S. Department of Education:				
Technical Assistance to Secondary Education	84.048	CA Dept. of Education	8346	\$ 15,097
Health Careers Leadership & Standards	84.048	CA Dept. of Education	9335	162,705
Public and Private Education Sector Project	84.048	CA Dept. of Education	0417	1,321
DECA 99-00	84.048	CA Dept. of Education	9108	27,744
California Association of Health Occupations	84.048	CA Dept. of Education	0469	42,595
				<hr/> 249,462
Reading the Past 00-01	84.281	CA Postsecondary Ed. Comm.	S281B980005	63,392
Reading the Past 01-02	84.281	CA Postsecondary Ed. Comm.	S281B980005	31,238
				<hr/> 94,630
LEP Uplink (1997-2000)	84.195			2,815
Building Bonds – Career Ladder	84.195			246,133
				<hr/> 248,948
Improving Access to Information Systems	84.031	Cal State University San Bernardino	P031S010013	18,983
International Architectural Ed Exchange	84.116	Georgia Institute of Technology	P116J980041	6,056
Special Education - Children with Disabilities	84.325			155,244
PolyBlend	84.336	CA Commission of Teacher Cred.	P336A990027-00	10,390
TRIO Dissemination Partnership	84.344			191,461
Public Admin Curriculum & Capacity	N/A		ASJY-1299	30,674
Creation/Maintenance of IIN Database	N/A	Arizona State University	P116B980585	11,863
				<hr/> 1,017,711
Total U.S. Department of Education				
National Science Foundation:				
Managing Design for Customer Valued Quality	47.075			61,366
SimEcon: Economics Issues and Principles	47.076			221,903
Teachers As Agents of Systemic Change	47.076			4,780
WestEd-Subcontract	47.076			8,969
Improving the Chemistry Lab-Spectrometers	47.076			856
NSF Scholars Program	47.076			58,967
AMP Quest 01	47.076	San Francisco State University	HRD-9802113	45,435
AMP AEW 00-01	47.076	San Francisco State University	HRD-9802113	8,800
AMP AEW 01-02	47.076	San Francisco State University	HRD-9802113	28,000
				<hr/> 377,710
Total National Science Foundation				<hr/> 439,076
TRIO Cluster:				
U.S. Department of Education:				
College Reading Skills 97-98	84.042			48,166
College Reading Skills 01-02	84.042			279,890
Student Support Services	84.042			39,356
Student Support Services 01-02	84.042			193,997
Upward Bound 99-00	84.047			349,768
Upward Math & Science Comp.	84.047			221,310
McNair Post-Baccalaureate Achievement	84.217			248,409
				<hr/> 1,380,896
Total TRIO Cluster				
U.S. Information Agency:				
Computer-Software Property Rights-China	82.033		IA-PLMA-G9190170	17,486
Distance Learning in Business/Management	N/A		IA-PNJL-G9190219	14,736
Armenia Univ. Affiliation Prog.	N/A		IA-ASLJ-G7190313	9,736
				<hr/> 41,958
Total U.S. Information Agency				
U.S. Department of Justice:				
COPS More 96 Award	16.710		97CMWX0964	13,942
COPS More 98 Award	16.710		1999CMWX2736	34,658
Get Smart – Stop Violence	16.710		2000WAVX0014	170,140
School Based Partnerships 99	16.710		2000SBWX0001	25,171
				<hr/> 243,911
Total U.S. Department of Justice				

CAL POLY POMONA FOUNDATION, INC.

Schedule of Expenditures of Federal Awards

Year ended June 30, 2002

<u>Federal grantor/program title</u>	<u>Federal CFDA number</u>	<u>Pass-through grantor</u>	<u>Grant number</u>	<u>Total federal expenditures</u>
Research and Development Cluster:				
Department of Health and Human Services: Research Center for Dietary Supplements – Year 2	93.213 *	Univ. of California Los Angeles	AT00151-01	\$ 35,251
Research Center for Dietary Supplements – Year 3	93.213 *	Univ. of California Los Angeles	AT00151-03	157,249
RISE Program – Year 2 (Woodside Research Consortium)	93.375 *			7,290
RISE Program – Year 2	93.375 *			534,571
RISE Program – Year 3	93.375 *			21,193
SCORE Program	93.375 *			3,699
SCORE Program – Year 2	93.375 *			1,314,957
SCORE Program – Year 3	93.375 *			142,780
SCORE Program – Supplemental Projects	93.375 *			686,689
Department of Agriculture: Effectiveness of Natural Dietary Folate	10.206*		2001-35200-10678	95,668
Total Research and Development Cluster				2,999,347
Department of Agriculture:				
Summer Food Service Program – UB Math Science	10.559	CA Dept. of Education	19-77190V	3,649
Summer Food Service Program – UB	10.559	CA Dept. of Education	19-77190V	4,527
				8,176
Enhancement of Vet Technology	10.223	Mt. San Antonio College	99-38422-8169	58,177
Native Fish Life History Study	N/A		2600/2670	8,410
Training Facilities US-China Agribusiness All.	N/A		5599-115	26,949
Training Facilities US-China Agribusiness All. – 2000	N/A		101630555960109-5001	40,451
General Wildlife Surveys of Mt. Baldy	N/A		PA-97-05-01-67-002	7,597
Total Department of Agriculture				149,760
National Aeronautics and Space Administration:				
Establishment of a New NASA Business Incubator	N/A		NCC7-10	178,215
U.S. Department of Interior:				
Life History of Santa Ana Sucker – San Gabriel	15.615			10,080
History of the North Branch of the San Gabriel	15.810			3,732
USGS Science Student Services	N/A		99WRBA0002	265
Total U.S. Department of Interior				14,077
Agency for International Development:				
Bulgaria Economic Commission – Venture Capital	N/A	World Learning	EEE-1-00-01-00016-00	5,048
Russian – U.S. Young Leadership Fellows for Public	N/A	International Res. And Exchange Board	AEJL-1136	2,319
Department of Commerce:				
Pomona Technology Center	N/A		07-49-03845	939,017
Department of Health and Human Services:				
Improving Dietary Intake of Low Income Households	N/A		1946001347-A7	25,427
Department of Energy:				
Lighting System Lab Project	N/A	California Energy Commission	MEM-97S-034	31,641
U.S. Department of Housing and Urban Development Community Outreach Partnership Center in Pomona				
	14.511			46,132
Total Expenditures of Federal				

CAL POLY POMONA FOUNDATION, INC.

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2002

(1) General

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of Cal Poly Pomona Foundation, Inc. (a California State University Auxiliary Organization).

(2) Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting.

(3) Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports taken as a whole and agree with the amounts reported in Cal Poly Pomona Foundation, Inc.'s financial statements, with the exception of certain expenditures capitalized for 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	\$ 7,514,535
Add expenditures of nonfederal awards	6,361,538
Less fixed assets, which are capitalized for financial statement purposes	<u>(1,473,677)</u>
Total expenditure of federal and nonfederal awards per the financial statements	<u>\$ 12,402,396</u>

CAL POLY POMONA FOUNDATION, INC.

Schedule of Findings and Questioned Costs

Year ended June 30, 2002

(1) Summary of Auditors' Results

(a) Financial Statements

Type of auditors' report issued on the financial statements:

Unqualified Opinion

Internal control over financial reporting:

- Material weaknesses identified?

_____ yes X no

- Reportable conditions identified that are not considered to be material weaknesses?

_____ yes X none reported

Noncompliance which is material to the financial statements noted?

_____ yes X no

(b) Federal Awards

Internal control over major programs:

- Material weaknesses identified?

_____ yes X no

- Reportable conditions that are not considered to be material weaknesses?

_____ yes X none reported

Type of auditors' report issued on compliance for major programs:

Unqualified Opinion

Any audit findings disclosed which are required to be reported in accordance with Section .510(a) of Circular A-133?

_____ yes X no

Identification of major programs:

Major programs consist of the following cluster of research and development programs of the Department of Health and Human Services and the Department of Agriculture:

- Research Center for Dietary Supplements – Year 2, CFDA #93.213
- Research Center for Dietary Supplements – Year 3, CFDA #93.213

CAL POLY POMONA FOUNDATION, INC.

Schedule of Findings and Questioned Costs

Year ended June 30, 2002

- RISE Program – Year 2 (Woodside Research Consortium), CFDA #93.375
- RISE Program – Year 2, CFDA #93.375
- RISE Program – Year 3, CFDA #93.375
- SCORE Program, CFDA #93.375
- SCORE Program – Year 2, CFDA #93.375
- SCORE Program – Year 3, CFDA #93.375
- SCORE Program – Supplemental Projects, CFDA #93.375
- Effectiveness of Natural Dietary Folate, CFDA #10.206.

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

Auditee qualified as a low-risk auditee under Section .530 of OMB Circular A-133?

 X yes no

(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*

None noted.

(3) Findings and Questioned Costs Relating to Federal Awards

None noted.

