

Cal Poly Pomona Foundation, Inc.

Single Audit Report

Year Ended June 30, 2019



CAL POLY POMONA FOUNDATION, INC.

Single Audit Report

Year Ended June 30, 2019

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INDEPENDENT AUDITORS' REPORT

To the Audit Committee of
Cal Poly Pomona Foundation, Inc.

Report on the Schedule of Expenditures of Federal Awards

We have audited the accompanying schedule of expenditures of federal awards of Cal Poly Pomona Foundation, Inc. (a nonprofit organization), for the year ended June 30, 2019 and the related notes (the financial statement).

Management's Responsibility

Management is responsible for the preparation and fair presentation of this financial statement 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 a financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on this financial statement based on our audit. 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above present fairly, in all material respects, the expenditures of federal awards of Cal Poly Pomona Foundation, Inc. for the year ended June 30, 2019, in accordance with accounting principles generally accepted in the United States of America.

Aldrich CPAs + Advisors LLP

San Diego, California
September 17, 2019

**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***

To the Audit Committee
Cal Poly Pomona Foundation, Inc.

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 Cal Poly Pomona Foundation, Inc. (a nonprofit organization) (the Foundation), which are comprised of the statement of net position as of June 30, 2019, the related statements of revenue, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements; and have issued our report thereon dated September 17, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 the 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 may exist that have not been identified.

Compliance and Other Matters.

As part of obtaining reasonable assurance about whether the 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*.

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

Aldrich CPAs + Advisors LLP

San Diego, California
September 17, 2019

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Audit Committee
Cal Poly Pomona Foundation, Inc.

Report on Compliance for Each Major Federal Program

We have audited Cal Poly Pomona Foundation, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Cal Poly Pomona Foundation, Inc.'s major federal programs for the year ended June 30, 2019. Cal Poly Pomona Foundation, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Cal Poly Pomona Foundation, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 Cal Poly Pomona Foundation, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Cal Poly Pomona Foundation, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Cal Poly Pomona Foundation, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance.

Management of Cal Poly Pomona Foundation, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Cal Poly Pomona Foundation Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cal Poly Pomona Foundation Inc.'s internal control over compliance.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE, CONTINUED**

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Grant Guidance. Accordingly, this report is not suitable for any other purpose.

Aldrich CPAs + Advisors LLP

San Diego, California
September 17, 2019

CAL POLY POMONA FOUNDATION, INC.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Number</i>	<i>Passed-through to Subrecipients</i>	<i>Expenditures</i>
Research and Development Cluster				
<u>United States Department of Agriculture</u>				
Agricultural Research Basic and Applied Research	10.001		\$ -	\$ 14,833
Capacity Building for Non-Land Grant Colleges of Agriculture	10.326		-	54,324
Pass-through from California Department of Food and Agriculture: Specialty Crop Block Grant Program - Farm Bill	10.170	AM180100XXXXG03	-	63,704
Pass-through from Board of Trustees of the University of Arkansas: Integrated Programs	10.303	2015-51106-23966	-	1,938
Pass-through from The Regents of the University of California: Specialty Crop Research Initiative	10.309	2015-51181-24283	-	152,382
Pass-through from University of Arkansas Beginning Farmer and Rancher Development Program	10.311	20177001726836	-	300
<i>Total United States Department of Agriculture</i>			-	<u>287,481</u>
<u>Department of Commerce</u>				
Pass-through from University of Southern California: Sea Grant Support	11.417	NA14OAR4170089	-	1,318
Pass-through from Colorado State University: Arrangements for Interdisciplinary Research Infrastructure	11.619	70NANB15H044	-	65,599
<i>Total Department of Commerce</i>			-	<u>66,917</u>
<u>Department of Defense</u>				
Pass-through from National Security Agency GenCyber Grants Program	12.903	H98230-18-1-0237	-	72,419
<i>Total Department of Defense</i>			-	<u>72,419</u>
<u>Department of the Interior</u>				
Water Desalination Research and Development	15.506		-	30,795
SECURE Water Act - Research Agreements	15.560		-	23,351
Pass-through from University of California Santa Cruz: Bureau of Ocean Energy Management Environmental Studies	15.423	M15AC00007	-	50,274
Pass-through from University of Southern California Earthquake Hazards Program Assistance	15.807	G17AC00047	-	7,000
<i>Total Department of the Interior</i>			-	<u>111,420</u>
<u>Department of Transportation</u>				
Pass-through from Gransberg and Associates, Inc.: Highway Research and Development Program	20.200	DTFH61-13-H-00024	-	26,131
Pass-through from the State of California-Office of Traffic Safety: State and Community Highway Safety	20.616	0521-0890-002	-	243,033
<i>Total Department of Transportation</i>			-	<u>269,164</u>
<u>National Aeronautical and Space Administration</u>				
Pass-through from Smithsonian Astrophysical Observatory: Science	43.001	NAS8-03060	-	68,587
Pass-through from Jet Propulsion Laboratory: Science	43.001	Various	-	49,539
<i>Total National Aeronautical and Space Administration</i>			-	<u>118,126</u>

CAL POLY POMONA FOUNDATION, INC.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Number</i>	<i>Passed-through to Subrecipients</i>	<i>Expenditures</i>
<u>National Science Foundation</u>				
Engineering Grants	47.041		-	160,224
Mathematical and Physical Sciences	47.049		-	182,393
Geosciences	47.050		-	154,633
Computer and Information Science and Engineering	47.070		-	116,662
Biological Sciences	47.074		-	95
Social, Behavioral, and Economic Sciences	47.075		-	15,708
Education and Human Resources	47.076		29,858	1,980,352
Office of International Science and Engineering	47.079		-	16,661
Pass-through from CSU Fullerton Auxiliary Services Corporation				
Engineering Grants	47.041	1649240	-	45,438
Pass-through from Dynalene Inc.				
Engineering Grants	47.041	1831220	-	21,977
Pass-through from MetaSeismic, Inc.				
Engineering Grants	47.041	IIP-1721975	-	36,791
Pass-through from The Regents of the University of California:				
Mathematical and Physical Sciences	47.049	1636646	-	297,638
Pass-through from Whatcom Community College				
Education and Human Resources	47.076	DUE-1500375	-	18,769
Pass-through from University Enterprises Inc.				
Education and Human Resources	47.076	HRD-1302873	-	1,000
Education and Human Resources	47.076	HRD-1826490	-	24,500
Pass-through from University of North Dakota				
Office of International Science and Engineering	47.079	1458962	-	576
<i>Total National Science Foundation</i>			29,858	3,073,417
<u>Department of Education</u>				
Higher Education Institutional Aid	84.031		-	1,205,762
<i>Total Department of Education</i>			-	1,205,762
<u>Department of Health and Human Services</u>				
Pass-through from Wright State University				
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.583	R15NS099850	-	18,862
Pass-through from Molecular Express, Inc.				
Allergy and Infectious Diseases Research	93.855	Various	-	36,862
Pass-through from National Institute of Health				
Biomedical Research and Research Training	93.859	Various	-	859,331
<i>Total Department of Health and Human Services</i>			-	915,055
<i>Total Research and Development Cluster</i>			-	6,119,761
TRIO Cluster				
<u>Department of Education</u>				
TRIO_Student Support Services	84.042		-	749,099
TRIO_Talent Search	84.044		-	269,716
TRIO_Upward Bound	84.047		-	2,314,884
TRIO_McNair Post-Baccalaureate Achievement	84.217		-	258,269
<i>Total Department of Education</i>			-	3,591,968
<i>Total TRIO Cluster</i>			-	3,591,968
Other Programs				
<u>United States Department of Agriculture</u>				
Capacity Building for Non-Land Grant Colleges of Agriculture	10.326		-	39,304
Pass-through from California Department of Education:				
Child and Adult Care Food Program	10.558	N/A	-	43,956
Pass-through from Cal State University, Chico:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	18-7015	-	22,710
<i>Total United States Department of Agriculture</i>			-	105,970
<u>Department of Transportation</u>				
Pass-through from California Department of Transportation:				
Highway Training and Education	20.215	88A0122	-	36,286
<i>Total Department of Transportation</i>			-	36,286

CAL POLY POMONA FOUNDATION, INC.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Number</i>	<i>Passed-through to Subrecipients</i>	<i>Expenditures</i>
<u>National Aeronautical and Space Administration</u>				
Pass through from Jet Propulsion Laboratory: Science	43.001	80NM0018D0004	-	3,659
<i>Total National Aeronautical and Space Administration</i>			-	3,659
<u>Department of Education</u>				
Special Education: Personnel Development to Improve Services and Results for Children with Disabilities	84.325		-	134,362
Pass through from San Jose State Research Foundation Fund for the Improvement of Postsecondary Education	84.116	P116F150012	-	258,773
Pass through from University of California, Office of the President Supporting Effective Instruction State Grants	84.367	S367A170005	-	712
Supporting Effective Instruction State Grants	84.367	S367A180005	-	24,999
<i>Total Department of Education</i>			-	418,846
<u>National Archives and Records Administration</u>				
Pass-through from National Historic Publications and Records Commission: National Historical Publications and Records Grants	89.003	RH-100164-17	-	49,784
<i>Total National Archives and Records Administration</i>			-	49,784
<u>Department of Health and Human Services</u>				
Pass-through from California Department of Education:				
Child Care and Development Block Grant(477 Cluster - Version 2)	93.575/ 93.596	CSPP-8157	-	39,306
Child Care and Development Block Grant(477 Cluster - Version 2)	93.575/ 93.596	CCTR-8067	-	61,571
<i>Total Department of Health and Human Services</i>			-	100,877
Total Other Programs			-	715,422
Total Expenditures of Federal Awards			\$ 29,858	\$ 10,427,151

CAL POLY POMONA FOUNDATION, INC.
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Cal Poly Pomona Foundation, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

(2) Summary of Significant Accounting Policies

Cal Poly Pomona Foundation Inc. did not elect to use the 10% de minimus cost rate as covered in the Uniform Guidance 2 CFR section 200.414 Indirect Costs.

Negative amounts reflected in the schedule represent adjustments or credits resulting from the normal course of business to amounts reported as expenditures in prior years.

CAL POLY POMONA FOUNDATION, INC.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Significant deficiency(ies) identified?	None reported
Material weakness(es) identified?	No
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major program:	
Significant deficiency(ies) identified?	None reported
Material weakness(es) identified?	No

Type of auditors' report issued on compliance for major programs	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, 2 CFR section 200.516(a)?	No
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Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
Various	Research and Development Cluster

Dollar threshold used to distinguish Between Type A and Type B programs:	\$750,000
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Auditee qualified as a low-risk auditee under the Uniform Guidance 2 CFR section 200.520	No
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Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

CAL POLY POMONA FOUNDATION, INC.

Schedule of Prior Year Findings

Year Ended June 30, 2019

Section IV – Schedule of Prior Year Findings

2018-001

Condition: For the years ended June 30, 2017 and June 30, 2016, the data collection forms were not submitted within the required timeline.

Recommendation: It was recommend that there be a control implemented that will ensure that the data collection form is submitted timely.

Current Status: Recommendation was adopted in 2019. Data collection form was properly submitted within the required timeframe for the year end June 30, 2018.