

CAL POLY POMONA FOUNDATION, INC.

Single Audit Reports

For the Year Ended June 30, 2003

(With Independent Auditors' Report Thereon)

CAL POLY POMONA FOUNDATION, INC.

Single Audit Reports

For the Year Ended June 30, 2003

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Chairman

ROYCE A. STUTZMAN

Partners

PETER F. GAUTREAU

RENÉE S. GRAVES

WADE N. McMULLEN

KARIN HECKMAN NELSON

CARL PON

MARY ANN QUAY

LINDA M. SADDLEMIRE

Principal

JERI A. WENGER

Senior Managers

TIMOTHY D. EVANS

PHEBE M. McCUTCHEON

GEMA M. PTASINSKI

ARVEE ROBINSON

COLLEEN K. TAYLOR

DEAN WEST

**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, 2003 and have issued our report thereon dated August 20, 2003. 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

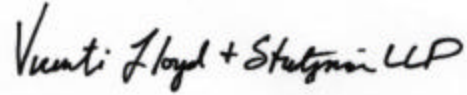
In planning and performing our audit, we considered the Foundation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. 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.



**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.

A handwritten signature in black ink that reads "Vicenti, Lloyd + Stutzman LLP". The signature is written in a cursive, flowing style.

VICENTI, LLOYD & STUTZMAN, LLP

August 20, 2003



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**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, 2003. 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, 2003.



**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

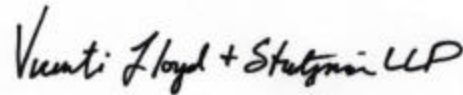
The management of the Foundation is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Foundation's internal control 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, 2003, and have issued our report thereon, dated August 20, 2003. 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

August 20, 2003

CAL POLY POMONA FOUNDATION, INC.

Schedule of Expenditures of Federal Awards

Year ended June 30, 2003

<u>Federal grantor/program title</u>	<u>Federal CFDA number</u>	<u>Pass-through grantor</u>	<u>Pass-thru #</u>	<u>Total Federal expenditures</u>
U.S. Department of Education:				
Public and Private Education Sector Project	84.048	US Department of Education	0417	\$ 49,670
California Association of Health Occupations Students of America	84.048	US Department of Education	0469	60,469
				<u>110,139</u>
International Architectural Ed Exchange	84.116J	Georgia Institute of Technology	P116J980041	6,685
Building Bonds-Career Ladder	84.195E			206,645
McNair Post-Baccalaureate Achievement	84.217A			153,596
Reading the Past 01-02	84.281B	CA Postsecondary Ed. Comm.	S281B980005	(95)
Special Education -Children with Disabilities	84.325E			110,894
Project REACH--Realizing Educational Achievement and Coll. Honor	84.334A			109,238
Child Care Means Parents in School Program	84.335A			17,386
TRIO Dissemination Partnership	84.344A			122,671
Improving Access to Information Systems	84.031	Cal State University San Bernardino	P031S010013	73,017
California Title II Teacher Quality Enhancement State Grant	84.336	California Commission on Teacher Cred.		29,750
				<u>829,787</u>
Total Department of Education				<u>939,926</u>
National Science Foundation:				
Managing Design for Customer Valued Quality	47.075			20,657
NSF Scholars Program	47.076			70,874
SimEcon: Economics Issues and Principals	47.076			53,133
SimEcon: Economics Issues and Principals	47.076			9,801
Illumination Engineering Systems: A Lab-Based Course	47.076			74,650
MEP NSF Scholarship Program	47.076	The Regents of the Univ. of California	DUE-9987282	11,850
Animation and Visualization in Engineering	47.076			20,571
Summer 2002 AMP Summer Bridge	47.076	San Francisco State University	HRD-9802113	39,941
AMP AEW Fall 2002	47.076	San Francisco State University	HRD-9802113	11,200
				<u>312,679</u>
Total National Science Foundation				<u>312,679</u>
TRIO Cluster:				
U.S. Department of Education				
College Reading Skills 01-03	84.042A			363,594
Student Support Services 01-03	84.042A			274,667
Upward Bound 99-00	84.047A			373,619
Upward Bound Math & Science Comp.	84.047M			260,986
				<u>1,272,866</u>
Total TRIO Cluster				<u>1,272,866</u>
U.S. Department of Justice				
COPS More 96 Award	16.710		97CMWX0964	15,162
Get Smart-Stop Violence	16.710		2000WAVX0014	158,945
				<u>174,107</u>
Total U.S. Department of Justice				<u>174,107</u>
Research and Development Cluster:				
Department of Health and Human Services:				
Research Center for Dietary Supplements--Year 3	93.213	Univ. of California Los Angeles	5 P50 AT00151:03	20,961
Research Center for Dietary Supplements--Year 4	93.213	Univ. of California Los Angeles	5P50 AT00151:03	76,485
RISE Program--Year 2	93.375			3,996
RISE Program--Year 3	93.375			712,484
RISE Program--Year 4	93.375			51,093
SCORE Program--Year 2	93.375			37
SCORE Program--Year 3	93.375			2,602,727
SCORE Program--Year 4	93.375			160,515
				<u>3,547,608</u>
Department of Agriculture:				
Effectiveness of Natural Dietary Folate	10.206		2001-35200-10678	71,721
Molecular Genetics of Seed Dormancy	10.206			23,339
				<u>95,060</u>
U.S. Department of Commerce				
Haptic Simulation of a Fabric Hand	N/A	Philadelphia University	02-07400	12,500
Fuzzy Forcsting of Women's Apparel Sales	N/A	Philadelphia University	02-07400	11,931
				<u>24,431</u>
National Aeronautics and Space Administration:				
NASA Pair: Deep Space Robotic Rover Project		Jet Propulsion Laboratory	NAS7-1407	124,841
Enhancement of Research and Design Capabilities			NAG4-171	24,322
				<u>149,163</u>
Department of Defense:				
Visulization and Animation in Civil Engineering			F49620-01-1-0539	76,421
				<u>76,421</u>
Total Research and Development Cluster				<u>3,973,373</u>
Department of Agriculture:				
Republic of Georgia Project Development	10.200			23,866
Enhancement of Vet Technology	10.223	Mt. San Antonio College	99-38422-8169	19,729
Summer Food Service Program-UB 2003	10.559	CA Department of Education	1977190V	3,756
Summer Food Service Program-UBMS 2003	10.559	CA Department of Education	1977190V	2,997
CACFP-Needs Assessment	10.574	CA Department of Education	1339	10,884
A Day on the Farm Experimental Learning Activity	N/A	CA Department of Food and Ag.		11,268
Native Fish Life History Study	N/A		2600/2670	33,866
Outreach to Small and Disadvantaged Retail Establishments	N/A		FSIS-C-38-2001	18,757
				<u>125,123</u>
Total Department of Agriculture				<u>125,123</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, 2003

<u>Federal grantor/program title</u>	<u>Federal CFDA number</u>	<u>Pass-through grantor</u>	<u>Pass-thru #</u>	<u>Total Federal expenditures</u>
U.S. Department of Interior:				
Life History of Santa Ana Sucker-San Gabriel Riv	15.615			15,637
History of the North Branch of the San Gabriel Fault	15.810			1,267
Bird-Foot Checkerbloom Reserve Design	15.615			22,503
Archaeological Site Assessment in Death Valley	N/A		P8130020035	5,000
Total U.S. Department of Interior				<u>44,407</u>
U.S. Department of Housing and Urban Development				
Community Outreach Partnership Center in Pomona	14.511			<u>94,496</u>
U.S. Department of Labor				
Entrepreneur Quest	17.261			<u>330,942</u>
U.S. State Department				
Partnership with Engineering Univ.-Armenia	19.405			29,964
Public Admin Curriculum & Capacity Development (Subcontract)	19.406	Cal State University San Bernardino	ASJY-1299	10,211
Public Admin Curriculum & Capacity Development	19.406		ASJY-1299	64,060
Total U.S. State Department				<u>104,235</u>
Agency for International Development:				
Bulgaria-Economic Commission-Venture Capital	N/A	World Learning	EEE-I-00-01-00016-00	14,862
Retail Association Management-Macedonia	N/A	World Learning	EEEI-00-01-00016-00	20,715
Russian-US Young Leadership Fellows for Public Service	N/A	International Res. and Exchange Board	AEJL-1136	1,476
Total Agency for International Development				<u>37,053</u>
National Aeronautics and Space Administration				
Establishment of a New NASA Bus.	N/A		NCC7-10	<u>96,855</u>
American College Health Association				
HIV Prevention Postsecond. Institu.	93.938	Center for Disease Control	U87/CCU312254-03	<u>265</u>
Total Federal Expenditures				<u>\$ 7,506,326</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, 2003

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 Foundation as of and for the year ended June 30, 2003.

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 federal 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	\$ 7,506,326
Add expenditures of nonfederal awards	4,737,045
Less fixed assets, which are capitalized for financial statement purposes	<u>(79,081)</u>
Total expenditure of federal and nonfederal awards per the financial statements	\$ <u>12,164,290</u>

CAL POLY POMONA FOUNDATION, INC.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2003

Section I : Summary of Auditor's Results

Financial Statements

Type of auditor's report issued August 20, 2003: *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:

Major programs consist of the TRIO cluster of programs of the Department of Education, Department of Justice, and the Department of Labor.

- College Reading Skills 01-03, CFDA #84.042A
- Student Support Service 01-03, CFDA #84.042A
- Upward Bound 99-00, CFDA #84.047A
- Upward Bound Math & Science Comp., CFDA #84.047M
- McNair Post-Baccalaureate Achievement, CFDA #84.217A
- Entrepreneur Quest, CFDA#17.261
- Get Smart-Stop Violence, CFDA#16.710

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, 2003

Section II: Financial Statement Findings

None noted.

CAL POLY POMONA FOUNDATION, INC.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2003

Section III—Federal Award Findings and Questioned Costs

None noted.