



FOUNDATION BUSINESS PLAN

2019-2020



The Cal Poly Pomona Foundation is a "Learning-Center Organization" that has the capacity and ability to learn, is constantly learning to do things better, and within the Foundation learning is shared throughout the organization.

The Foundation has developed a system and a climate of continuous improvement throughout the organization. Continuous improvement is nurtured and sustained so that management and staff are always alert to the possibilities for better ways to serve all stakeholders.

Cal Poly Pomona Foundation, Inc.
Fiscal 2019-2020 Business Plan and Budgets

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EXECUTIVE OVERVIEW

The 2019-2020 Foundation Consolidated Business Plan/Budget Process

Foundation Management began using a particular style and method of business planning in 1995 that was initiated following an intensive training program by the Management Action Program (MAP). This training provided a standardized method for Foundation management to set goals, determine action steps and monitor progress by reviewing various vital factors. Again, we decided it would be more efficient for each unit to develop their budgets at the same time they developed their business plans based on the concepts of MAP. The Foundation appreciates the contributions of everyone that participated in the planning process.

Overview

Short-term Planning

**30-Day Goals and Performance Plans*

**Administrative Work Plans*

**Business Plans*

**Annual Budgets*

Long-term Planning

**Multi-year Strategic Planning*

**Multi-year Cash Flow Planning*

30-Day Goals

The 30-day goals system is used as a Foundation management tool throughout the year to review the status of various action steps and projects of individual supervisors, managers and directors. 30-day goals are to be consistent with the due dates of business plan action steps and may also include other action steps deemed necessary during the year to meet goals. Each month, the status of the past 30-day period is reviewed and new 30-day goals are submitted for the upcoming month.

Performance Plans

Individual staff employees establish a personal performance plan with their supervisors. This is based on their job descriptions and performance factors related to how they contribute towards the success of their unit. Performance reviews objectively consider the extent to which their contributions have met with expectations. The Foundation's Annual Performance Review process establishes how an employee's performance rating relates to a position classification, grade level and possible merit increase on an annual basis. Merit increases can be paid only when a "merit pool" has been approved for a given budget year by the Foundation Board of Directors.

Administrative Work Plans

The Executive Director asks Directors to submit Administrative Work Plans and report on the status of objectives and performance indicators in those plans. The Foundation incorporates this process with the business planning process. Directors are asked to design their Administrative Work Plan objectives and performance indicators around the most critical goals in their business plans. Objectives and proposed actions are to have positive effects on their business plan goals. Performance indicators are to be measurable in terms of vital factors or other measurable process variables. Individual performance evaluations consider the extent of accomplishments in both Administrative Work Plans and 30-day goals.

Unit Business Plans

The major operating and supporting units of the Foundation prepare annual business plans containing mission statements, assessments of strengths and challenges, survey results, keys to success, assessments of culture, major unit projects, business controls and vital factors, executive summaries, action steps, budgets and organizational charts. The purpose of the annual unit business plan is to have a detailed assessment and work plan for the fiscal year. The planning goal is to address the key Foundation operating issues and coordinate the planning process. The unit business plans address what actions are planned in order to meet or exceed the programming plans, projects, approved budgets and the measurement of progress. The unit business plans are one-year plans developed at the unit level involving appropriate staff, supervisors, managers and customer input from surveys. The unit business plans are working documents and action steps are monitored throughout the year. The unit business plans form the basis for the Foundation Consolidated Business Plan.

Annual Budgets

The budgets are based on certain assumptions including expected inflation, trends and enrollment levels. Foundation operating and support units prepare detailed annual budgets that incorporate approved business and strategic plan goals and concepts. The Foundation's Board of Directors formally approves the budgets annually. Foundation management reviews and monitors fiscal performance on a monthly basis.

Foundation Consolidated Business Plan and Monthly Meeting

The Consolidated Business Plan is an executive summary of how the Foundation expects to perform and coordinate its activities. Each month, key Foundation directors meet to review and discuss their respective budgets and actual results providing written comments on any notable variance(s). At this meeting, each director reviews his/her operation with the management team. Directors are held accountable for their business plans and budgets. The Foundation Consolidated Business Plan is also designed as a working document. Each director who participates in the monthly meeting receives a copy of the plan.

Strategic Plan

Unit strategic plans are long-range plans and address multi-year planning issues. Strategic planning takes the business planning process one step further and includes information on industry trends, campus demographics, how needs of the University are addressed, changing technology, operational forecasts and anticipated capital needs up to 10 years out. The goal of strategic planning is to provide vision, direction and coordination of Foundation programs and assets. Strategic plans are typically updated every two or three years and are developed utilizing focus groups, research data, surveys and consultants. It is the intent of the Foundation to pursue the development of strategic planning for all major units of the Foundation.

2019 – 2020
BUDGET REVIEW
POWERPOINT PRESENTATION

POLICY NO. 118 - Foundation Budget Process

Annual operating and capital budget for all activities include:

- Proposed Revenues and Expenditures
- Requests for Designated Gifts
- Requests for Capital Improvements
- Requests for New Staff Positions
- Debt Service Coverage
- Contributions to Reserves and Withdrawals from Reserves
- Forecast of Current Year Revenues and Expenditures



CAL POLY POMONA FOUNDATION

Budget Presentation 2019-2020

General Activities

- Administration
- Employment Services
- Marketing
- Financial Services
- Information Technology
- Real Estate Administration

Enterprise Operations

- Bookstore
- Kellogg West Conference Center
- Real Estate Development and Management
- Dining Services
- Foundation Housing Services

Designated Gifts

Supplemental Programs

- Research and Sponsored Programs
- Agriculture Aid-to-Instruction
- Non-credit Continuing Education

Reserves

Unrestricted

- General Investments
- Unrestricted Foundation Programs

Restricted (To Be Transferred)

- Endowments/Investments
- Restricted Foundation Programs



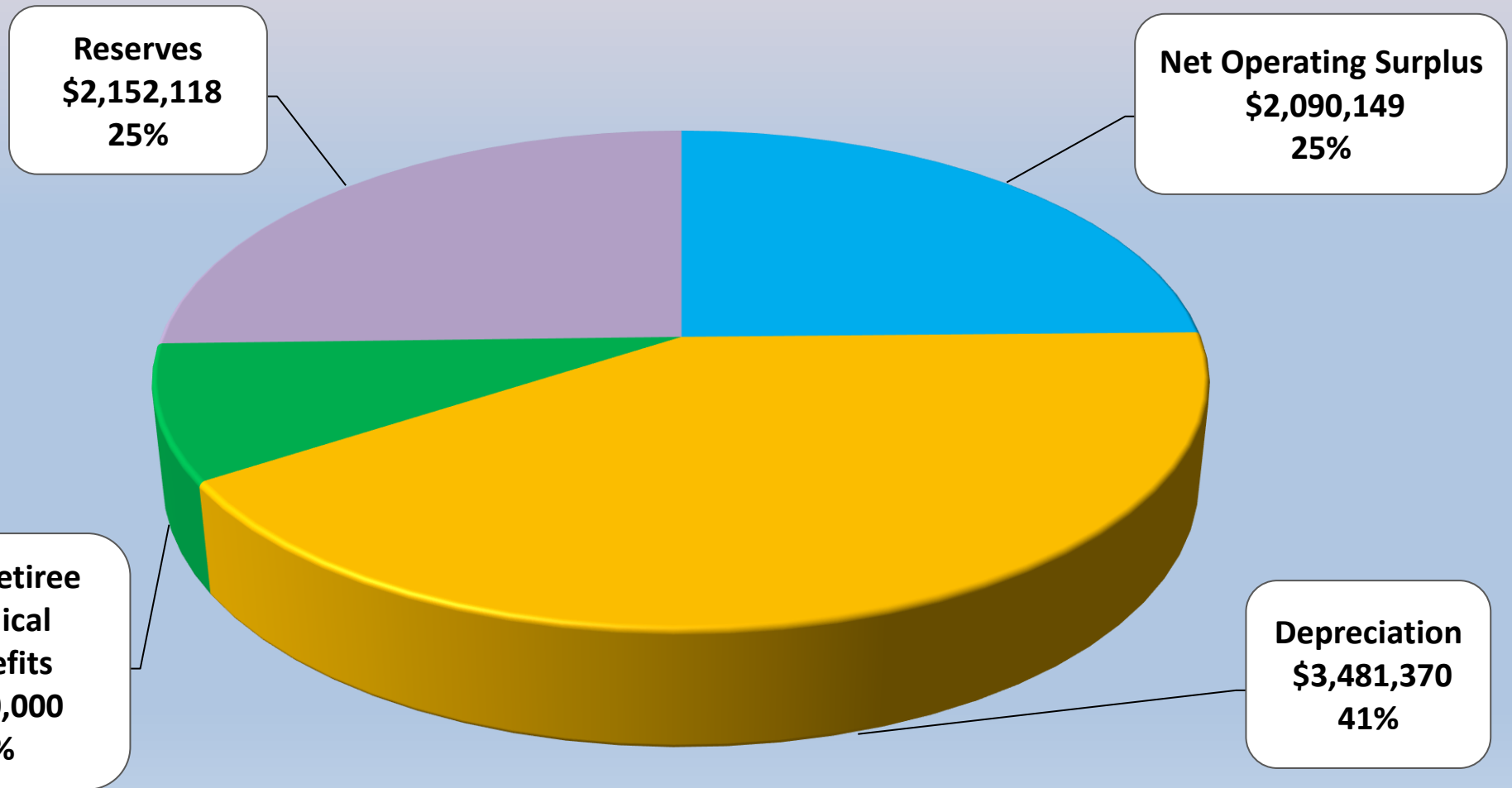
CAL POLY POMONA FOUNDATION

Budget Presentation 2019-2020

SOURCES OF CASH	2018-2019 Approved Budget	2018-2019 Forecast Budget	2019-2020 Proposed Budget
SURPLUS (DEFICIT)			
TOTAL OPERATING SURPLUS (DEFICIT)	6,481,819	6,346,948	3,407,516
Designated Gifts	(1,696,832)	(1,692,096)	(1,317,367)
NET OPERATING SURPLUS (DEFICIT)	4,784,987	4,654,852	2,090,149
NON-CASH TRANSACTIONS:			
Depreciation and Amortization	3,736,252	3,279,451	3,481,370
Post Retiree Medical Benefits	(10,000)	558,238	740,000
CalPERS Unfunded Accrued Liability Adjustment	-	(1,689,783)	-
TOTAL CASH GENERATED BY OPERATIONS	8,511,239	6,802,758	6,311,519
FINANCING			
TOTAL SOURCES OF FINANCING	-	-	-
RESERVES			
Capital Reserve	3,132,835	3,132,835	801,288
Residential Board Meal Program Surplus Reserve	1,080,000	1,034,170	775,830
Venture Capital/Real Estate Reserve	500,000	500,000	500,000
Insurance Reserve	-	-	-
Pine Tree Ranch Reserve	75,000	-	75,000
Agriculture Program Reserve	-	33,500	-
Withdraw of funds from Post Retiree Medical Benefit Trust	486,936	-	-
TOTAL SOURCES FROM RESERVES	5,274,771	4,700,505	2,152,118
TOTAL SOURCES OF CASH	\$ 13,786,010	\$ 11,503,263	\$ 8,463,637

* Cash generated by Operations, Financing and Reserves \$8.46 Million

Sources of Cash



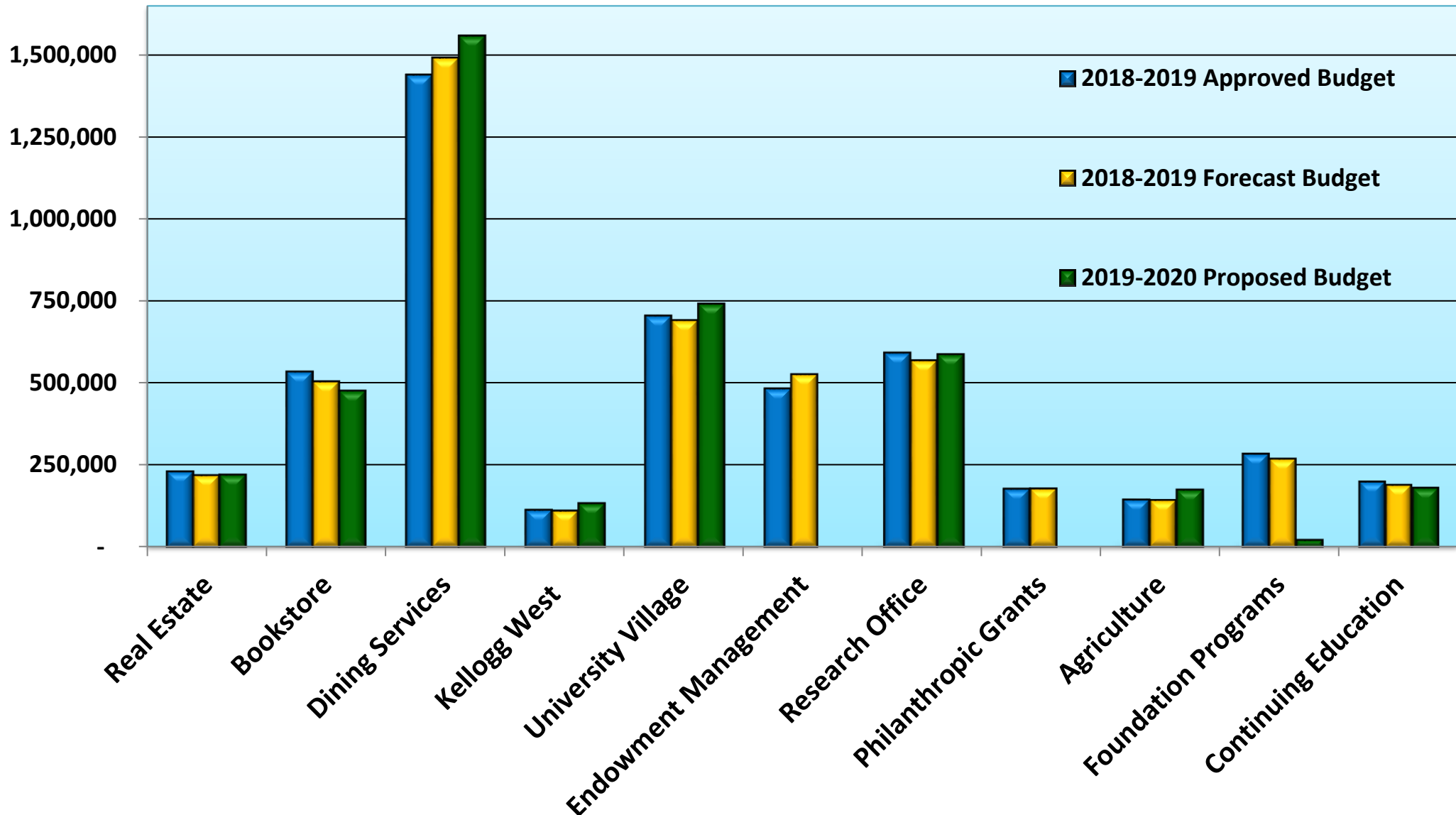


CAL POLY POMONA FOUNDATION

Budget Presentation 2019-2020

ADMINISTRATION	2018-2019 Approved Budget	% Of Revenue	2018-2019 Forecast Budget	% Of Revenue	2019-2020 Proposed Budget	% Of Revenue
Revenues	4,914,616	100%	4,872,859	100%	4,605,048	100%
Expenditures Controllable	1,330,397	27%	1,126,158	23%	1,259,956	27%
Expenditures Non-Controllable	334,836	7%	494,864	10%	520,499	11%
Total Labor	4,052,763	82%	2,306,082	47%	4,446,131	97%
Total Expenditures	5,717,996	116%	3,927,104	81%	6,226,586	135%
Net Surplus (Deficit)	\$ (803,380)	-16%	\$ 945,755	19%	\$ (1,621,538)	-35%

Administration Fee Revenues






CAL POLY POMONA FOUNDATION

Budget Presentation 2019-2020

ENTERPRISE OPERATIONS	2018-2019 Approved Budget	% Of Revenue	2018-2019 Forecast Budget	% Of Revenue	2019-2020 Proposed Budget	% Of Revenue
Revenues	49,518,942	100%	48,270,394	100%	51,066,433	100%
Cost of Goods Sold	13,349,921	27%	13,167,574	27%	13,243,097	26%
Gross Margin	36,169,021	73%	35,102,820	73%	37,823,336	74%
Expenditures Controllable	9,278,496	19%	8,434,873	17%	8,733,803	17%
Expenditures Non-Controllable	9,276,524	19%	9,012,281	19%	9,761,277	19%
Total Labor	12,828,232	26%	13,353,139	28%	15,392,738	30%
Total Expenditures	31,383,252	63%	30,800,293	64%	33,887,818	66%
Net Surplus	\$ 4,785,769	10%	\$ 4,302,527	9%	\$ 3,935,518	8%


CAL POLY POMONA FOUNDATION

Budget Presentation 2019-2020

 BRONCO BOOKSTORE	2018-2019 Approved Budget	% Of Revenue	2018-2019 Forecast Budget	% Of Revenue	2019-2020 Proposed Budget	% Of Revenue
Revenues	9,650,725	100%	9,265,763	100%	8,844,659	100%
Cost of Goods Sold	6,644,283	69%	6,743,521	73%	6,074,398	69%
Gross Margin	3,006,442	31%	2,522,242	27%	2,770,261	31%
Expenditures Controllable	322,789	3%	223,049	2%	244,761	3%
Expenditures Non-Controllable	821,735	9%	697,626	8%	620,182	7%
Total Labor	1,542,066	16%	1,537,835	17%	1,682,429	19%
Total Expenditures	2,686,590	28%	2,458,510	27%	2,547,372	29%
Net Surplus	\$ 319,852	3%	\$ 63,732	1%	\$ 222,889	3%


CAL POLY POMONA FOUNDATION

Budget Presentation 2019-2020

	2018-2019 Approved Budget	% Of Revenue	2018-2019 Forecast Budget	% Of Revenue	2019-2020 Proposed Budget	% Of Revenue
Revenues	22,270,680	100%	21,956,379	100%	24,206,506	100%
Cost of Goods Sold	6,705,638	30%	6,424,053	29%	7,168,699	30%
Gross Margin	15,565,042	70%	15,532,326	71%	17,037,807	70%
Expenditures Controllable	2,480,687	11%	2,577,647	12%	2,687,895	11%
Expenditures Non-Controllable	3,334,280	15%	3,485,781	16%	4,384,175	18%
Total Labor	8,562,644	38%	9,031,524	41%	10,397,882	43%
Total Expenditures	14,377,611	65%	15,094,952	69%	17,469,952	72%
Net Surplus	\$ 1,187,431	5%	\$ 437,374	2%	\$ (432,145)	-2%


CAL POLY POMONA FOUNDATION

Budget Presentation 2019-2020

 Kellogg West	2018-2019 Approved Budget	% Of Revenue	2018-2019 Forecast Budget	% Of Revenue	2019-2020 Proposed Budget	% Of Revenue
Revenues	1,914,874	100%	1,864,463	100%	2,066,848	100%
Expenditures Controllable	848,943	44%	802,136	43%	883,500	43%
Expenditures Non-Controllable	216,706	11%	178,566	10%	193,858	9%
Total Labor	779,064	41%	877,672	47%	970,405	47%
Total Expenditures	1,844,713	96%	1,858,374	100%	2,047,763	99%
Net Surplus	\$ 70,161	4%	\$ 6,089	0%	\$ 19,085	1%

CAL POLY POMONA FOUNDATION

Budget Presentation 2019-2020

	2018-2019 Approved Budget	% Of Revenue	2018-2019 Forecast Budget	% Of Revenue	2019-2020 Proposed Budget	% Of Revenue
Revenues	10,891,090	100%	10,666,352	100%	11,431,606	100%
Expenditures Controllable	2,366,887	22%	2,184,547	20%	2,404,559	21%
Expenditures Non-Controllable	3,815,701	35%	3,574,745	34%	3,497,700	31%
Total Labor	1,669,628	15%	1,616,265	15%	2,023,236	18%
Total Expenditures	7,852,216	72%	7,375,557	69%	7,925,495	69%
Net Surplus	\$ 3,038,874	28%	\$ 3,290,795	31%	\$ 3,506,111	31%



CAL POLY POMONA FOUNDATION

Budget Presentation 2019-2020

REAL ESTATE	2018-2019 Approved Budget	% Of Revenue	2018-2019 Forecast Budget	% Of Revenue	2019-2020 Proposed Budget	% Of Revenue
Revenues	4,791,573	100%	4,517,437	100%	4,516,814	100%
Cost of Goods Sold	-	0%	-	0%	-	0%
Gross Margin	4,791,573	100%	4,517,437	100%	4,516,814	100%
Expenditures Controllable	3,259,190	68%	2,647,494	59%	2,513,088	56%
Expenditures Non-Controllable	1,088,102	23%	1,075,563	24%	1,065,362	24%
Total Labor	274,830	6%	289,843	6%	318,786	7%
Total Expenditures	4,622,122	96%	4,012,900	89%	3,897,236	86%
Net Surplus	\$ 169,451	4%	\$ 504,537	11%	\$ 619,578	14%



CAL POLY POMONA FOUNDATION

Budget Presentation 2019-2020

REAL ESTATE SURPLUS/(DEFICIT) DESCRIPTION	2018-2019 Approved Budget	2018-2019 Forecast Budget	2019-2020 Proposed Budget
<u>REAL ESTATE DEVELOPMENT</u>			
Center for Training Technology & Incubation	2,884	(99,921)	38,624
Innovation Village	827,480	848,006	873,600
Spadra Farm	(418,632)	-	-
Support for Lanterman Operations	(500,000)	(500,000)	(499,983)
Total Real Estate Development	(88,268)	248,085	412,241
<u>RENTAL BUILDINGS</u>			
Building 66 - Classrooms & Offices	178,153	163,117	146,102
Building 97 - Offices	160,378	171,985	163,590
CTTi Building 220A	(166,032)	(165,523)	(171,912)
Total Rental Buildings	172,499	169,579	137,780
<u>FACULTY HOUSING</u>			
Faculty Housing	85,220	86,873	69,557
Total Faculty Housing	85,220	86,873	69,557
REAL ESTATE TOTAL			
	\$ 169,451	\$ 504,537	\$ 619,578



CAL POLY POMONA FOUNDATION

Budget Presentation 2019-2020

CONTINUING EDUCATION	2018-2019 Approved Budget	% Of Revenue	2018-2019 Forecast Budget	% Of Revenue	2019-2020 Proposed Budget	% Of Revenue
Revenues	4,578,035	100%	4,396,939	100%	4,124,424	100%
Expenditures Controllable	1,357,865	30%	1,107,117	25%	1,026,544	25%
Expenditures Non-Controllable	354,085	8%	269,212	6%	270,535	7%
Total Labor	2,330,915	51%	2,571,402	58%	2,734,939	66%
Total Expenditures	4,042,865	88%	3,947,731	90%	4,032,018	98%
Net Surplus	\$ 535,170	12%	\$ 449,208	10%	\$ 92,406	2%



CAL POLY POMONA FOUNDATION

Budget Presentation 2019-2020

CONTINUING EDUCATION PROGRAMS	2018-2019 Approved Budget	2018-2019 Forecast Budget	2019-2020 Proposed Budget
College of the Extended University - Programs			
Administration	64,805	7,511	48,336
Program Development	(292,520)	(312,430)	(440,562)
Quality Management	7,842	8,997	6,894
Professional Project Management Program	22,272	15,821	3,290
Leadership & Management	22,258	1,245	4,481
Engineering & Manufacturing	156,198	177,564	111,591
Summer Support @ CEU	(1,004)	-	(1)
Business Comm & Grant Writing	8,380	3,620	3,966
Math & Science	1,600	134	-
Hospitality & Service Industry	126,156	17,305	30,082
Civil Engineering Review	172	846	838
Human Resources Management	3,128	7,130	4,605
Building & Construction Management	27,459	35,537	14,616
ED 2 GO	4,000	1,805	730
Global Ed Programs Standard	141,492	100,255	86,100
Global Ed Programs Camps	-	-	-
CPELI Camps	-	-	-
CPELI Standard	65,919	228,606	103,726
Summer Camps	70,300	113,739	49,961
CEU CPP Aviation Hospitality	51,754	105,636	31,070
CEU ASP	52,576	(64,113)	26,788
Total College of the Extended University Surplus	\$ 532,787	\$ 449,208	\$ 86,511



CAL POLY POMONA FOUNDATION

Budget Presentation 2019-2020

CONTINUING EDUCATION PROGRAMS	2018-2019 Approved Budget	2018-2019 Forecast Budget	2019-2020 Proposed Budget
College of Engineering			
Non-Credit Learning Administration	-	-	-
Civil Engineering Review	-	-	-
Total College of Engineering Surplus	-	-	-
College of Science			
Chemistry Agilent Project	2,383	-	5,895
Total College of Science Surplus	2,383	-	5,895
TOTAL CONTINUING EDUCATION SURPLUS	\$ 535,170	\$ 449,208	\$ 92,406



CAL POLY POMONA FOUNDATION

Budget Presentation 2019-2020

AGRICULTURE	2018-2019 Approved Budget	% Of Revenue	2018-2019 Forecast Budget	% Of Revenue	2019-2020 Proposed Budget	% Of Revenue
Revenues	3,657,300	100%	3,617,067	100%	3,970,893	100%
Cost of Goods Sold	690,060	19%	682,050	19%	719,080	18%
Gross Margin	2,967,240	81%	2,935,017	81%	3,251,813	82%
Expenditures Controllable	1,523,894	42%	1,532,396	42%	1,589,619	40%
Expenditures Non-Controllable	259,079	7%	260,919	7%	302,524	8%
Total Labor	1,077,934	29%	911,400	25%	1,105,690	28%
Total Expenditures	2,860,907	78%	2,704,715	75%	2,997,833	75%
Net Surplus (Deficit)	\$ 106,333	3%	\$ 230,302	6%	\$ 253,980	6%



CAL POLY POMONA FOUNDATION

Budget Presentation 2019-2020

AGRICULTURE AID-TO-INSTRUCTION PROGRAMS			
Surplus/(Deficit) Budget Comparison Summary	2018-2019	2018-2019	2019-2020
DESCRIPTION	Approved Budget	Forecast Budget	Proposed Budget
Agronomy Farms	(397,830)	(226,366)	(206,541)
Beef Unit	2,614	27,651	85,976
Fruit Industry	221	(10,617)	(16,912)
Meat Lab	-	-	-
Ornamental Horticulture	7,043	34,291	14,885
Pine Tree Ranch	59,766	85,668	(66,526)
Sheep Unit	160	7,768	(10,191)
Swine Unit	664	(5,334)	413
Vet Clinic	1,690	24,725	17,114
Pumpkin Festival	56,745	19,197	25,355
Westwind Ranch	339,626	245,363	402,302
Wasmansdorff House-Pine Tree	(382)	(1,492)	156
Agriscapes	10,674	21,349	5,613
Danny's Farm	(4,467)	5,904	1,188
Truck & Trailer	-	-	-
Farm Store at Kellogg Ranch	29,809	2,195	1,148
Total Agriculture Aid-to-Instruction Programs	\$ 106,333	\$ 230,302	\$ 253,980



CAL POLY POMONA FOUNDATION

Budget Presentation 2019-2020

RESEARCH OFFICE	2018-2019 Approved Budget	% Of Revenue	2018-2019 Forecast Budget	% Of Revenue	2019-2020 Proposed Budget	% Of Revenue
Revenues	1,421,318	100%	1,346,685	100%	1,387,085	100%
Expenditures Controllable	605,119	43%	647,490	48%	560,416	40%
Expenditures Non-Controllable	595,935	42%	571,493	42%	588,638	42%
Total Labor	200,264	14%	107,702	8%	218,034	16%
Total Expenditures	1,401,318	99%	1,326,685	99%	1,367,088	99%
Net Surplus	\$ 20,000	1%	\$ 20,000	1%	\$ 19,997	1%



CAL POLY POMONA FOUNDATION

Budget Presentation 2019-2020

INVESTMENTS - GENERAL	2018-2019 Approved Budget	% Of Revenue	2018-2019 Forecast Budget	% Of Revenue	2019-2020 Proposed Budget	% Of Revenue
Revenues						
Investment Earnings	1,991,383	100%	550,300	100%	799,476	100%
Expenditures						
Investment Advisor Fees	153,454	8%	151,144	27%	72,323	9%
Total Expenditures	153,454	8%	151,144	27%	72,323	9%
Net Surplus	\$ 1,837,929	92%	\$ 399,156	73%	\$ 727,153	91%



CAL POLY POMONA FOUNDATION

Budget Presentation 2019-2020

INVESTMENTS - ENDOWMENTS	2018-2019 Approved Budget	% Of Revenue	2018-2019 Forecast Budget	% Of Revenue	2019-2020 Proposed Budget	% Of Revenue
Revenues						
Investment Earnings	5,987,171	88%	1,268,466	28%	-	0%
Donations	812,004	12%	3,272,114	72%	-	0%
Total Revenue	6,799,175	100%	4,540,580	100%	-	0%
Endowment Distributions	4,283,177	63%	4,235,018	93%	-	0%
Expenditures Non-Controllable						
Administrative Fees	487,212	7%	529,547	12%	-	0%
Investment Advisor Fees	204,168	3%	159,143	4%	-	0%
Total Expenditures Non-Controllable	691,380	10%	688,690	15%	-	0%
Total Expenditures	4,974,557	73%	4,923,708	108%	-	0%
Net Surplus	\$ 1,824,618	27%	\$ (383,128)	-8%	\$ -	0%

DESIGNATED GIFTS

Per Policy No. 118, the Foundation has included in this year's budget a contribution in support of the University of \$1,306,096. The contribution is funded from the prior year's surplus after requirements for capital spending, reserves and debt service have been considered and includes the following:

- * President's Request
- * Foundation Request

TOTAL REQUESTED

	2018-2019 Forecast Budget	2019-2020 Proposed Budget
	1,500,000	1,300,000
	192,096	17,367
	\$ 1,692,096	\$ 1,317,367

- * Over the past five years the Foundation Board has designated over \$6.87 million in cash for the benefit of the University.



CAL POLY POMONA FOUNDATION

Budget Presentation 2019-2020

USES OF CASH

CAPITAL EXPENDITURES

	2018-2019 Approved Budget	2018-2019 Forecast Budget	2019-2020 Proposed Budget
Dining Services / Facilities	4,824,300	4,462,299	2,039,871
Kellogg West	304,000	297,900	200,000
Bookstore	263,000	263,000	1,279,123
University Village	400,000	274,034	738,000
Administration	374,000	206,885	259,000
Real Estate	202,835	207,835	821,288
Agriculture	140,300	31,800	-
College of Extended University	104,000	84,000	110,250
Restricted FDN Progs - Arabian Horse Center	15,000	12,500	-
Prior Year Carryover	814,444	-	1,270,926

TOTAL CAPITAL EXPENDITURES **7,441,879** **5,840,253** **(1)** **6,718,458**

FINANCING

University Village Bond Payment - 2013 & 2014 Series	725,000	725,000	765,000
CTTi Bond Payment - 2017 Series	215,000	215,000	225,000

TOTAL USES OF FINANCING **940,000** **940,000** **990,000**

RESERVES

Agriculture Program Reserve @ 55% net Annual Surplus	28,600	54,795	-
CalPERS UAL 10-Year Amortization Funding	1,173,772	1,086,128	705,473
Capital Reserve @ 1.75% of Gross Auxiliary Revenues	1,001,452	939,637	333,039
Innovation Village Demo Reserve	11,956	11,942	12,313
Insurance Reserve	51,201	51,201	55,267
Residential Board Meal Program Surplus Reserve excess 7%	351,140	261,956	-
Pine Tree Ranch Reserve @ 50% net Annual Surplus	29,114	42,834	-
Post Retiree Medical Benefits Trust - Note 1	1,000,000	1,000,000	1,000,000
Research & Sponsored Programs	20,000	20,000	20,000
Venture Capital/Real Estate Reserve @ 1% of Gross Revenue	572,258	536,936	564,710

TOTAL RESERVE CONTRIBUTIONS **4,239,493** **4,005,429** **2,690,802**

TOTAL USES OF CASH **\$ 12,621,372** **\$ 10,785,682** **\$ 10,399,260**

Note 1 - The 2019-2020 budget includes funding \$1 Million to the VEBA Trust for the OPEB obligation

(1) Capital Expenditures of \$5.45 Million and carryover of \$1.27 Million for a total of \$6.72 Million



CAL POLY POMONA FOUNDATION

Budget Presentation 2019-2020

CAL POLY POMONA FOUNDATION, INC. 2019-2020 PROPOSED CAPITAL BUDGET

RESERVES	Prior Years Remaining	Proposed Detail 2019-2020	Proposed Total 2019-2020	
University Village	145,000	738,000	738,000	Stairway railings for 7 Phase II bldgs/ Duck cleaning bldgs. (\$20,000), Phase III boiler tube bundles (\$30,000), Phase III hot water storage tanks (\$20,000), Furniture 6 apartments Phase I (\$65,000), Wi-Fi upgrade/replace refrigerators (\$10,000) Replace heating and cooling units in bldgs. (\$63,000), Inject foam under phase III shower pans (\$167,000), Replace flooring for 15 apartments (\$100,000), Replace flooring for recreation center (\$13,000), Replace mattresses (\$17,000), Replace water heaters (\$26,000), Replace stoves (\$8,000), Replace maintenance truck (\$20,000), Apt 10-year refresh (\$124,000), Install anti-slip step covers for stairwells bldgs. (82,000), Painting bldgs (\$118,000)
Bronco Bookstore	-	1,279,123	1,279,123	HVAC replacement with chilled water system (\$900,000), Building 66 reroof (\$34,123), Van replacement (\$35,000), Remodel web order work area including storage fixtures, flooring, and interior paint (\$300,000), Replace store sound system (\$10,000)
Dining Services				
Fresh Escape	-	10,000		Zumex Juicer for new concept
Carl's Jr.	95,000			Carl's Jr. brand mandatory refresh (Carryover from 2017-18)
CCMP Pony Express		11,000		Three door cooler (\$8,000), Single door cooler (\$3,000)
Pony Express @ CLA	15,500			Store remodel - paint, flooring, cabinetry, equipment (Carryover from 2017-18)
Innovation Brew Works	32,419	20,000		Increase brewing capacity to 713 barrels/year-(1) 10 bbl brite tank, (2) 10 bbl fermenters, grain mill upgrade (\$32,419 Carryover from 2017-18); New oven and under counter refrigerated unit (\$20,000)
Poly Fresh	40,000			Replace open aired coolers, Enlarge storage space, Update shelving and register stations (Carryover from 2017-18)
Coffee Cart	40,000			Rework existing solar coffee cart to serve CLA replacement building (Carryover from 2017-18)
Starbucks		15,000		A/C Split Unit for BOH
International Grounds	10,000	20,000		Ticketing System for new café concept, Baine Maries, Reverse Osmosis system (\$10,000) Coffee Brewers and Grinders (\$20,000)



CAL POLY POMONA FOUNDATION

Budget Presentation 2019-2020

CAL POLY POMONA FOUNDATION, INC.

2019-2020 PROPOSED CAPITAL BUDGET

RESERVES		Prior Years Remaining	Proposed Detail 2019-2020	Proposed Total 2019-2020	(CONTINUED)
					Lobby kiosk refrigeration unit for fresh food, Routine dining rooms floor replacements, Folding chairs - wedding routine replacement, Dance floor for Kellogg House weddings, Misc. Dining Room Upgrades, Convection Oven Replacement (\$15,200-Carryover from 2017-18) Passenger Van KH UBI (\$30,000)
45,830	Kellogg West Dining	15,200	30,000		
	Los Olivos	45,830	-		Box truck, Equipment replacement-carryover from 2017-18 (\$45,830)
730,000	Los Olivos (Replacement Facility)	-	730,000		Small Equipment (\$80,000), Smallwares (\$220,000), Tabletops (\$350,000), Biometrics and Other Technology (\$80,000)
	Denny's	20,870	10,000		Misc. equipment - dish machine, grille, refrigeration (\$20,870-Carryover from 2017-18) Seating upgrades (\$10,000)
	Brewing Education	18,600			Misc. educational lab upgrades as classes develop (Carryover from 2017-18)
	Qdoba		16,000		Rethermalizer (\$8,000), Murals for back wall (\$2,000), Blenders & jars (\$6,000)
	Jamba Juice (BRIC)		6,000		Charbroiler
	Subway	20,000	60,000		Replace front line cold table (\$20,000), Franchise required refresh (\$60,000)
	Round Table Pizza	25,000	165,000		Realign front counter space to accommodate customer ease of through put and mobile ordering, add 3 tap system - brewery kegs, add warmer to accommodate increase in catering services, replace existing display case. (\$25,000) Required brand refresh (\$165,000)
	Dining Administration	185,000			Bldg 97 major refrigeration makeover (Carryover from 2017-18)
	Dining Administration	30,000			POS/micromarket/biometrics innovation initiatives (Carryover from 2017-18)
	Dining Administration	5,800			Cash register end-of life replacement (Carryover from 2017-18)
	Dining Administration	7,900			Building 97 feasibility study (Carryover from 2017-18)
	Dining Administration	27,500			Building 70 feasibility study
	Dining Administration	22,000			Analytics projects- enrollment, KPI dashboards (Carryover from 2017-18)
	Dining Administration		117,871		Demo walk-ins and replace doors (\$37,871), Cash register end-of life replacement (26 total) (\$80,000)
	Saddles	6,000			Starbucks conversion equipment and start up cost, Food equipment and small wares, Rebrand to Starbuck's WPS cabinetry, floor, paint, countertop, tile, furnishings (Carryover from 2017-18)



CAL POLY POMONA FOUNDATION

Budget Presentation 2019-2020

CAL POLY POMONA FOUNDATION, INC.

2019-2020 PROPOSED CAPITAL BUDGET

RESERVES	Prior Years Remaining	Proposed Detail 2019-2020	Proposed Total 2019-2020	(CONTINUED)
	29,000			Refresh café (Carryover from 2017-18)
	27,500			Conversion of market to micro market (unstaffed) (carryover from 2017-18)
		724,000		Retail kitchen equipment (\$22,000), Bldg 97 roof coating (\$98,000), Flooring CCMP (\$342,000), New furniture seating (\$250,000), Paint (\$10,000), Mixer for new café concept (\$2,000)
	6,992	52,000		Catering van (\$27,000), Catering equipment for expanding the catering services(\$15,000), POS system for catering (\$10,000)
			1,986,871	
	47,500	200,000	200,000	Replacement of conference tables (\$34,000), renovation & upgrades to all Bldg. 76 main conference center hallways and public areas (\$13,500). Replace /upgrade of 44 guestroom A/C & heating units in bldg. 77 (\$125,000), replace all present parking area and Horse Hill Drive lighting with LED lights (\$75,000)
	-	53,000	53,000	Vehicle for new Appliance Maintenance Specialist (\$20,000), Vehicle to replace 1996 Chevy (\$17,000), Manager Plus cloud-based work order system upgrade (\$16,000)
	10,000	-		Entrance door replacement
801,288	-	801,288		HVAC replacement - 2 chilled water air handling units (\$767,165) Reroof (\$34,123)
	-	20,000		Carpet replacement - tenant (\$20,000)
			821,288	
	-	-	-	No capital budget requested
75,000	75,000	-		Landscaping (from Pine Tree Ranch Reserve)
			-	
	-	-	-	No capital budget requested
	40,000	110,250	110,250	Vehicle (\$30,000), Cart (\$10,000) Software replacing Jenzabar/Schoology (\$76,250), Office space reconfiguration (\$34,000)



CAL POLY POMONA FOUNDATION

Budget Presentation 2019-2020

CAL POLY POMONA FOUNDATION, INC.

2019-2020 PROPOSED CAPITAL BUDGET

RESERVES	Prior Years Remaining	Proposed Detail 2019-2020	Proposed Total 2019-2020	(CONTINUED)
Administration				
Human Resources	20,000	35,000		Kronos Dimensions - Upgrade HCM platform (\$20,000); Compensation review (\$35,000)
Administration	10,000			Executive conference room furniture/carpet
Administration	18,315			Bldg. 55 refresh
Marketing		49,000		Display screens: Einstein's (\$5,000), The Den (\$5,000), other (\$8,000) Outdoor Sign for Bookstore (\$20,000) Z6810 Series large format printer (\$11,000)
Management Info Systems	15,000			Windows 10/desktop updates - Rollout of new operating system to enterprise units through VDI. Some hardware refreshes to improve speed, automation, and security, including continued SSD disk upgrades where needed.
Management Info Systems	40,000			Financial System Improvements - The extension of One Solution to version 18, and ongoing workflow development for vendor data records, project agreements, and Foundation Programs.
Management Info Systems	15,000			Analytics Licensing and Consulting Services - To continue the buildout of business intelligence analytics dashboards for grants, enrollment, financial services and retail operations.
Management Info Systems	35,000			CDD to Cognos report conversion - The upgrade of Cognos to version 11 and full CDD to Cognos report conversion to enhance Enterprise reports with Business Intelligence improvements
Management Info Systems	27,000			Event and Space Management - License/upgrade buy-in to a software system providing campus wide space management. The vendor will either be EMS or CollegeNet.
Management Info Systems	35,000			B55 Fiber and Switch Upgrade - Installation of fiber and respective switches to provide smooth migration of data to the new data center POD, and improved services to the building
Management Info Systems	12,000			Credit Card Monitoring Software - Software to provide real-time monitoring and alarms for all credit card transactions processing through the Foundation
Management Info Systems		60,000		Kronos Upgrade to Workforce Ready - Upgrading SAAS system to stay current with features, functionality, and security.



CAL POLY POMONA FOUNDATION

Budget Presentation 2019-2020

CAL POLY POMONA FOUNDATION, INC.

2019-2020 PROPOSED CAPITAL BUDGET

		Prior Years Remaining	Proposed Detail 2019-2020	Proposed Total 2019-2020	
RESERVES					(CONTINUED)
	Management Info Systems		20,000		WinServer 2008/SQLServer 2008 Uplift - Upgrading operating systems to stay current with features and security.
	Management Info Systems		15,000		Migration to POD IAAS - Hardware migration expenses related to moving equipment from b55 to new POD co-location facility. Including spare hardware, and peripheral equipment.
	Management Info Systems		10,000		Information Security Management Tools - Monitoring and maintenance tools for increased security management requirements.
	Management Info Systems		50,000		VM Infrastructure Improvements - Equipment refreshes in preparation for migration to co-location facility in POD.
	Management Info Systems		20,000		Ricoh Document Mall Phase II - Implementation of advanced workflow automation for contract management and retention policy implementation.
	Total Administration			259,000	
Prior Years and Proposed Capital Budget		1,270,926		5,447,532	
Total Prior Years and Proposed Capital Budget				6,718,458	
<u>1,652,118</u> Capital Funding from Reserves				(1,652,118)	
Capital Funding from Operations				5,066,340	

Note - The proposed capital budget assumes funding of \$801,288 from the Capital Reserve, \$775,830 from the Residential Board Meal Program Surplus Reserve, and \$75,000 from the Pine Tree Ranch Reserve.



CAL POLY POMONA FOUNDATION

Budget Presentation 2019-2020

USES OF CASH

CAPITAL EXPENDITURES

	2018-2019 Approved Budget	2018-2019 Forecast Budget	2019-2020 Proposed Budget
Dining Services / Facilities	4,824,300	4,462,299	2,039,871
Kellogg West	304,000	297,900	200,000
Bookstore	263,000	263,000	1,279,123
University Village	400,000	274,034	738,000
Administration	374,000	206,885	259,000
Real Estate	202,835	207,835	821,288
Agriculture	140,300	31,800	-
College of Extended University	104,000	84,000	110,250
Restricted FDN Progs - Arabian Horse Center	15,000	12,500	-
Prior Year Carryover	814,444	-	1,270,926
TOTAL CAPITAL EXPENDITURES	7,441,879	5,840,253	6,718,458

FINANCING

University Village Bond Payment - 2013 & 2014 Series	725,000	725,000	765,000
CTTi Bond Payment - 2017 Series	215,000	215,000	225,000
TOTAL USES OF FINANCING	940,000	940,000	(2) 990,000

RESERVES

Agriculture Program Reserve @ 55% net Annual Surplus	28,600	54,795	-
CalPERS UAL 10-Year Amortization Model	1,173,772	1,086,128	705,473
Capital Reserve @ 1.75% of Gross Auxiliary Revenues	1,001,452	939,637	333,039
Innovation Village Demo Reserve	11,956	11,942	12,313
Insurance Reserve	51,201	51,201	55,267
Residential Board Meal Program Surplus Reserve excess 7%	351,140	261,956	-
Pine Tree Ranch Reserve @ 50% net Annual Surplus	29,114	42,834	-
Post Retiree Medical Benefits Trust - Note 1	1,000,000	1,000,000	1,000,000
Research & Sponsored Programs	20,000	20,000	20,000
Venture Capital/Real Estate Reserve @ 1% of Gross Revenue	572,258	536,936	564,710
TOTAL RESERVE CONTRIBUTIONS	4,239,493	4,005,429	2,690,802

TOTAL USES OF CASH

\$ 12,621,372	\$ 10,785,682	\$ 10,399,260
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Note 1 - The 2019-2020 budget includes funding \$1 Million to the VEBA Trust for the OPEB obligation

(2) Principal Debt Payment of \$990,000



CAL POLY POMONA FOUNDATION

Budget Presentation 2019-2020

DEBT SERVICE COVERAGE

(Fiscal Year Ended June 30)

Description	2017-2018 Actual ³	2018-2019 Approved Budget	2018-2019 Forecast Budget	2019-2020 Proposed Budget
Change in Unrestricted Net Assets	3,380,857	4,784,987	4,654,852	2,090,149
Add Back:				
University Designated Expenditures	-	1,696,832	1,692,096	1,317,367
Surplus (Deficit) before Designated Expenditures	3,380,857	6,481,819	6,346,948	3,407,516
Add Back:				
Depreciation and Amortization	3,540,509	3,724,456	3,265,255	3,481,370
Interest Expense (see detail below)	903,425	1,029,823	898,755	827,888
Transfer of assets to the University	1,966,049	-	-	-
Available for Debt Service	9,790,840	11,236,098	10,510,958	7,716,774
Maximum Annual Debt Service ²				
2013 & 2014 Series Bonds	1,721,125	1,721,125	1,721,125	1,721,125
2017A & 2017B Series Bonds	294,384	302,875	302,875	302,875
Total Debt Service	2,015,509	2,024,000	2,024,000	2,024,000
Total Debt Service before Designated Expenditures ¹	4.86	5.55	5.19	3.81
Total Debt Service after Designated Expenditures	4.86	4.71	4.36	3.16

Notes:

- 1 Per Section 4.4 of Executive Order 994, the Foundation shall generate a debt coverage ratio of at least 1.25.
- 2 Maximum annual debt service is reported as the total amount of scheduled debt service during the year in which the debt service is scheduled to be highest during the life of the Bonds
- 3 For the Actual Debt Service calculation, the actual annual debt service is used instead of the maximum annual debt service used in the forecast and proposed budgets; and University Designated Expenses are also not added back in the calculation.
Transfer of assets is not included in the forecast or proposed budgets.

Interest Detail				
2013 & 2014 Series Bonds - Interest	860,675	984,583	860,676	786,648
2017A & 2017B Series Bonds - Interest	42,750	45,240	38,079	41,240
TOTAL INTEREST EXPENSE	903,425	1,029,823	898,755	827,888



CAL POLY POMONA FOUNDATION

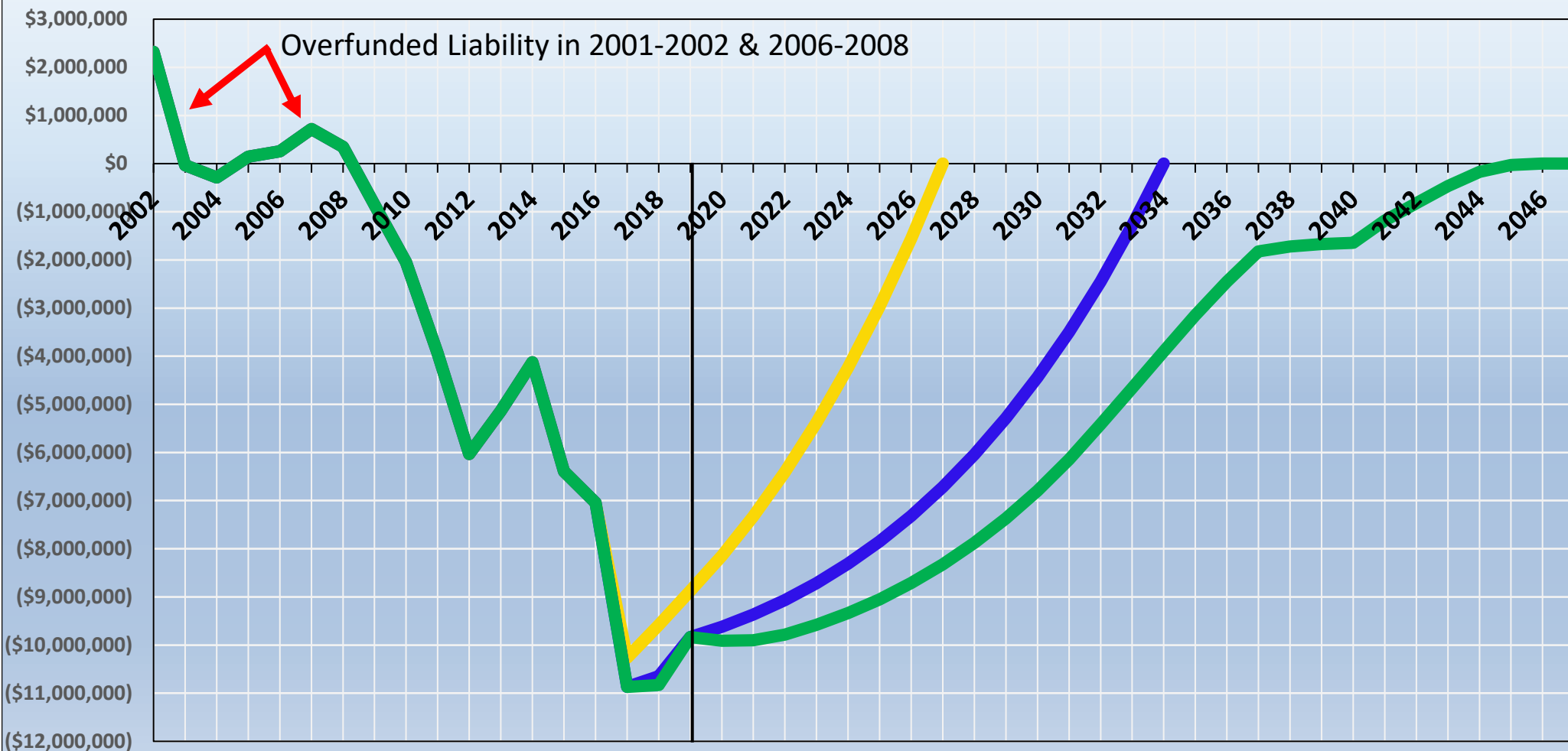
Budget Presentation 2019-2020

The Foundation's Reserves, OPEB & Pension are comprised of the following:

	Contributions	Requests	Balance at June 2020
* <u>Policy No. 103</u>			
Indirect Cost (Disallowance) Reserve	-	-	346,406
* <u>Policy No. 170</u>			
Agriculture Program Reserve	-		75,000
Pine Tree Ranch Reserve	-	75,000	58,720
* <u>Policy No. 171</u>			
Res Board Meal Program Surplus Reserve	-	775,830	1,560,263
Cafeteria Equipment Replacement Reserve	-	-	182,062
* <u>Policy No. 172</u>			
Operating Reserve	-	-	8,229,637
Capital Equipment Reserve	333,039	801,288	5,065,877
Venture Capital/Real Estate Reserve	564,710	500,000	2,151,092
* <u>Policy No. 173</u>			
Funded portion of Retiree Medical Benefits	1,000,000	-	2,000,000
* <u>Policy No. 174</u>			
Insurance Reserve	55,267	-	173,213
* <u>Policy No. 175</u>			
Research & Sponsored Programs Reserve	20,000	-	89,252
Innovation Village Demo Reserve	12,313	-	118,827
* <u>Policy No. 134</u>			
Emergency Reserve	-	-	120,037
* CalPERS UAL 10-year Amortization Model	705,473	-	1,791,601

CalPERS Unfunded Accrued Liability

10 Year Model 15 year Model 30 Year Model



Total Estimated Savings using 10 year model:

\$7,708,289

Total Estimated Savings using 15 year model:

\$2,936,173



CAL POLY POMONA FOUNDATION

Budget Presentation 2019-2020

USES OF CASH

CAPITAL EXPENDITURES

	2018-2019 Approved Budget	2018-2019 Forecast Budget	2019-2020 Proposed Budget
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Kellogg West	304,000	297,900	200,000
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Administration	374,000	206,885	259,000
Real Estate	202,835	207,835	821,288
Agriculture	140,300	31,800	-
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Restricted FDN Progs - Arabian Horse Center	15,000	12,500	-
Prior Year Carryover	814,444	-	1,270,926
TOTAL CAPITAL EXPENDITURES	7,441,879	5,840,253	6,718,458

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CTTi Bond Payment - 2017 Series	215,000	215,000	225,000
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Innovation Village Demo Reserve	11,956	11,942	12,313
Insurance Reserve	51,201	51,201	55,267
Residential Board Meal Program Surplus Reserve excess 7%	351,140	261,956	-
Pine Tree Ranch Reserve @ 50% net Annual Surplus	29,114	42,834	-
Post Retiree Medical Benefits Trust - Note 1	1,000,000	1,000,000	1,000,000
Research & Sponsored Programs	20,000	20,000	20,000
Venture Capital/Real Estate Reserve @ 1% of Gross Revenue	572,258	536,936	564,710
TOTAL RESERVE CONTRIBUTIONS	4,239,493	4,005,429	(3) 2,690,802

TOTAL USES OF CASH

\$ 12,621,372	\$ 10,785,682	\$ 10,399,260
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Note 1 - The 2019-2020 budget includes funding \$1 Million to the VEBA Trust for the OPEB obligation

(3) Contribution to Reserves \$2.69 Million



CAL POLY POMONA FOUNDATION

Budget Presentation 2019-2020

SUMMARY OF SOURCES AND USES OF CASH & WORKING CAPITAL RESERVE

2019-2020 Proposed Budget

	2018-2019 Approved Budget	2018-2019 Forecast Budget	2019-2020 Proposed Budget
Total Sources of Cash	13,786,010	11,503,263	8,463,637
Total Uses of Cash	12,621,372	10,785,682	10,399,260
NET SOURCES (USES) OF CASH - Note 1	1,164,638	717,581	(1,935,623)
Beginning of the Year Working Capital Less Contingency		24,988,263	25,705,844
Net Working Capital Available End of Year - Note 2		25,705,844	23,770,221
Minimum Two Months Working Capital Reserve Required		\$ 7,798,863	\$ 8,229,637

Note 1 - Post Retirement Medical Benefit - The actual funding is \$1.0 Million each year

Note 2 - Net Working Capital does not include cash advances for Sponsored Programs per policy #172

POLICY NO. 172 - LONG-RANGE CASH FORECAST

(Fiscal Viability) & Reserves

Long-Range Cash Forecast includes ten year forecaster of:

- Surplus (Deficit)
- Non Cash Transactions
- Financing Activities
- Capital Improvements
- Designated Gifts
- Reserve Draws / Contributions
- Net Cash Available



CAL POLY POMONA FOUNDATION

Budget Presentation 2019-2020

Cal Poly Pomona Foundation, Inc.

Long Term Cash Plan/Reserve

Amounts in Thousands

SOURCES OF CASH

Total Surplus (Deficit) - Operations

Non-Cash Transactions

Depreciation

CalPERS Unfunded Accrued Liability Adj.

GASB 45 - Post Retiree Medical Benefits

GASB 68 - CalPERS Pension Expense

Total Non-Cash Transaction

TOTAL CASH GENERATED FROM OPERATIONS

TOTAL FINANCING ACTIVITIES

TOTAL RESERVE ACTIVITIES

TOTAL SOURCES OF CASH

USES OF CASH

Capital Project Requirements

Financing Activities

Designated Gifts

Reserve Contributions

TOTAL USES OF CASH

Net Change in Cash

Cash Available

RESERVE

BALANCES
2030

GOALS

	ACTUAL 2018	FORECAST 2019	PROPOSED 2020	5 YEARS 2021-2025	10 YEARS 2021-2030	BALANCES 2030	GOALS
SOURCES OF CASH							
Total Surplus (Deficit) - Operations	3,381	6,348	3,407	32,651	73,078		
Non-Cash Transactions							
Depreciation	3,541	3,279	3,481	17,405	34,810		
CalPERS Unfunded Accrued Liability Adj.	-	(1,690)	-	-	-		
GASB 45 - Post Retiree Medical Benefits	613	558	740	1,501	1,992		
GASB 68 - CalPERS Pension Expense	2,418	-	-	-	-		
Total Non-Cash Transaction	6,572	2,147	4,221	18,906	36,802		
TOTAL CASH GENERATED FROM OPERATIONS	9,953	8,495	7,628	51,557	109,880		
TOTAL FINANCING ACTIVITIES	7,000	-	-	-	10,000		
TOTAL RESERVE ACTIVITIES	1,235	4,701	2,152	3,138	7,852		
TOTAL SOURCES OF CASH	18,188	13,196	9,780	54,695	127,732		
USES OF CASH							
Capital Project Requirements	2,236	5,841	6,718	14,452	34,710		
Financing Activities	885	940	990	7,665	15,650		
Designated Gifts	1,198	1,692	1,317	7,641	17,393		
Reserve Contributions	3,107	4,006	2,690	12,319	19,167	40,064	28,813
TOTAL USES OF CASH	7,426	12,479	11,715	42,077	86,920		
Net Change in Cash	10,762	717	(1,935)	12,618	40,812		
Cash Available	24,988	25,705	23,770	36,388	64,582		

Minimum Two Month Working Capital Reserve Required

7,799

8,230

General, Enterprise, Supplemental Programs, Designated Gifts and Reserve Budgets for Fiscal Year 2019-20 Resolution

- * **WHEREAS**, Pursuant to the provisions of the Compliance Guide for California State University Auxiliary Organizations Section 11.7, the Cal Poly Pomona Foundation's proposed operating budgets and forecast include: General Activities (Administration; Real Estate & Investments); Enterprise Activities (Bookstore/Dining Services/Kellogg West/Foundation Housing); Supplemental Programs (Research Office, Agriculture Units, Continuing Education, Restricted and Unrestricted Foundation Programs); Designated Gifts; Reserves and Capital Budgets; along with the Summary of Sources and Uses and Working Capital; Statement of Activities; Debt Service Coverage; and Long Term Cash Plan/Reserves. The Foundation's governing Board accomplishes these activities by reviewing and approving the annual operating and capital budgets before the start of each fiscal year. Necessary changes to the approved budgets may be made by the governing Board as the fiscal year progresses, and
- * **WHEREAS**, the Foundation Budget Process Policy No. 118, provides that Foundation Administration will present annually the operating and capital proposed budgets, forecasts and supporting detailed schedules and information to the Board of Directors; and
- * **WHEREAS**, the budget includes CALPERS contributions of \$1,120,112 (Normal Cost); \$617,400 (required amount); \$705,473 additional amount to the 2%@55 Plan; \$0 to the 2%@60 Plan and 2%@62 Plan (currently fully funded); provide a 3% or approximately \$242,000 wage adjustment for Eligible employees including the Foundation Officers; provide a range of meal plans from 140 to 220 plus 630 meal points per semester and a 3% increase in the Board rates for students living in the resident halls; provide 70 meals including 750 meal points per semester for students living in the Suites; provide a 3% increase in license fee rates for students living at University Village Housing; provide a 5% increase to the Foundation's portion of health insurance premiums; provide a parking subsidy of \$80,000 for full time employees (excluding MCP employees) and \$25,000 for part-time employees; contribute \$1.0 million and withdraw \$0 from the VEBA Trust for post-employment medical benefits and provide for a capital budget request of \$5,447,532. 41



CAL POLY POMONA FOUNDATION Budget Presentation 2019-2020

General, Enterprise, Supplemental Programs, Designated Gifts and Reserve Budgets for Fiscal Year 2019-20 Resolution

- * **WHEREAS**, the Foundation management has prepared and presents these proposed operating and capital budgets and forecasts, designated gifts, reserves and long range plan/reserve, and
- * **WHEREAS**, the Board of Directors has reviewed and discussed these proposed operating and capital budgets and forecasts, designated gifts, reserves and long range plan/reserve pursuant to Foundation Budget Process Policy No. 118, and
- * **NOW, THEREFORE**, the Board of Directors approves the Proposed Operating Budgets for fiscal year 2019-20 and the Capital Budgets for the fiscal year 2019-20 including a further review of the Bronco Bookstore's request to remodel the web order student pick-up area; its forecasts for fiscal year 2018-19 for General Activities, Enterprise Activities, Supplemental Programs, Designated Gifts, Reserves and the long-range cash plan/reserve.

Passed and adopted this 14th day of May 2019

By: *Lea Dopson*
Dr. Lea Dopson, Secretary

Cal Poly Pomona Foundation Board of Directors

SUMMARY

CAL POLY POMONA FOUNDATION, INC. PROPOSED 2019-20 BUDGET HIGHLIGHTS

The operating and capital budgets will provide the University with convenient and appropriate goods and services at reasonable prices along with the development of additional assets and resources for the University to support student success.

The budgets are subject to assumptions, estimates, forecasts and judgment by the management and directors of the Foundation which cannot predict all the actions or inactions, risks and uncertainties over which there may not be control that could cause actual results to differ materially. Some factors that may cause such a difference include:

- The state budget
- Decline in enrollment
- Unfavorable economic conditions
- General Investment portfolio returns
- Increased operating costs
- Shortages of qualified personnel and strikes
- Costly compliance to new regulations
- Transfer of restricted assets to the new philanthropic auxiliary
- Risks associated with providing services to international markets
- Risks associated with expansion and renovations
- Competition (on and off-campus)
- Use of campus facilities
- Unpredictability of completion of construction projects
- Employment and liability claims against the Foundation
- Proposals which are not awarded for grants and contracts
- Environmental liability and regulations

As a result, the Foundation's operating and capital budgets are based on assumptions, historical performances and the judgment of management on how the Foundation will financially perform over the next fiscal year. The Foundation has used sound business principles and practices to develop a budget that reflects the needs and obligations of the Foundation. The proposed budget does not include any restricted programs, scholarship or endowment assumptions as we anticipated these restricted activities will be transferred to the new Cal Poly Pomona Philanthropic Foundation (CPP-PF) on July 1, 2019.

The proposed unrestricted budget is projected to generate a surplus of \$2.1 million based upon budgeted revenues of \$66.8 million and budgeted expenditures of \$64.7 million. As we have done in prior years, the proposed budgeted revenues and expenditures excludes \$13.1 million in grant/contract awards and expenditures as these restricted activities generate no surplus or deficit.

The proposed unrestricted operating budgeted revenues are projected to increase \$2.6 million or 4.2% over the current year forecast mainly due to Dining Services increase of \$2.2 million or 10.2% and Housing increase of \$765,254 or 7.2%. In arriving at this surplus, management recommends the following:

- Provide students in the resident halls with a range of meal plans from 140 to 220 plus 630 meal points per semester (a 240% increase from the current 185 points). This plan includes \$250 points per semester. For the students living in the Suites, provide 70 meals including 750 meal points per semester. Board rates are proposed to increase 3% for the students in the resident halls;
- Allow for a 3.0% increase in license fee rates at University Village and assume occupancy rates during the academic year of 96%, winter break occupancy of 96% and summer occupancy of 30%;
- Foundation has three different pension formulas (or “Plan”) for its employees including the 2%@55 Plan, the 2%@60 Plan, and the 2%@62 Plan. An employee’s hire date determines which Plan is applicable for the employee along with their status as a “benefited employee”. Foundation and its benefited employees jointly contribute to their respective pension Plan. The rates paid by employees are 5%, 7%, and 6.25% respectively, and the weighted average rate for all three Plans paid by Foundation is 17.36%. The weighted average rate increased from 12.86% to 17.36% resulting in a budgeted increase of \$208,892. All three pension Plans in their respective Risk Pool with CalPERS are projected to contribute the Normal Cost of \$1,120,112;
- Contribute an additional \$705,473 to the minimum UAL required amount of \$617,400 for total of \$1,322,873 to the 2%@55 Plan to continue to reduce the UAL based on a 8 year model (3rd year of 10 year plan), \$0 to the 2%@60 Plan and \$0 to the 2%@62 Plan as those funds are currently fully funded;
- A 3% or approximately \$242,000 wage adjustment for 149 employees;
- A 5% annual increase cap for Foundation’s portion of health insurance premium;
- Parking subsidy of \$80,000 for full time employees (excluding MCP employees) and part time employees of \$25,000; and
- Contribute \$1.0 million to the VEBA Trust. The Plan Fiduciary Net Position as a percentage of the Total OPEB Liability is 51% or \$7.9 million unfunded per the latest actuarial study dated July 1, 2018.

The proposed debt service coverage beginning with the net unrestricted surplus (including General Investments) and adding back the designated gifts, depreciation and interest generates a proposed coverage of 3.81 before and 3.16 after the designated gifts. The proposed budget and forecast meets the CSU Executive Order 994; section 4.4 requires a debt coverage ratio of at least 1.25 and the Foundation currently does not have any proposed capital projects that require additional bond financing.

The proposed unrestricted operating, non-cash transactions including depreciation, financing and uses of reserves as reported in the Summary of Sources of Cash, generates \$8.4 million from the following activities:

• Operating surplus	\$ 3,407,516
• Designated Gifts to the University	(1,317,367)
• Non-cash depreciation and amortization	3,481,370
• Non-cash retirement medical	740,000
• Reserves	<u>2,152,118</u>
• Total cash generated	<u>\$ 8,463,637</u>

The proposed unrestricted uses of cash of \$10.4 million are for the following activities:

• Capital improvement requests	\$5,447,532
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• Capital improvement carry forward	1,270,926
• Principle bond payments	990,000
• Contributions to reserves	<u>2,690,802</u>
• Total cash used	<u>\$10,399,260</u>

The proposed capital budget request of \$5.4 million includes requests from University Village, Bronco Bookstore, Dining Services, Kellogg West Conference Center, Facilities, Real Estate, Continuing Education, and Administration.

General Activities – include administration and the respective supporting services and are projected to generate a deficit of \$1,621,538 versus a forecasted surplus of \$945,755 mainly due to the forecasted CalPERS Pension adjustment of \$1.6 million and the decrease in fees of 7.0% or \$273,000 from the proposed transfer of assets to CPP-PF and increase in expenditures including personnel recruiting and salary for an Executive Director. Program changes include the creation of a social media and campus event campaign to promote Foundation operations, promoting Los Olivos and Bronco Channel, and branding for new Dining Commons. Administration is requesting a Human Resources Generalist position split with Dining Services and a new Marketing Coordinator split with Dining Services. Administration is requesting a capital budget of \$287,315 for Management Information Systems upgrades to Kronos, WinServer, migration to POD IAAS, IT Management tools, VM Infrastructure, Document Mall, Compensation Review, Conference Room Furniture/Carpet, Building # 55 Refresh, Dining Display screens, Bookstore Signage and ormat printer.

Bronco Bookstore – Proposed revenues are projected to decrease by 4.5% or \$421,104 to \$8.8 million mainly due to the inclusive access program (lower student costs) and semester conversion (one less term) generating a proposed surplus of \$222,889 or 2.5% consistent with national higher education trends versus a forecasted surplus of \$63,732 or 0.7%. Revenues from course materials sales/rental are budgeted to decrease 8.5% or \$373,376, commissions are projected to increase 10% or \$26,009 and soft goods are projected to decrease 9.0% or \$110,500. Programs include the expansion of "Instant Access" course materials fee program allowing for new courses and departments to participate starting Summer 2019. Another program will allow students to charge academic required purchases at the bookstore to their student financial aid this Fall 2019. Bronco Bookstore is requesting a full- time accounting position to replace two part-time employees assisting with increased accounts receivable and payable’s workload. Bookstore is requesting a capital budget of \$900,000 for HVAC replacement with chilled water system; \$35,000 to replace the 15 year old van; \$300,000 to relocate and remodel the web reservation processing/pick-up area including the reconfiguration of the textbook sales floor and add look-up stations, secure register storage space and seal roll-up window; and \$10,000 to replace the audio/music sound system.

Dining Services - Proposed revenues are projected to increase by 10.2% or \$2,250,127 to \$24.2 million generating a deficit of 1.8% or \$432,145 versus a forecasted surplus of 1.9% or \$437,374 mainly due to the increase in depreciation of \$279,400 and interest expense of \$675,664 for the new dining commons. Board dining includes the scheduled opening of the new 35,000 square feet facility designed to serve approximately 2,700 students (1,598 student in the new resident halls and 1,019 students in the suites) currently planned in Phase I and Phase II of the housing expansion project. The dining commons includes an interior seating capacity for 680 and three private dining areas with seating capacity of 40, 45 & 90 including a 450 square feet retail coffee shop called “LolliCup”. To accommodate after hours for students living in the traditional brick buildings we are installing an innovative micro-market in the lobby of the brick resident halls until the 2nd phase of the new residential halls are completed in 2022-

23; as well as expanded hours and offerings at Einstein's Bagel and Pony Express Market. Board dining assumes University Housing (Traditional Residence) occupancy of 97% (fall 2019) 94% (Spring 2020) based on 2,405 available beds in the fall of 2019 providing primarily freshman students in the resident halls with a range of meal plans from 140 to 220 plus 630 meal points per semester (a 240% increase from the current 185 points). A new "All Access" plan will allow students to come and go at any time they wish. This plan includes \$250 points per semester. For the students living in the Suites, we reconfigured the meal plans and provided 70 meals including 750 meal points per semester. Board rates are proposed to increase 3% for the students in the resident halls. Revenues are projected to increase 18% or \$1.5 million to \$10.0 million generating a deficit of 1.8% or \$179,175 versus a forecasted surplus of 9.2% or \$779,597.

Retail revenues are projected to increase by 5.4% or \$722,725 to \$14.2 million generating a deficit of 1.8% or \$252,970 versus a forecasted deficit of 2.5% or \$342,223. The increase in retail revenue is driven primarily by Innovation Brew works expanding our catering, launching monthly brewing courses, weekly events (i.e. Bronco Nights), extending our hours of operation and expanding our food menu and offering a sharable app; Kellogg West Catering increase is due to launching a descriptive marketing plan for our UBI business at Kellogg House and Kellogg West; Recharge Café at SCE's increase is due to a full year of operations and Starbuck's increase is due to the additional meal points provided in the meal plans.

Program changes include the staff nutritionist to guide students with positive long-term healthy eating habits by integrating our dynamic digital menu software display of essential nutritional information including web and mobile app device, cooking demos offered by our Residential Chef and independent food stations allowing for continuous food throughout the day providing an array of food options in the new dining facility, BSC will be our test location for reducing bottle water sales by 25%, increasing our meal points to 630 for students in the resident halls and 750 for students in the suites will increase retail revenues offset by the elimination of meal swipes at the C-Store at the College of Business, centralized retail catering in the BSC, Round Table is expanding the alcohol license to outside patio with lighting, online catering through Catertrax and midweek UBI business, a newly developed marketing website for Kellogg West will increase weddings and social business, replacement of the current salad bar with a Create Your Own salad concept at Fresh Escapes, launching monthly educational day courses at the Brewery, International Grounds will be changing to a new coffee concept and enhance the dining experience in the faculty lounge at Campus Center.

Dining Services is requesting a supervisor at Innovation Brew Works and a supervisor for the new retail coffee shop LolliCups along with a Human Resources Generalist position split with Human Resources and a new Marketing Coordinator split with Marketing.

Dining Service's capital budget request of \$1,986,871 as following:

Fresh Escapes – Zumex juicer for new concept - \$10,000

CCMP Pony Express - Two new coolers - \$11,000

Innovation Brew Works – Oven and under counter refrigerated unit - \$20,000

Starbucks – A/C Split unit for back of the house - \$15,000

International Grounds – Coffee brewers and grinders - \$20,000

Kellogg West Dining – Passenger van for Kellogg House UBI - \$30,000

New Dining Commons - small kitchen equipment, china, flatware, cups, dish room equipment, pans, serving utensils, coffee equipment, POS, Biometric Entry, Menu Management and electronic signage, micromarket at "Bricks" and other startup costs - \$730,000.

Denny's – Seating Upgrades - \$10,000

Qdoba – Re-thermalizer, murals, charbroiler, blenders and jars - \$22,000
Subway – Franchise required refresh - \$60,000
Round Table Pizza –franchise required refresh - \$165,000
Dining Administration – Demo walk-ins, door replacements, and 26 cash register replacements - \$117,871
Campus Center Overhead – Retail kitchen equipment, Building 97 roof coating, flooring CCMP, new furniture seating, paint, mixer for new café concept - \$724,000
BSC Overhead – Catering van, catering equipment and Catertrax POS System - \$52,000

Kellogg West Conference Center & Hotel – The proposed budgeted revenues are projected to increase by 10.8% or \$202,385 resulting in a surplus of \$19,085 or 1.0% versus a forecasted surplus of \$6,089. Kellogg West proposes meeting/conference and hotel demand will continue to increase in 2019-20 with a continued demand for more affordable facilities that offer excellent service and clean, high quality facilities meeting planners expect. Also, as has been the case for several years, Kellogg West continues to see clients who are still seeking out "educational" locations/venues such as Kellogg West.

Kellogg West is also seeing a much more competitive College of The Extended University/Global Education Institute focusing on offering training to international professionals from around the world through their Global Education Programs. Their concerted efforts, especially in the Asian marketplace have increased hotel room revenues due to the year-round extensive variety of Study Abroad options for students who wish to engage in international or multi-cultural studies. These efforts have opened up other opportunities for additional clients through the SoCal Asian tour companies looking for educational/university locations and venues such as Cal Poly Pomona. The proposed budget does not include any staffing changes.

Capital improvements of the past several fiscal years (hotel guest rooms, hotel lobby, conference center areas, dining-room and exterior changes to our Crestview Building) continue to be favorably received by all of our Guests and have greatly helped in increasing customer satisfaction and, in turn, increased revenues. This past year's renovation of all conference center lighting, to LED, has made a noticeable and favorably received improvement as well as a decrease in electrical costs. Over the next fiscal year, Kellogg West will be completing the upgrading of parking lot, street and public area exterior lighting to LED which, will in turn, brighten up all areas as well as save energy and money. Kellogg West will also be replacing some of the "older and worn-out" meeting room tables so as to ensure we continue to offer a good product along with our good service. Kellogg West Conference Center and Hotel is requesting capital funds of \$200,000 to replace and upgrade 44 guestrooms air conditioning and heating in Building # 77 for \$125,000 and replace all parking area and Horse Hill drive lighting with LED lights for \$75,000.

University Village – The proposed revenues are projected to increase by 7.1% or \$765,254 resulting in a surplus of \$3.5 million versus a forecasted surplus of \$3.3 million. We are basing our budget on a projected 96% average occupancy rate during the academic year, 90% occupancy during the winter break and 30% occupancy for the summer. We believe this is an effective budget allowing for a necessary 3.0% increase in license fee rates in all Phases while preserving an economic first rate quality of life offered to our residents. Programs include the continued and expansion of our wellness programming and outreach with SHS, Wellness Center, CAPS, SAS and Tri City Mental Health; continue to update and improve emergency procedures and planning and develop a business continuity plan. The proposed budget does not include any staffing changes. With a full summer, our major capital projects include:

replace HVAC units in four Phase II buildings for \$63,000, inject foam underneath the shower pans in all Phase III buildings (120 apartments) for \$167,000, replace carpet with vinyl flooring in 15 apartments for \$100,000, replace laminate flooring with vinyl flooring in the recreation center for \$13,000, replace 100 mattresses for \$17,000, replace 50 water heaters for \$26,000, replace 20 stoves for \$8,000, replace one maintenance truck for \$20,000, perform a 10 year refresh in 20 Phase III apartments for \$124,000, install anti-slip step covers in all 5 Phase III buildings for \$82,000, and paint seven Phase II buildings (28 apartments) for \$118,000. This summer we plan to close Phase II buildings 170, 180, 190, 200, 210, 220 and 230.

Real Estate includes development, building rental and faculty staff housing and is projecting to generate a surplus of \$619,578 versus a forecasted surplus of \$504,537 and includes support of \$500,000 for Campus South and the forecast includes the write off of development costs at Spadra of \$418,632. The residential real estate market continued its growth pattern with only a slight slow-down despite interest rate hikes. We expect several homes sold back to us in the coming year and expect as many as 40 faculty new-hires this fall. We continue to provide oversight of film location contracts at Campus South. Additionally, \$500,000 from Venture Capital/Real Estate Reserves is budgeted to support security and maintenance of Campus South, this is the fifth year of support for a total of \$2.8 million to the Campus. Innovation Village: Innovation Village is 65% complete with the balance of land currently being considered in the master plan. Real Estate Division is not requesting any staffing changes.

Building 66 is in need of HVAC replacement and we have decided to add chilled water to the building to accommodate a chilled water system. This building was originally constructed in 1986, and is served by two custom Direct Expansion (DX) rooftop air handler units (AHU) to provide cooling. Chilled water AHUs would provide for reduced energy consumption, higher reliability and lower maintenance. The Real Estate Division is requesting a capital budget of \$821,288 for half of Building # 66 chilled water replacement, \$767,250 and reroof of building #66, \$34,123.

Continuing Education - includes non-credit programs from the College of the Extended University and the College of Science and is projecting to generate a surplus of \$92,406 versus a forecasted surplus of \$449,208 on revenues of \$4.1 million, a decrease of 6.2% or \$272,515 over forecasted revenues.

College of the Extended University – The proposed budget includes a decrease in revenues of approximately 6.5% or \$287,117 mainly due to the enrollment decreases we have experienced from the international market under global and political impacts, generating a net surplus of approximately 2% or \$86,511. Due to the uncertainty in the international climate, the proposed budget is purposefully very conservative. Proposed revenue decreases are budgeted with Aviation Hospitality, Summer Camps, Engineering/Mfg. and CPELI Standard. Our Aviation Hospitality Program is projected to decline by approximately 28 students as the current year increase was a one-time opportunity. This coming summer CEU anticipates a slight decline in the number of school districts who contract with us for the summer camps (Migrant Education Program) due to new mandates for an RFP process and budget restrictions within the districts.

Our domestic programs are expected to experience some slight declines in existing programs due to changes occurring in the job market. However, we do anticipate some new revenues to come in from recently developed courses such as Pole Loading with SPIDAcac and Fundamentals of Grid Modernization that are included in the Utility Planner Certificate (UTC) program developed in conjunction with SCE. The new Assistant Brewer program, that includes

an internship, is a recent expansion within the Brewing programs that CEU administers in partnership with IBW and the Foundation. A new Teacher Performance Assessment program is being also offered to support the need for certified teachers in grades K-12, and courses leading to SHRM certification for business students is also under development.

In an effort to offset our revenue decrease, CEU plans to expand our program recruitment efforts to new countries, including a new and focused effort in the European countries, Vietnam, and Thailand, as well as to new areas within China and Korea. CEU is requesting a new position for a Program Manager to develop new Workforce Development partnerships and specialized career and professional development programs, courses and degree programs to meet the needs of the marketplace.

Accordingly we have had to reduce administrative cost recovery in support of increased operational expenses, staff salary and benefit increases, the increase in minimum wage to \$13 per hour and increased software expenses to support our new vendor after our Jenzabar agreement ends in December 2019.

In terms of changes to our programs, CEU is currently working with the campus college partners to research and develop viable certificate programs, including hybrid and online, that are based on market research. For example, Horse Therapy and Horse Management programs are being developed with the Arabian Horse Center in the Huntley College of Agriculture. (A grant proposal has been submitted to aid development of Horse Therapy, with a decision expected in the May timeframe.) CEU will also be working to expand the footprint with Workforce Investment Board centers and local businesses for partnership and contract training opportunities. For example, application has been made to include another 17 of the online partnership programs with Ed2Go approved for WIOA funding. Not reflected explicitly in the budget are contributions CEU makes to other campus clubs, entities and programs which in the past has fluctuated roughly between \$10,000 & \$50,000 annually. These contributions add to the expenses in the Administrative line of the budget.

CEU has focused on identifying a new vendor and web-based software product that will best meet the business needs of CEU, provide students with enhanced access and information and provide our instructors with efficient communication and progression tools needed to support quality instruction. College of the Extended University is requesting a capital budget of \$110,250 for a software system to replace Jenzabar/Schoology, \$76,250; and reconfiguration of office space, \$34,000.

Agricultural Programs – The proposed budgeted revenues increase 9.7% or \$353,826 to \$4.0 million generating a surplus of 6.4% or \$253,980. The majority of the Agricultural Program revenues are in Plant Science that generates \$2.8 million or 73% of revenues and generates a surplus of 4.4% or \$128,512; AgriScapes revenues are 18% or \$698,800 and generate a surplus of 5% or \$32,156; Animal Science with revenues of \$375,413 or 9% of revenues and generates a surplus of 24.8% or \$93,312. The budget this year reflects the individual enterprise model, making it possible to assign costs to the unit where they were incurred. This method of management increases our ability to manage and make decisions on each unit's budgets, improvements and opportunities for partnerships with growers and agribusiness and recoup costs from activities within the College of Agriculture.

We plan on increasing the opportunity for school visits, community based meetings, activities when on the farm and by making AgriScapes a better destination. We recently completed a three-year transition to certified organic on 10 acres of land at Spadra Farm. This will allow us

to instruct students in organic production methods, generate higher-value certified organic produce, and also to conduct research trials on organic production. We have allocated labor costs to the respective budgets instead of having the Agronomy Farm bear the costs of the labor, maintenance and equipment for other units, this includes labor and equipment for maintenance of the landfill area, the vineyards, AgriScapes and pasture areas of both the Animal Science and Arabian Horse Center units. The Ornamental Horticulture Program is requesting a new position to replace three student positions to work in the areas of plant propagation, production, greenhouse event sales and tours. We are working towards a better system to regularly provide on-campus units with fruits and vegetables we grow at Spadra and on campus. This will also help the campus meet the needs of their "locally grown" requirements. The additional units, (specifically Pine Tree Ranch and Westwind Farms) operate to support our educational mission and overall farming operations. We plan to complete Pine Tree Ranch renovation and establish a student presence to assist in management and utilization of the unit as an educational and research tool as well as a production operation, through donor funds.

AGRIScapes will focus on expanding outreach activities that connect the College to the greater community and include spring field trips to the rebranded Discovery Farm; agricultural education components in all of our programs including field trip curriculum; engagement through social media will continue to build connections with visitors and the community; new partnerships will enable the expansion of tours and workshops to both the campus and external audiences; and the new Holidays on the Farm winter event. In its 26th year, the Pumpkin Festival with more than 120,000 visitors in the month of October provides community outreach for the campus. The Petting Farm activities in conjunction with AGRIScapes field trips are projected to increase. After 18 years, AGRIScapes will begin to plan for the next phase of this unique property. The completion of Discovery Farm will offer many new opportunities for learning and exploration.

The Animal Veterinarian Science (AVS) farming operations budget for 2019/20 projected revenues of \$254,200, and expenditures of \$249,070 generating a net surplus of \$5,130. Livestock markets in general continue to be depressed and feed costs continue to rise. AVS is planning to start a Poultry Unit to support teaching and research needs.

As you may recall, the Arabian Horse Center activities managed by the Huntley College of Agriculture are included with the Restricted Foundation Programs to be transferred to the new Philanthropic Foundation and accordingly are not included in this proposed budget.

Research Office – Research and Sponsored Programs consist of two projects. The Office of Research and Sponsored Programs proposed budget is projecting to generate a surplus of \$210,633 from indirect cost recovery fees of \$1.3 million assuming an effective rate of 10.6% on projected total expenditures of \$13.1 million. The indirect fees support the Foundation fee of 4.5% or \$588,638 and expenditures and labor of \$587,814 from the Office of Research resulting in a distribution of \$190,636 to the Division of Academic Affairs and the respective college for their participation in the grant, generating a proposed budgeted net surplus of \$20,000. The outlook reflects improving trends, with 2019-2020 projected revenues to be consistent with previous year's and continue to show improvements in the overall rates of indirect cost reimbursements on current awards. There appears to be indications of growth in grant expenditures which could be attributed to an increase in the number of active sponsored projects. There were several new and continued funding received from the U.S. Department of Education amounting to over \$6 million combined project costs; although little to no ICR recovery is allowed on these awards, per federal regulations. However, the McNair award will

generate 8% ICR and two NSF awards for \$4.3 million and \$1 million were received and some of these will generate 46% ICR. During FY18 a total number of proposals submitted reached a record of 200 and 105 awards were received. Next year is expected to continue to show growth in the proposal volume. This year three large proposals for \$4 million are being developed. One is for the NSF Cyber Security Critical Infrastructure, the second for the NSF Improving Undergraduate Education at HSI institutions and the third for the ADVANCE program. Preliminary data indicates that in the first six months the number of proposals submitted continues to be steady, over 100 proposals submitted so far.

Several initiatives are being implemented to promote and enhance competitive proposal development and submission. Majority of the proposals are being submitted to NSF, therefore, to enhance the competitiveness of the proposals, templates for the various sections of the NSF proposals have been developed and made available to faculty on the website based on Bronco Username and Passcode. Grant Writing retreats are held during the summer and workshops for Colleges of Letters, Arts and Social Sciences and Education and Integrative Studies are held during the academic year. For limited submissions, we conduct internal competitions and provide feedback to all applicants. For large proposals we are formalizing multi-disciplinary teams to maximize our chances for success. The Strategic Interdisciplinary Research Program (SIRG) is now in its fourth year of full implementation. Funding was budgeted at \$75,000 and another competition round will soon be scheduled. SIRG provides internal financial support to Faculty members who submit and win proposals for developing external grant/contracts. Five faculty teams (a total of 10 faculty members) have received funding under last year's program. There are no requests for additional staffing.

Board Designated Gifts – for the benefit of the University is projected to decrease 22% or \$374,729 to \$1.3 million; this year's designated request includes public & campus engagements for public relations - \$473,500; Programs for student travel, Council of Chairs, Ink & Clay, iLab, Community Outreach Events, Instructional Materials, AACRAO Consulting Srvcs, Fin Aid Srvcs - \$120,000; Athletics - \$75,000; Division of Advancement's Outreach, Cultivation, Development & Stewardship, Internal & External Communications, infrastructure & Capacity Building, and University-wide events - \$411,500; President's Campus Events, Staff Council, Regional Economic Development Association, Sponsorships CPP Organizations and Higher Education Commission - \$220,000; and Faculty Staff Café \$17,367.

General Investments are budgeted to generate a surplus of \$727,153 versus a forecasted surplus of \$399,156 assuming proposed annualized returns of 3.9% equities, 4.2% alternatives, 1.69% dividends and 3.48% interest. Increase to the portfolio assumes \$2.0 million from operations and distribute \$528,475 of interest (yield) to the Program accounts and fiscal year June 2020 proposed portfolio value of \$33.2 million.

Unrestricted Foundation Programs – Revenues and expenditures of \$868,008 are projected to remain the same as the forecast and breakeven.

Endowment Investments, Distribution and Donations – Investments and donations are forecasted to generate a deficit of \$383,128. Endowment investments are forecasted to generate a deficit of \$3.5 million mainly due to forecasted investment returns of \$1.2 million versus budgeted earnings of \$6.0 million. We forecasted a \$4.3 million endowment spending/distribution that occurred in July 2018 based upon our spending policy or terms of our endowments. Forecasted donations are \$3.3 million generating a surplus of 3.2 million. Because these assets will be transferred to the new Cal Poly Pomona Philanthropic Foundation, no proposed budgets are presented.

Restricted Foundation Programs – Restricted Foundation Programs generate a forecasted surplus of \$4.0 million on revenues of \$13.9 million and because these assets will be transferred to the new Cal Poly Pomona Philanthropic Foundation, no proposed budget is presented.

CAL POLY POMONA FOUNDATION, INC.
2019-20 PROPOSED BUDGET
SUMMARY OF SOURCES AND USES OF FUNDS

	Revised 2018-2019 <u>PROPOSED BUDGET</u>	2018-2019 <u>FORECAST</u>	2019-2020 <u>PROPOSED BUDGET</u>
SOURCES OF CASH			
SURPLUS (DEFICIT)			
Administration	(803,380)	945,755	(1,621,538)
Real Estate	169,451	504,537	619,578
Investments	1,837,929	399,156	727,153
Bookstores	319,852	63,732	222,889
Dining Services	1,187,431	437,374	(432,145)
Kellogg West Conference Center	70,161	6,089	19,085
University Village	3,038,874	3,290,795	3,506,111
Supplementary Programs	661,501	699,510	366,383
TOTAL OPERATING SURPLUS (DEFICIT)	<u>6,481,819</u>	<u>6,346,948</u>	<u>3,407,516</u>
Designated Gifts	(1,696,832)	(1,692,096)	(1,317,367)
NET OPERATING SURPLUS (DEFICIT)	<u>4,784,987</u>	<u>4,654,852</u>	<u>2,090,149</u>
NON-CASH TRANSACTIONS:			
Depreciation and Amortization	3,736,252	3,279,451	3,481,370
Post Retiree Medical Benefits - See Note 1	(10,000)	558,238	740,000
CalPERS Unfunded Accrued Liability Adjustment	0	(1,689,783)	0
TOTAL CASH GENERATED BY OPERATIONS	<u>8,511,239</u>	<u>6,802,758</u>	<u>6,311,519</u>
FINANCING			
TOTAL SOURCES OF FINANCING	<u>-</u>	<u>-</u>	<u>-</u>
RESERVES			
Capital Reserve	3,132,835	3,132,835	801,288
Residential Board Meal Program Surplus Reserve	1,080,000	1,034,170	775,830
Venture Capital/Real Estate Reserve	500,000	500,000	500,000
Insurance Reserve	-	-	-
Pine Tree Ranch Reserve	75,000	-	75,000
Agriculture Program Reserve	-	33,500	-
Withdraw of funds from Post Retiree Medical Benefit Trust	486,936	-	-
TOTAL SOURCES FROM RESERVES	<u>5,274,771</u>	<u>4,700,505</u>	<u>2,152,118</u>
TOTAL SOURCES OF CASH	<u>13,786,010</u>	<u>11,503,263</u>	<u>8,463,637</u>
USES OF CASH			
CAPITAL EXPENDITURES			
University Village	400,000	274,034	738,000
Bookstore	263,000	263,000	1,279,123
Dining Services/Facilities	4,824,300	4,462,299	2,039,871
Kellogg West	304,000	297,900	200,000
Real Estate	202,835	207,835	821,288
Research & Sponsored Programs	-	-	-
Agricultural Units	140,300	31,800	-
Continuing Education	104,000	84,000	110,250
Administration	374,000	206,885	259,000
Restricted Foundation Programs-Arabian Horse Center	15,000	12,500	-
Prior Year Carryover	814,444	-	1,270,926
TOTAL CAPITAL EXPENDITURES	<u>7,441,879</u>	<u>5,840,253</u>	<u>6,718,458</u>
FINANCING			
University Village Bond payment - 2013 and 2014 series	725,000	725,000	765,000
CTTi Bond payment - 2017A/2017B series	215,000	215,000	225,000
TOTAL USES OF FINANCING	<u>940,000</u>	<u>940,000</u>	<u>990,000</u>
RESERVES			
Agriculture Program Reserve @ 55% net Annual Surplus	28,600	54,795	0
Cafeteria State Share Reserve	-	-	-
CalPERS UAL Additional Funding for UAL	1,173,772	1,086,128	705,473
Capital Reserve @ 1.75% of Gross Auxiliary Revenues	1,001,452	939,637	333,039
Emergency Reserve	-	-	-
Indirect Cost Disallowance Reserve	-	-	-
Innovation Village Demo Reserve	11,956	11,942	12,313
19013f Insurance Reserve	51,201	51,201	55,267
Pine Tree Ranch Reserve @ 50% net Annual Surplus	29,114	42,834	-
Post Retiree Medical Benefits Trust - see Note 1	1,000,000	1,000,000	1,000,000
Research & Sponsored Programs	20,000	20,000	20,000
Residential Board Meal Program Surplus Reserve excess 7%	351,140	261,956	0
Venture Capital/Real Estate Reserve @ 1.0% of Gross Rev.	572,258	536,936	564,710
TOTAL RESERVE CONTRIBUTIONS	<u>4,239,493</u>	<u>4,005,429</u>	<u>2,690,802</u>
TOTAL USES OF CASH	<u>12,621,372</u>	<u>10,785,682</u>	<u>10,399,260</u>
NET SOURCES & (USES) OF CASH	<u>1,164,638</u>	<u>717,581</u>	<u>(1,935,623)</u>
BEGINNING OF THE YEAR WORKING CAPITAL LESS CONTINGENCY			
		<u>24,988,263</u>	<u>25,705,844</u>
NET WORKING CAPITAL AVAILABLE END OF YEAR - Note 2			
		<u>25,705,844</u>	<u>23,770,221</u>
Minimum Two Months Working Capital Reserve Required			
		<u>7,798,863</u>	<u>8,229,637</u>

**CAL POLY POMONA FOUNDATION, INC.
SOURCES/(USES) AND WORKING CAPITAL**

	Balance as of 6/30/2018	Forecast Fiscal 18/19	Proposed Budgeted 19/20	Net End of 6/30/2020	Goal
Sources of Funds:					
Fund Balance (Unrestricted)	36,517,651	4,654,852	2,090,149	43,262,652	
Current & Long term debt					
University Village Series 2013 and 2014	20,175,000	(725,000)	(765,000)	18,685,000	
CTTI Bonds Series 2017	1,760,000	(215,000)	(225,000)	1,320,000	
Liquidity Access Line	7,000,000			7,000,000	
Excess Accts Payable over Accts Receivable	(106,246)			(106,246)	
Pension Obligation	9,589,146			9,589,146	
Net OPEB Liability	6,529,718	558,238	740,000	7,827,956	7,827,956
CalPERS Unfunded Accrued Liability Adjustment		(1,689,783)	0	(1,689,783)	
Total Available	81,465,269	2,583,307	1,840,149	85,888,725	
Uses of Funds					
Investment in fixed assets	92,492,649	5,840,253	6,718,458	105,051,360	
Depreciation	(51,825,156)	(3,279,451)	(3,481,370)	(58,585,977)	
Inventory	1,920,771			1,920,771	
Reserves :					
Agriculture Program Reserve	53,705	21,295	0	75,000	75,000
Cafeteria State Share Reserve	182,062			182,062	
CalPERS UAL 10-yr Amortization Model		1,086,128	705,473	1,791,601	
Capital Reserve	7,727,324	(2,193,198)	(468,249)	5,065,877	6,000,000
Emergency Reserve	120,037			120,037	
Indirect Cost Dissallowance Reserve	346,406			346,406	346,406
Innovation Village Demo Reserve	94,572	11,942	12,313	118,827	
Insurance Reserve	66,745	51,201	55,267	173,213	
Pine Tree Ranch Reserve	90,886	42,834	(75,000)	58,720	75,000
Auxiliaries Multiple Employer VEBA Trust - Note 1		1,000,000	1,000,000	2,000,000	
Research & Sponsored Programs	49,252	20,000	20,000	89,252	
Residential Board Meal Program Surplus Res	3,108,307	(772,214)	(775,830)	1,560,263	
Venture Capital/Real Estate Reserve	2,049,446	36,936	64,710	2,151,092	6,000,000
Other				0	
Total Uses	56,477,006	1,865,726	3,775,772	62,118,504	
Available for Working Capital	24,988,263	717,581	(1,935,623)	23,770,221	
Net Working Capital - Note 2	24,988,263	25,705,844	23,770,221	23,770,221	
Minimum Two Months Working Capital Reserve Required	6,836,478	7,798,863	8,229,637	8,229,637	

Note 1 - Forecast and Proposed Budget includes funding of \$1.0 million for the Post Retirement Med Benefit.

Note 2 - Net Working Capital does not include cash advances for Sponsored Programs per policy # 172

CAL POLY POMONA FOUNDATION, INC.
 PROPOSED BUDGET
 SUMMARY STATEMENT OF ACTIVITY

FISCAL YEAR	REVENUE			EXPENSES			NET SURPLUS/(DEFICIT)		
	Revised Budget	Current Forecast	Proposed Budget	Revised Budget	Current Forecast	Proposed Budget	Revised Budget	Current Forecast	Proposed Budget
	2018-2019	2018-2019	2019-2020	2018-2019	2018-2019	2019-2020	2018-2019	2018-2019	2019-2020
GENERAL ACTIVITIES:									
ADMINISTRATION	4,914,616	4,872,859	4,605,048	5,717,996	3,927,104	6,226,586	(803,380)	945,755	(1,621,538)
ENTERPRISE ACTIVITIES:									
BRONCO BOOKSTORE	9,650,725	9,265,763	8,844,659	9,330,873	9,202,031	8,621,770	319,852	63,732	222,889
DINING SERVICES									
FOUNDATION MAINTENANCE	0	221	0	2	0	0	(2)	221	0
POLY TROLLEY	313,500	370,000	383,273	308,845	391,877	370,443	4,655	(21,877)	12,830
FRESH ESCAPES	270,002	220,712	278,565	218,826	200,270	223,919	51,176	20,442	54,646
CARL'S JR.	592,829	552,830	605,210	509,363	483,824	539,001	83,466	69,006	66,209
PONY EXPRESS - CCMP	742,560	750,000	731,706	613,549	623,849	617,238	129,011	126,151	114,468
PONY EXPRESS - CLA	242,761	190,000	199,004	208,311	214,442	202,893	34,450	(24,442)	(3,889)
INNOVATION BREW WORKS	834,248	847,585	1,077,976	860,166	865,839	1,086,593	(25,918)	(18,254)	(8,617)
POLY FRESH	453,544	440,000	441,922	388,651	378,945	370,856	64,893	61,055	71,066
PONY EXPRESS - ENV	111,156	126,000	138,020	80,127	84,186	103,549	31,029	41,814	34,471
SOLAR CART	62,600	13,230	24,900	62,663	26,070	44,595	(63)	(12,840)	(19,695)
STARBUCKS COFFEE	1,263,603	1,175,100	1,247,470	1,180,851	1,085,196	1,192,172	82,752	89,904	55,298
INTERNATIONAL GROUNDS	253,988	255,000	282,462	192,756	203,948	193,323	61,232	51,052	89,139
PANDA EXPRESS	152,860	175,000	180,251	11,136	14,967	12,915	141,724	160,033	167,336
HIBACHI SAN	130,130	107,000	126,520	25,026	31,793	10,101	105,104	75,207	116,419
LOS OLIVOS	6,214,821	6,333,067	7,362,046	5,428,636	5,627,796	7,655,897	786,185	705,271	(293,851)
LOLLICUP	0	0	228,126	0	0	240,900	0	0	(12,774)
VISTA CAFÉ	1,207,060	1,198,680	1,333,636	1,123,795	1,137,104	1,251,110	83,265	61,576	82,526
DENNYS	944,715	949,500	1,084,841	905,273	936,750	1,039,917	39,442	12,750	44,924
VENDING	80,839	85,050	75,559	65,084	66,383	65,298	15,755	18,667	10,261
BREWING EDUCATION PROGRAM	131,800	40,286	69,000	120,261	114,368	74,618	11,539	(74,082)	(5,618)
QDOBA	926,350	981,000	992,500	745,736	809,836	802,589	180,614	171,164	189,911
JAMBA JUICE	251,670	263,000	281,000	282,499	292,034	317,714	(30,829)	(29,034)	(36,714)
SUBWAY	906,700	920,000	948,400	810,092	798,921	837,743	96,608	121,079	110,657
ROUND TABLE	511,902	542,000	571,999	425,639	436,309	454,207	86,263	105,691	117,792
DINING ADMINISTRATION	0	0	0	723,279	722,758	798,846	(723,279)	(722,758)	(798,846)
SADDLES CAFÉ	435,000	426,000	445,500	399,267	413,068	372,074	35,733	12,932	73,426
TACO BELL	353,000	280,000	313,251	302,462	259,775	289,845	50,538	20,225	23,406
EINSTEIN'S BAGELS	506,951	498,000	519,999	447,756	499,103	499,873	59,195	(1,103)	20,126
PONY EXPRESS AT CBA	885,056	940,000	647,053	738,792	787,503	608,194	146,264	152,497	38,859
H-CAFÉ	44,600	40,000	44,000	56,972	52,281	51,472	(12,372)	(12,281)	(7,472)
BRONCO BUCKS CARD OFFICE	158,602	175,493	184,500	160,156	179,862	185,688	(1,554)	(4,369)	(1,188)
BSC & CAMPUS CENTER/OVERHEAD	0	0	15,000	716,836	887,882	949,598	(716,836)	(887,882)	(934,598)
SCE LOBBY SHOP	89,118	94,525	77,220	89,458	91,334	80,543	(340)	3,191	(3,323)
RECHARGE CAFÉ - SCE	214,249	60,000	216,972	213,855	103,412	216,313	394	(43,412)	659
KW - CATERING/CONF. FOODS	2,984,466	2,907,100	3,078,625	2,667,129	2,697,320	2,878,614	317,337	209,780	200,011
TOTAL DINING SERVICES	22,270,680	21,956,379	24,206,506	21,083,249	21,519,005	24,638,651	1,187,431	437,374	(432,145)

CAL POLY POMONA FOUNDATION, INC.
 PROPOSED BUDGET
 SUMMARY STATEMENT OF ACTIVITY

FISCAL YEAR	REVENUE			EXPENSES			NET SURPLUS/(DEFICIT)		
	Revised Budget	Current Forecast	Proposed Budget	Revised Budget	Current Forecast	Proposed Budget	Revised Budget	Current Forecast	Proposed Budget
	2018-2019	2018-2019	2019-2020	2018-2019	2018-2019	2019-2020	2018-2019	2018-2019	2019-2020
KW CONFERENCE CENTER & LODGE	1,914,874	1,864,463	2,066,848	1,844,713	1,858,374	2,047,763	70,161	6,089	19,085
UNIVERSITY VILLAGE	10,891,090	10,666,352	11,431,606	7,852,216	7,375,557	7,925,495	3,038,874	3,290,795	3,506,111
REAL ESTATE	4,791,573	4,517,437	4,516,814	4,622,122	4,012,900	3,897,236	169,451	504,537	619,578
TOTAL ENTERPRISE ACTIVITIES	49,518,942	48,270,394	51,066,433	44,733,173	43,967,867	47,130,915	4,785,769	4,302,527	3,935,518
TOTAL GENERAL & ENTERPRISE ACTIVITIES	54,433,558	53,143,253	55,671,481	50,451,169	47,894,971	53,357,501	3,982,389	5,248,282	2,313,980
DESIGNATED GIFTS									
DEVELOPMENT - NET				0	0	0	0	0	0
PUBLICATIONS				0	0	0	0	0	0
ATHLETICS				0	0	0	0	0	0
PUBLIC RELATIONS				0	0	0	0	0	0
OTHER				0	0	0	0	0	0
ALUMNI AFFAIRS				0	0	0	0	0	0
DESIGNATED GIFTS - University	0	0	0	1,696,832	1,692,096	1,317,367	(1,696,832)	(1,692,096)	(1,317,367)
SURPLUS (DEFICIT) AFTER DESIGNATED GIFTS	54,433,558	53,143,253	55,671,481	52,148,001	49,587,067	54,674,868	2,285,557	3,556,186	996,613
SUPPLEMENTAL PROGRAMS									
RESEARCH OFFICE	1,421,318	1,346,685	1,387,085	1,401,318	1,326,685	1,367,088	20,000	20,000	19,997
AGRICULTURE UNITS	3,657,300	3,617,067	3,970,893	3,550,967	3,386,765	3,716,913	106,333	230,302	253,980
CONTINUING EDUCATION	4,578,035	4,396,939	4,124,424	4,042,865	3,947,731	4,032,018	535,170	449,208	92,406
UNRESTRICTED FOUNDATION PROGRAMS	630,174	868,010	868,008	630,176	868,010	868,008	(2)	0	0
TOTAL SUPPLEMENTAL	10,286,827	10,228,701	10,350,410	9,625,326	9,529,191	9,984,027	661,501	699,510	366,383
TOTAL SURPLUS (DEFICIT) UNRESTRICTED	64,720,385	63,371,954	66,021,891	61,773,327	59,116,258	64,658,895	2,947,058	4,255,696	1,362,996
INVESTMENTS									
GENERAL INVESTMENTS	1,991,383	550,300	799,476	153,454	151,144	72,323	1,837,929	399,156	727,153
ENDOWMENT/INVESTMENTS	6,799,175	4,540,580	0	4,974,557	4,923,708	0	1,824,618	(383,128)	0
TOTAL INVESTMENTS	8,790,558	5,090,880	799,476	5,128,011	5,074,852	72,323	3,662,547	16,028	727,153
RESTRICTED FOUNDATION PROGRAMS	15,302,253	13,913,643	0	10,955,915	9,932,086	0	4,346,338	3,981,557	0
TOTAL	88,813,196	82,376,477	66,821,367	77,857,253	74,123,196	64,731,218	10,955,943	8,253,281	2,090,149

CAL POLY POMONA FOUNDATION, INC.
 PROPOSED BUDGET
 SUMMARY STATEMENT OF ACTIVITY

DEPRECIATION & AMORTIZATION

Carryover

CAPITAL REQUESTS

NET CASH GENERATED

FISCAL YEAR

	Revised Budget	Current Forecast	Proposed Budget	Revised Budget	Current Forecast	Prior Years	Proposed Budget	Revised Budget	Current Forecast	Proposed Budget
	2018-2019	2018-2019	2019-2020	2018-2019	2018-2019	Carryover	2019-2020	2018-2019	2018-2019	2019-2020

GENERAL ACTIVITIES:

ADMINISTRATION	211,920	164,756	210,078	455,200	206,885	227,315	259,000	(1,046,660)	903,626	(1,897,775)
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ENTERPRISE ACTIVITIES:

BRONCO BOOKSTORE	166,608	80,000	36,000	263,000	263,000	0	1,279,123	223,460	(119,268)	(1,020,234)
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DINING SERVICES

FOUNDATION MAINTENANCE	3,336	3,336	10,740				53,000	3,334	3,557	(42,260)
POLY TROLLEY	33,060	40,000	39,672					37,715	18,123	52,502
FRESH ESCAPES	4,128	4,200	0	29,000		29,000	10,000	26,304	24,642	15,646
CARL'S JR.	4,678	4,500	4,680	95,000		95,000		(6,856)	73,506	(24,111)
PONY EXPRESS - CCMP	6,720	2,748	2,748				11,000	135,731	128,899	106,216
PONY EXPRESS - CLA	3,936	4,000	0	49,000	33,500	15,500		(10,614)	(53,942)	(19,389)
INNOVATION BREW WORKS	70,320	52,864	52,860	53,000	20,581	32,419	20,000	(8,598)	14,029	(8,176)
POLY FRESH	17,160	16,680	0	40,000		40,000		42,053	77,735	31,066
PONY EXPRESS - ENV	0	0	0					31,029	41,814	34,471
SOLAR CART	0	6,072	6,072	40,000		40,000		(40,063)	(6,768)	(53,623)
STARBUCKS COFFEE	16,146	2,964	11,316				15,000	98,898	92,868	51,614
INTERNATIONAL GROUNDS	0	0	0	10,000		10,000	20,000	51,232	51,052	59,139
PANDA EXPRESS	0	92	0					141,724	160,125	167,336
HIBACHI SAN	15,672	16,680	0					120,776	91,887	116,419
LOS OLIVOS	0	19,349	460,578	4,080,000	4,034,170	45,830	730,000	(3,293,815)	(3,309,550)	(609,103)
LOLLICUP	0	0	0					0	0	(12,774)
VISTA CAFÉ	2,060	1,606	1,428					85,325	63,182	83,954
DENNYS	7,368	6,450	5,292	35,870	15,000	20,870	10,000	10,940	4,200	19,346
VENDING	5,004	5,227	5,004					20,759	23,894	15,265
BREWING EDUCATION PROGRAM	17,424	17,400	17,424	25,000	6,400	18,600		3,963	(63,082)	(6,794)
QDOBA	34,800	36,000	0				16,000	215,414	207,164	173,911
JAMBA JUICE	504	504	504				6,000	(30,325)	(28,530)	(42,210)
SUBWAY	24,876	21,852	0	20,000		20,000	60,000	101,484	142,931	30,657
ROUND TABLE	11,612	11,004	0	45,000	20,000	25,000	165,000	52,875	96,695	(72,208)
DINING ADMINISTRATION	40,440	34,230	15,504	427,274	148,674	278,200	117,871	(1,110,113)	(837,202)	(1,179,413)
SADDLES CAFÉ	16,440	19,500	0	75,000	69,000	6,000		(22,827)	(36,568)	67,426
TACO BELL	1,840	1,844	1,840					52,378	22,069	25,246
EINSTEIN'S BAGELS	16,404	16,600	0					75,599	15,497	20,126
PONY EXPRESS AT CBA	22,284	7,632	7,632					168,548	160,129	46,491
H-CAFÉ	6,000	6,000	0	27,500		27,500		(33,872)	(6,281)	(34,972)
BRONCO BUCKS CARD OFFICE	0	0	0					(1,554)	(4,369)	(1,188)
BSC & CAMPUS CENTER/OVERHEAD	0	0	0	84,000	77,174	6,992	776,000	(800,836)	(965,056)	(1,717,590)
SCE LOBBY SHOP	2,280	2,280	2,280					1,940	5,471	(1,043)
RECHARGE CAFÉ - SCE	7,500	7,500	7,500	15,000				(7,106)	(35,912)	8,159
KW - CATERING/CONF. FOODS	39,996	30,348	25,788	53,000	37,800	15,200	30,000	304,333	202,328	180,599
TOTAL DINING SERVICES	431,988	399,462	678,862	5,203,644	4,462,299	726,111	2,039,871	(3,584,225)	(3,625,463)	(2,519,265)

CAL POLY POMONA FOUNDATION, INC.
 PROPOSED BUDGET
 SUMMARY STATEMENT OF ACTIVITY

FISCAL YEAR	DEPRECIATION & AMORTIZATION			Carryover	CAPITAL REQUESTS			NET CASH GENERATED		
	Revised	Current	Proposed	Revised	Current	Prior	Proposed	Revised	Current	Proposed
	Budget	Forecast	Budget	Budget	Forecast	Years	Budget	Budget	Forecast	Budget
	2018-2019	2018-2019	2019-2020	2018-2019	2018-2019	Carryover	2019-2020	2018-2019	2018-2019	2019-2020
KW CONFERENCE CENTER & LODGE	66,445	38,182	31,740	345,400	297,900	47,500	200,000	(208,794)	(253,629)	(196,675)
UNIVERSITY VILLAGE	1,947,996	1,719,870	1,650,396	400,000	274,034	145,000	738,000	4,586,870	4,736,631	4,273,507
REAL ESTATE	773,169	770,012	768,946	382,835	207,835	10,000	821,288	559,785	1,066,714	557,236
TOTAL ENTERPRISE ACTIVITIES	3,386,206	3,007,526	3,165,944	6,594,879	5,505,068	928,611	5,078,282	1,577,096	1,804,985	1,094,569
TOTAL GENERAL & ENTERPRISE ACTIVITIES	3,598,126	3,172,282	3,376,022	7,050,079	5,711,953	1,155,926	5,337,282	530,436	2,708,611	(803,206)
DESIGNATED GIFTS										
DEVELOPMENT - NET								0	0	0
PUBLICATIONS								0	0	0
ATHLETICS								0	0	0
PUBLIC RELATIONS								0	0	0
OTHER								0	0	0
ALUMNI AFFAIRS								0	0	0
DESIGNATED GIFTS - University	0	0	0					(1,696,832)	(1,692,096)	(1,317,367)
SURPLUS (DEFICIT) AFTER DESIGNATED GIFTS	3,598,126	3,172,282	3,376,022	7,050,079	5,711,953	1,155,926	5,337,282	(1,166,396)	1,016,515	(2,120,573)
SUPPLEMENTAL PROGRAMS										
RESEARCH OFFICE	0	0	0					20,000	20,000	19,997
AGRICULTURE UNITS	73,366	71,372	78,144	215,300	31,800	75,000		(35,601)	269,874	257,124
CONTINUING EDUCATION	52,964	21,601	27,204	124,000	84,000	40,000	110,250	464,134	386,809	(30,640)
UNRESTRICTED FOUNDATION PROGRAMS	0	0	0					(2)	0	0
TOTAL SUPPLEMENTAL	126,330	92,973	105,348	339,300	115,800	115,000	110,250	448,531	676,683	246,481
TOTAL SURPLUS (DEFICIT) UNRESTRICTED	3,724,456	3,265,255	3,481,370	7,389,379	5,827,753	1,270,926	5,447,532	(717,865)	1,693,198	(1,874,092)
INVESTMENTS										
GENERAL INVESTMENTS	0	0	0					1,837,929	399,156	727,153
ENDOWMENT/INVESTMENTS	0	0	0					1,824,618	(383,128)	0
TOTAL INVESTMENTS	0	0	0					3,662,547	16,028	727,153
RESTRICTED FOUNDATION PROGRAMS	11,796	14,196	0	52,500	12,500			4,305,634	3,983,253	0
TOTAL	3,736,252	3,279,451	3,481,370	7,441,879	5,840,253	1,270,926	5,447,532	7,250,316	5,692,479	(1,146,939)

**Debt Service Coverage
(Fiscal Year Ended June 30)**

Description	Actual 2017-18	Revised Budget 2018-19	Forecast 2018-19	Proposed Budget 2019-20
Change in unrestricted net assets	\$ 3,380,857	\$ 4,784,987	\$ 4,654,852	\$ 2,090,149
Add Back:				
University Designated Expenses	-	1,696,832	1,692,096	1,317,367
Surplus (Deficit) before Designated Expenses - see Note	\$ 3,380,857	\$ 6,481,819	\$ 6,346,948	\$ 3,407,516
Add Back:				
Depreciation and amortization	3,540,509	3,724,456	3,265,255	3,481,370
Interest (see detail below)	903,425	1,029,823	898,755	827,888
Transfer of assets to the University	1,966,049	-	-	-
Available for Debt Service	\$ 9,790,840	\$ 11,236,098	\$ 10,510,958	\$ 7,716,774
Maximum Annual Debt Service *				
2013 & 2014 Series Bonds	1,721,125	1,721,125	1,721,125	1,721,125
2017A & 2017B Series Bonds	294,384	302,875	302,875	302,875
Total Debt Service	\$ 2,015,509	\$ 2,024,000	\$ 2,024,000	\$ 2,024,000
Total Debt Service before Designated Expenses - see Note	4.86	5.55	5.19	3.81
Total Debt Service after Designated Expenses	4.86	4.71	4.36	3.16

Note: Per Section 4.4 of Executive Order 994, the Foundation shall generate a debt coverage ratio of at least 1.25.

* Maximum annual debt service is reported as the total amount of scheduled debt service during the year in which the debt service is scheduled to be highest during the life of the Bonds

For the Actual Debt Service calculation, the actual annual debt service is used instead of the maximum annual debt service used in the forecast and proposed budgets; and University Designated Expenses are also not added back in the calculation.

Transfer of assets is not included in the forecast or proposed budgets.

Interest Detail

2013 & 2014 Series Bonds - Interest	860,675	984,583	860,676	786,648
2017A & 2017B Series Bonds - Interest	42,750	45,240	38,079	41,240
Total Interest Expense	\$ 903,425	\$ 1,029,823	\$ 898,755	\$ 827,888

CAPITAL BUDGETS

**CAL POLY POMONA FOUNDATION, INC.
2019-2020 PROPOSED CAPITAL BUDGET**

			Prior Years Remaining	Proposed Detail 2019-20	Proposed Total 2019-20	
	Reserves	Enterprise Activities				
		Foundation Housing				
		University Village	145,000	738,000	738,000	Stairway railings for 7 Phase II bldgs/ Duck cleaning bldgs. (\$20,000), Phase III boiler tube bundles (\$30,000), Phase III hot water storage tanks (\$20,000), Furniture 6 apartments Phase I (\$65,000), Wi-Fi upgrade/replace refrigerators (\$10,000) Replace heating and cooling units in bldgs.(\$63,000), Inject foam under phase III shower pans (\$167,000), Replace flooring for 15 apartments (\$100,000), Replace flooring for recreation center (\$13,000), Replace mattresses (\$17,000), Replace water heaters (\$26,000), Replace stoves (\$8,000), Replace maintenance truck (\$20,000), Apt 10-year refresh (\$124,000), Intall anti-slip step covers for stairwells bldgs.(82,000), Painting bldgs (\$118,000)
		Bronco Bookstore				
		Bookstore		1,279,123	1,279,123	HVAC replacement with chilled water system (\$900,000), Building 66 reroof (\$34,123), Van replacement (\$35,000), Remodel web order work area including storage fixtures, flooring, and interior paint (\$300,000), Replace store sound system (\$10,000)
		Dining Services				
		Fresh Escape		10,000		Zumex Juicer for new concept
		Carl's Jr.	95,000			Carl's Jr. brand mandatory refresh (Carryover from 2017-18)
		CCMP Pony Express		11,000		Three door cooler (\$8,000), Single door cooler (\$3,000)
		Pony Express @ CLA	15,500			Store remodel - paint, flooring, cabinetry, equipment (Carryover from 2017-18)
		Innovation Brew Works	32,419	20,000		Increase brewing capacity to 713 barrels/year-(1) 10 bbl brite tank, (2) 10 bbl fermenters, grain mill upgrade (\$32,419 Carryover from 2017-18); New oven and undercounter refrigerated unit (\$20,000)
		Poly Fresh	40,000			Replace open aired coolers, Enlarge storage space, Update shelving and register stations (Carryover from 2017-18)
		Coffee Cart	40,000			Rework existing solar coffee cart to serve CLA replacement building (Carryover from 2017-18)
		Starbucks		15,000		A/C Split Unit for BOH
		International Grounds	10,000	20,000		Ticketing System for new café concept, Baine Maries, Reverse Osmosis system (\$10,000) Coffee Brewers and Grinders (\$20,000)
		Kellogg West Dining	15,200	30,000		Lobby kiosk refrigeration unit for fresh food, Routine dining rooms floor replacements, Folding chairs - wedding routine replacement, Dance floor for Kellogg House weddings, Misc. Dining Room Upgrades, Convection Oven Replacement (\$15,200-Carryover from 2017-18) Passenger Van KH UBI (\$30,000)
	45,830	Los Olivos	45,830	-		Box truck, Equipment replacement-carryover from 2017-18 (\$45,830)
	730,000	Los Olivos (Replacement Facility)		730,000		Small Equipment (\$80,000), Smallwares (\$220,000), Tabletops (\$350,000), Biometrics and Other Technology (\$80,000)
		Denny's	20,870	10,000		Misc. equipment - dish machine, grille, refrigeration (\$20,870-Carryover from 2017-18) Seating upgrades (\$10,000)
		Brewing Education	18,600			Misc. educational lab upgrades as classes develop (Carryover from 2017-18)
		Qdoba		16,000		Rethermalizer (\$8,000), Murals for back wall (\$2,000), Blenders & jars (\$6,000)
		Jamba Juice (BRIC)		6,000		Charbroiler
		Subway	20,000	60,000		Replace front line cold table (\$20,000), Franchise required refresh (\$60,000)
		Round Table Pizza	25,000	165,000		Realign front counter space to accommodate customer ease of through put and mobile ordering, add 3 tap system - brewery kegs, add warmer to accommodate increase in catering services, replace existing display case. (\$25,000) Required brand refresh (\$165,000)
		Dining Administration	185,000			Bldg 97 major refrigeration makeover (Carryover from 2017-18)
		Dining Administration	30,000			POS/micromarket/biometrics innovation initiatives (Carryover from 2017-18)
		Dining Administration	5,800			Cash register end-of life replacement (Carryover from 2017-18)

**CAL POLY POMONA FOUNDATION, INC.
2019-2020 PROPOSED CAPITAL BUDGET**

			Prior Years Remaining	Proposed Detail 2019-20	Proposed Total 2019-20	
	Reserves	Enterprise Activities				
		Dining Administration	7,900			Building 97 feasibility study (Carryover from 2017-18)
		Dining Administration	27,500			Building 70 feasibility study
		Dining Administration	22,000			Analytics projects- enrollment, KPI dashboards (Carryover from 2017-18)
		Dining Administration		117,871		Demo walkins and replace doors (\$37,871), Cash register end-of life replacement (26 total) (\$80,000)
		Saddles	6,000			Starbucks conversion equipment and start up cost, Food equipment and small wares, Rebrand to Starbuck's WPS cabinetry, floor, paint, countertop, tile, furnishings (Carryover from 2017-18)
		Faculty Staff Café	29,000			Refresh café (Carryover from 2017-18)
		H-café	27,500			Conversion of market to micro market (unstaffed) (carryover from 2017-18)
		Campus Center Overhead		724,000		Retail kitchen equipment (\$22,000), Bldg 97 roof coating (\$98,000), Flooring CCMP (\$342,000), New furniture seating (\$250,000), Paint (\$10,000), Mixer for new café concept (\$2,000)
		BSC Overhead	6,992	52,000		Catering van (\$27,000), Catering equipment for expanding the catering services(\$15,000), POS system for catering (\$10,000)
		Total Dining Services			1,986,871	
		Kellogg West Conference Center & Hotel				
		Kellogg West Rooms & Conference	47,500	200,000		Replacement of conference tables (\$34,000), renovation & upgrades to all Bldg. 76 main conference center hallways and public areas (\$13,500). Replace/upgrade of 44 guestroom A/C & heating units in bldg. 77 (\$125,000), replace all present parking area and Horse Hill Drive lighting with LED lights (\$75,000)
		Facilities				
		Facilities		53,000	53,000	Vehicle for new Appliance Maintenance Specialist (\$20,000), Vehicle to replace 1996 Chevy (\$17,000), Manager Plus cloud-based work order system upgrade (\$16,000)
		Real Estate Activities				
		Bldg. 97	10,000			Entrance door replacement
	801,288	Bldg. 66	-	801,288		HVAC replacement - 2 chilled water air handling units (\$767,165), Reroof (\$34,123)
		CTTI Buildings		20,000		Carpet replacement - tenant (\$20,000)
		Total Real Estate Activities			821,288	
		Office of Research				
		Research and Sponsored Prog			-	No capital budget requested
		College of Agriculture				
	75,000	Wasmandorff House	75,000			Landscaping (from Pine Tree Ranch Reserve)
		Total College of Agriculture			-	
		College of Science				
		Chemistry Agilent Project	-		-	No capital budget requested
		College of Extended University				
		CEU	40,000	110,250	110,250	Vehicle (\$30,000), Cart (\$10,000) Software replacing Jenzabar/Schoolology (\$76,250), Office space reconfiguration (\$34,000)
		Administration				
		Human Resources	20,000	35,000		Kronos Dimensions - Upgrade HCM platform (\$20,000); Compensation review (\$35,000)
		Administration	10,000			Executive conference room furniture/carpet
		Administration	18,315			Bldg. 55 refresh
		Marketing		49,000		Display screens: Einsteins (\$5,000), The Den (\$5,000), other(\$8,000) Outdoor Sign for Bookstore (\$20,000) Z6810 Series large format printer (\$11,000)

**CAL POLY POMONA FOUNDATION, INC.
2019-2020 PROPOSED CAPITAL BUDGET**

			Prior Years Remaining	Proposed Detail 2019-20	Proposed Total 2019-20	
	Reserves	Enterprise Activities				
		Management Info Systems	15,000			Windows 10/desktop updates - Rollout of new operating system to enterprise units through VDI. Some hardware refreshes to improve speed, automation, and security, including continued SSD disk upgrades where needed.
		Management Info Systems	40,000			Financial System Improvements - The extension of OneSolution to version 18, and ongoing workflow development for vendor data records, project agreements, and Foundation Programs.
		Management Info Systems	15,000			Analytics Licensing and Consulting Services - To continue the buildout of business intelligence analytics dashboards for grants, enrollment, financial services and retail operations.
		Management Info Systems	35,000			CDD to Cognos report conversion - The upgrade of Cognos to version 11 and full CDD to Cognos report conversion to enhance Enterprise reports with Business Intelligence improvements
		Management Info Systems	27,000			Event and Space Management - License/upgrade buy-in to a software system providing campus wide space management. The vendor will either be EMS or CollegeNet.
		Management Info Systems	35,000			B55 Fiber and Switch Upgrade - Installation of fiber and respective switches to provide smooth migration of data to the new data center POD, and improved services to the building
		Management Info Systems	12,000			Credit Card Monitoring Software - Software to provide real-time monitoring and alarms for all credit card transactions processing through the Foundation
		Management Info Systems		60,000		Kronos Upgrade to Workforce Ready - Upgrading SAAS system to stay current with features, functionality, and security.
		Management Info Systems		20,000		WinServer 2008/SQLServer 2008 Uplift - Upgrading operating systems to stay current with features and security.
		Management Info Systems		15,000		Migration to POD IAAS - Hardware migration expenses related to moving equipment from b55 to new POD co-location facility. Including spare hardware, and peripheral equipment.
		Management Info Systems		10,000		Information Security Management Tools - Monitoring and maintenance tools for increased security management requirements.
		Management Info Systems		50,000		VM Infrastructure Improvements - Equipment refreshes in preparation for migration to co-location facility in POD.
		Management Info Systems		20,000		Ricoh DocumentMall Phase II - Implementation of advanced workflow automation for contract management and retention policy implementation.
		Total Administration			259,000	
Prior Years and Proposed Capital Budget			1,270,926		5,447,532	
Total Prior Years and Proposed Capital Budget					6,718,458	
	<u>1,652,118</u>	Capital Funding from Reserves			(1,652,118)	
		Capital Funding from Operations			5,066,340	

Note - the proposed capital budget assumes funding of \$801,288 from the Capital Reserve, 775,830 from the Residential Board Meal Program Surplus Reserve, and \$75,000 from the Pine Tree Ranch Reserve.

ASSET PROTECTION MANAGEMENT

Asset Protection Management-2019-20

The responsibility for protecting personnel and property cannot be delegated. It is the legal, moral and ethical charge of all Foundation management to protect the assets of the Foundation. Some risks are inherent in the work environment but in most cases risk can be minimized and controlled with appropriate internal controls and regular reviews.

The Foundation's asset protection and training is organized around three broad areas:

1. Personal safety and physical security
2. Protecting assets from external threats
3. Protecting assets from internal threats

The Foundation's risk assessment process includes the following basic steps:

1. Identify risks (in all parts of the Foundation)
2. Analyze how to deal with each kind of risk
3. Select and apply approaches for dealing with each risk
4. Monitor results and make changes when needed

The Foundation reviews each operating unit using an online list of potential risk areas that has been developed over time.

Following is a summary of the most significant areas for asset protection management:

Administration

The Foundation has long practiced a conservative approach to risk management and has transferred risk of identifiable hazards to insurers through purchase of comprehensive insurance coverage. This approach and the practices to implement it are integrated into Foundation operations. The Foundation has conducted Risk Assessments and reports for the units and will continue this practice.

Financial Services / Information Technology

1. Mitigating the risk of network security breaches. Corrective action includes use of monitoring software, log management, pro-active scanning and improvements to physical security of equipment.
2. Business continuity risk management. Corrective action includes hardware and software redundancy in mission critical computer systems, pro-active facilities maintenance in the areas of electrical, cooling, water and fire suppression systems and general disaster recovery protocols.
3. Examining feasibility of alternative risk management by transferring the risk (through contractual transfer of risk and commercial insurance) or risk retention (through higher deductible and establishing a funded insurance reserve). This task is done by the following:
 - 3a. Reviewing the contracts, insurance requirements, and hold harmless agreements or indemnification clauses to transfer legal and financial responsibility of loss to other parties.
 - 3b. Annual review of Foundation insurance programs/coverages, property and liability schedules, and Insurance reserve for proper funding.
4. The transfer of assets to the new Philanthropic Foundation and the administration of the financial accounting and employment services processes and procedures.

Employment Services

Employment Services is sponsoring a Foundation wide Risk Assessment project to be conducted by experts from Alliant Insurance Services in assessing employee related risk factors related to safety and workers compensation. A key outcome of the assessment will be a list of items identified as potential risk issues and suggested corrective action.

Marketing

Accessibility compliance with the Section 508, ADA and the WCAG 2.0 accessibility guidelines. Steps to be taken to correct risk:

- A high-level overview of your current level of accessibility of websites
- Scan websites for compliance using Compliance Sheriff software (the official software used by the CSU's to determine accessibility)
- Create a time line to make websites Compliant
- Further training in ADA accessibility
- Retaining a third-party company to do additional testing and audit of website compliance

Real Estate

Real Estate Department in the past has solely been focused on for sale housing and ground lease real estate at Innovation Village. As the Department has expanded to include oversight of marketing and managing CTTi, management of buildings 66 and 97, filming at CPP Campus South, as well as real estate donations and other ad-hoc assignments, we have begun looking at Asset Protection and Risk Management of all facilities. We are utilizing best practices in the industry to mitigate risk at all assets we manage and have a culture of risk avoidance in all our decision making as it relates to both the physical as well as financial risks associated with all that we do.

Dining Services

In Dining Services, we have several areas where Asset Protection and Risk Management play a significant role. Looking at Corporate Assets, Dining Services has several: Food, Liquor, Beer, Wine, Cash and equipment to mention a few. Developing web-based assessment tools for safety and policy compliance (Touchwork). Areas that we have implemented based on the risk management assessment include:

Innovation Brew Works: installed burglar alarm system and panic buttons, Fire extinguisher training for staff, facilities repairs, staff training by Employment Services, Evacuation Drills, PCI and Level 1 data training have taken place at various supervisory and front line staff levels as appropriate and IBW- Prevention training, alcohol service training, inventory.

University Village

The Residential Education staff undergoes fire extinguisher training annually; the Operations and IT staff are included. All office staff conducted a physical walk-through of the locations of utility shut-offs, radios, flashlights, and first aid kits.

Bronco Bookstore

Physical Safety and Security

1. Fire, life, safety, intrusion systems, smoke detector systems maintained and tested all fire and alarm system that were inspected were up to date. Completed tests with the Police department to ensure fire and safety alarms were communicating correctly.

2. Safety devices in place and maintained. Received inspection and posted permit for air tank in the HVAC room.

Data Security

1 The primary inventory system server is located in Bldg. #55 and maintained by MIS. Received documentation confirming emergency system replacement within 24 hours.

Kellogg West Conference Center and Hotel

1. Installation of video security cameras in multiple exterior and interior locations - Completed.
2. Update of KW Emergency Procedures and manuals - Completed/ongoing and updated annually or as needed.
3. Separation of duties with KW Director - Completed and ongoing with KW Accountant placing orders and Director reviewing/approving.
4. Change safe combinations and keep a record of who has access and knowledge of combination - Completed and ongoing. Record of who has access and safe combination now in sealed envelope in Foundation safe.
5. Yearly risk assessment is completed by the Foundation IT Team on all Kellogg West IT systems. This includes a review/prioritizing of old risks & potential new risks as well as potential "gaps" caused by changing technologies. - Completed and ongoing.
6. Upgrade of KW website to meet and/or exceed ADA requirements has been started and will be ongoing until all requirements are met or as close to being met as possible.
7. Upgrade parking lot lighting to LED to increase safety for our customers and staff.

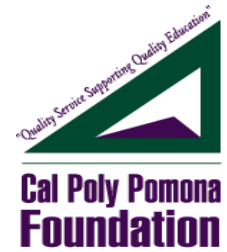
Facilities

1. Maintenance Vehicles
2. Maintenance shop
3. Maintenance storage area
4. Assessing the needs for safety training

College of the Extended University

CEU's most valuable asset is our personnel. CEU is currently working to fill vacant positions in the current fiscal year so that we are fully staffed and ready to support 2019-2020. Training of new staff remains a top priority this year and will continue to be as CEU continues to add new members to our team. CEU will continue to review our business processes, position responsibilities, staff training opportunities, cross-training opportunities, and staff advancement opportunities so that CEU is positioned to retain talented staff especially in high-demand, skilled positions.

DESIGNATED GIFTS



**CAL POLY POMONA FOUNDATION, INC.
PROPOSED GIFTS BUDGET
FISCAL YEAR 2019-2020**

DESIGNATED GIFTS

	Revised 2018-2019	Forecast 2018-2019	Proposed 2019-2020
Designated Gifts to the University	\$ 1,500,000	\$ 1,500,000	\$ 1,300,000
Foundation Request	196,832	192,096	17,367
Designated Gifts	<u>\$ 1,696,832</u>	<u>\$ 1,692,096</u>	<u>\$ 1,317,367</u>




Office of the President

2019-20 Foundation Designated Gift Request

\$1,300,000

Public & Campus Engagement (Public Relations)		Approval	Account #
	Academic Affairs	\$ 140,000	192960
	Administrative Affairs	\$ 8,500	192840
	Information Technology	\$ 8,500	193000
	Student Affairs	\$ 15,000	192830
	President (OOP)	\$ 295,500	190060
	- Equity, Inclusion & Compliance	\$ 3,000	462170
	- Ombuds	\$ 3,000	190065
	<i>subtotal</i>	<u>\$ 473,500</u>	
Programs			
AA	Student Travel Funds	\$ 10,000	192960
AA	Univ. Council of Chairs	\$ 5,000	192960
AA	Ink & Clay (Environmental Design)	\$ 5,000	192960
AA	Innovation Lab (iLab)	\$ 30,000	462310
AA	Annual Community Outreach Events (Community Colleges & K-12)	\$ 7,000	458760
AA	Instructional Materials - Incentive Program	\$ 20,000	192960
AA	AACRAO Consultive Services (Strategic Enrollment Mngt. Plan)	\$ 13,000	192960
AA	Financial Aid Services (Compliance Review)	\$ 30,000	192960
	<i>subtotal</i>	<u>\$ 120,000</u>	
SA	Athletics - Scholarships	\$ 75,000	19330R
	<i>subtotal</i>	<u>\$ 75,000</u>	
UA	Outreach, Cultivation, Development & Stewardship	\$ 104,350	see Attachment B1
UA	Internal & External Comm.	\$ 212,500	see Attachment B1
UA	Advancement Infrastructure & Capacity-Building	\$ 49,000	see Attachment B1 & B2
UA	University-wide Events	\$ 45,650	see Attachment B2
	<i>subtotal</i>	<u>\$ 411,500</u>	
President	Campus Events	\$ 40,000	461310
President	Staff Council	\$ 20,000	192784
President	Regional Econ. Dev. Assoc	\$ 50,000	461310
President	Sponsorships (CPP organ)	\$ 40,000	461310
President	Sponsorships (Higher Ed/Comm.)	\$ 70,000	461310
	<i>subtotal</i>	<u>\$ 220,000</u>	
		TOTAL \$	1,300,000

Approved:


Soraya M. Coley Ph.D.
President

4/18/19
Date

UNIVERSITY ADVANCEMENT GIFT REQUEST TO THE CAL POLY POMONA FOUNDATION			
	Proposed 2019/2020	Department	Project ID
Outreach, Cultivation, Development and Stewardship			
Auto Allowance for VP of University Advancement	2,500	VP Office	192820
Subtotal	2,500		
Meals and supplies for parent/corporate on-campus events	8,000	Alumni Aff	190670
Signature events (Alumni Gala, CPP Family Day)	25,000	Alumni Aff	190670
On-campus events for students and young alumni, and career fairs	10,000	Alumni Aff	190670
Regional Alumni Events (Four per Fiscal Year)	27,000	Alumni Aff	190670
Legislative and Community On-Campus Events	5,000	Gov't & Comm Relations	TBD
Meals and refreshments for key stakeholders/events	5,000	Gov't & Comm Relations	TBD
Event Attendance	1,000	Gov't & Comm Relations	TBD
Travel for In-State and Out of State legislative events and meetings	20,850	Gov't & Comm Relations	TBD
Subtotal	101,850		
Internal and External Communications			
CPP Magazine (2 issues annual) publication and mailing	75,000	Public Aff.	190050
Bronco Digital Magazine (2 hard copy issues and other digital publication/mailings)	80,000	Public Aff.	190050
Pocket Facts to be printed	5,000	Public Aff.	190050
Electronic Newsletters: poly@alumni (emailed 9X/year to alumni) and polyfriends (emailed 4X/year to parents)	8,500	Alumni Aff	190670
President's Annual Report and Donor Honor Roll, publication and mailing	25,000	Public Aff.	190050
Travel for story interviews for various publications	2,500	Public Aff.	190050
Professional activities and awards	1,500	Public Aff.	190050
Editorial Support	7,500	Public Aff.	190050
University Marketing (social media ads, incentives, signage)	5,000	Public Aff.	190050
Public Affairs retreat and other public relations	2,500	Public Aff.	190050
Subtotal	212,500		
Advancement Infrastructure and Capacity-Building			
Divisional retreat, quarterly meetings for strategic planning of goals and objectives	5,000	VP Office	190820
Dean's Development Training	3,000	VP Office	190820
Consultant Fees for database (Blackbaud/Omatic)	28,000	Adv Services	461720
Vendor expenses related to Prospect research and database enhancements with Omatic Software and Live Alumni	10,000	Adv Services	461720
In State Travel (Gift Processing)	2,000	Adv Services	461720

Attachment B2

BBMS Fees	1,000	Adv Services	461720
Subtotal	49,000		
University-Wide Events/ Supplies and Services			
Participation in on-campus events/programs	10,150	VP Office	192820
Direct Costs associated for campus events (Events & Special Projects)	5,000	Events	462880
Local Travel reimbursement for Events	2,000	Events	462880
Supplies & Services- Central Development	13,000	Central Development	193560
Supplies & Services for Strategic Communications	10,000	Public Aff.	190050
Supplies and Services for Govt and Community Relations	5,500	Govt & Comm Rel	TBD
Subtotal	45,650		
TOTAL			
	411,500		

Historical Summary of Foundation Support Grants to University Advancement:

2018-19 Grant Support	\$613,500
2017-18 Grant Support	\$613,550
2016-17 Grant Support	\$573,000
2015-16 Grant Support	\$491,000
2014-15 Grant Support	\$690,900
2013-14 Grant Support	\$678,100
2012-13 Grant Support	\$406,475
2011-12 Grant Support	\$353,000
2010-11 Grant Support	\$343,000

University Advancement 2019/20 Gift Request Designation

Outreach, Cultivation, Development, Stewardship

	192820	2,500
	190670	70,000
	463670	31,850
Subtotal		104,350

Internal and External Communications

	190050	204,000
	190670	8,500
Subtotal		212,500

Advancement Infrastructure and Capacity-Building

	192820	8,000
	461720	41,000
Subtotal		49,000

University-Wide Events & Services

	192820	10,150
	462880	7,000
	193560	13,000
	190050	10,000
	463670	5,500
Subtotal		45,650

TOTAL 411,500

Total by Projects:

2019

192820- VP Office	20,650.00
190050- Strategic Comm	214,000.00
190670- Alumni	78,500.00
461720- Advancement Services	41,000.00
462880- Events	7,000.00
463670-Gov't & Community Relations	37,350.00
193560- Central Development	13,000.00
Total	411,500.00

3/26/2019

University Advancement Request for Funding

Executive Summary- FY 19/20

The Cal Poly Pomona Foundation continues to be an essential partner in supporting the external relations work of University Advancement in our effort to secure private philanthropic dollars, expand the awareness and reputation of the university and build meaningful partnerships with the community. While the University is moving toward the official launch and operational start-up of the new Cal Poly Pomona Philanthropic Foundation in July 2019, these requested funds remain crucial to our alumni and donor outreach, communications strategy, government relations programs, and database management that supports all of these endeavors.

University Advancement remains committed to increasing the number of annual donors, college based major giving programs and targeted strategic communications. Compared to the prior year, this request has been decreased by \$200,000 because we believe that those funds can be funded through the new base budget of the philanthropic foundation. Our highest priorities for this grant are as follows:

University Donor Database Conversion/Advancement Services

Maintaining a modern and updated database for more than 200,000 constituents is key to our continued progress. Advancement Services will soon unveil a number of new report capabilities through the tableau software that will positively impact our prospect identification and donor communications. Funding from this grant will support continued maintenance of the database as well as the overall customization of key reports necessary for gift recording, receipting and managing development officer performance.

Public Relations and Branding

The funding request for external and internal communications will focus on the online and digital storytelling through the Bronco Digital Magazine, two print issues of CPP Magazine, and the President's philanthropic annual report. Such funding is important to maintain engagement with current and future stakeholders. Strategic Communications

continues to support the campus branding efforts and expansion of the official logo to the colleges and departments of the University.

Support of Campus Events and Special Projects

Funding in this request will assist with direct costs and other materials needed to conduct university events such as the fall conference, regional presidential alumni receptions, donor and stewardship events, and receptions hosted by deans in the homes of alumni with an interest in supporting college priorities.

Government and Community Relations

Government and Community Relations maintains a year-round and active program of communication with legislators, community leaders and coordination of community outreach groups associated with the Lanterman/South Campus. Funding is necessary for travel related to legislative visits at the State and Federal level in order to maintain key relationships and secure resources to support educational and student success programming on the campus.

Conclusion

University Advancement has a leading role in furthering our vision to be an inclusive Polytechnic University that inspires creativity and innovation, embraces local and global challenges, and transforms lives. The financial assistance provided by this grant will allow us to execute specific divisional programs and strategies that position us as a leading regional university worthy of significant private support. The Division of University Advancement extends its sincere appreciation to the Cal Poly Pomona Foundation for its partnership and consideration of this request.

Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation
Faculty/Staff Cafe
Consolidated Budget Comparison Summary
For the 2019-20 Fiscal Year**

	2018-19 Approved Budget	2018-19 Forecast	2019-20 Proposed	\$ Change Forecast to Proposed Budget
Expenditures- Controllable				
Supplies	500	500	500	
Laundry		116		(116)
Total Expenditures- Controllable	500	616	500	(116)
Expenditures- Non-Controllable				
Other	100	30	100	70
Total Expenditures- Non-Controllable	100	30	100	70
Labor Costs				
Salaries & Wages	14,928	10,700	14,928	4,228
Employee Benefits	1,804	1,250	1,839	589
Total Labor Costs	16,732	11,950	16,767	4,817
Total Expenses	17,332	12,596	17,367	4,771
Net Income	(17,332)	(12,596)	(17,367)	(4,771)

OPERATING BUDGETS
GENERAL ACTIVITIES

ADMINISTRATION

Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation
ADMINISTRATION
Consolidated Budget Comparison Summary
For the 2019-20 Fiscal Year**

	2018-19 Approved Budget	2018-19 Forecast	2019-20 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Administrative Fees	4,853,776	4,799,999	4,102,048	(697,951)
Other	23,200	5,800	20,100	14,300
Sales	37,640	67,060	482,900	415,840
Total Revenues	4,914,616	4,872,859	4,605,048	(267,811)
Cost of Goods Sold				
Total Cost of Goods Sold				
Expenditures- Controllable				
Utilities	30,000	23,030	26,400	3,370
Insurance	61,899	45,329	49,577	4,248
Repairs & Maintenance	260,884	284,222	293,096	8,874
Meals & Refreshments	22,214	23,260	23,214	(46)
Postage & Freight	22,750	21,861	22,500	639
Advertising	275,835	118,571	207,655	89,084
Rent/Commissions	8,850	8,000	8,850	850
Services	254,059	250,067	264,069	14,002
Supplies	121,820	117,362	125,685	8,323
Telephone	56,744	44,040	49,288	5,248
Travel	44,986	34,097	43,970	9,873
Other	170,356	156,319	145,652	(10,667)
Total Expenditures- Controllable	1,330,397	1,126,158	1,259,956	133,798
Expenditures- Non-Controllable				
Depreciation	211,920	164,756	210,078	45,322
Interest Expense		227,953	213,173	(14,780)
Rent/Commissions	7,404	6,180	7,920	1,740
Bank Card Fees	96	110	96	(14)
Other	115,416	95,865	89,232	(6,663)
Total Expenditures- Non-Controllable	334,836	494,864	520,499	25,635
Labor Costs				
Salaries & Wages	2,869,768	2,763,919	2,937,037	173,118
Employee Benefits	1,182,995	(457,837)	1,509,094	1,966,931
Total Labor Costs	4,052,763	2,306,082	4,446,131	2,140,049
Total Expenses	5,717,996	3,927,104	6,226,586	2,299,482
Net Income	(803,380)	945,755	(1,621,538)	(2,567,293)

CAL POLY POMONA FOUNDATION, INC.

ADMINISTRATION FEE SUMMARY

<i>FISCAL YEAR</i>	Approved Budget 2018-2019	Forecast Budget 2018-2019	Proposed Budget 2019-2020	Variance
<u>REAL ESTATE:</u>				
TOTAL REAL ESTATE ADMIN FEE	233,281	220,856	221,176	320
<u>ENTERPRISES:</u>				
Bookstore	538,024	507,781	477,767	(30,014)
Dining Services	1,439,197	1,491,772	1,558,761	66,989
K.W. Conference Ctr. & Lodge	114,894	111,868	134,349	22,481
University Village	707,921	693,313	743,056	49,743
TOTAL ENTERPRISES ADMIN FEE	2,800,036	2,804,734	2,913,933	109,199
<u>FUND 5, 8 10, ENDW, & RESEARCH:</u>				
Endowments	487,212	529,547	-	(529,547)
Research Office	595,935	571,493	588,638	17,145
Fund 3 - Admin Philanthropic Grants	179,500	179,500	-	(179,500)
Fund 5 - Agriculture	146,434	144,678	175,610	30,932
Fund 8 - Foundation Programs	288,238	271,428	21,588	(249,840)
Fund 10 - CEU	202,191	190,637	181,103	(9,534)
TOTAL 3, 5, 8, 10, UET, & RESEARCH ADMIN FEE	1,899,510	1,887,283	966,939	(920,344)
TOTAL FOUNDATION ADMIN FEE	4,932,827	4,912,873	4,102,048	(810,825)

*Note: The Foundation retains the first 50 basis points of interest earnings on investments in the general investment portfolio per Board Policy # 133 as follows:

689,844	374,683	374,688
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Cal Poly Pomona Foundation
 Cost Allocation Analysis
 For the fiscal year ended June 30, 2018

Fund	2017-2018 Computer Transactions	% Accounting	2017-2018 Acctg & MIS Actual Allocation	Adjustments For Time	Adjusted 2017-2018 Acctg & MIS Actual Allocation	Administrative %	2017-2018 Administration Actual Allocation	Human Resources %	2017-2018 Human Resources Actual Allocation	2017-2018 Actual Total Allocation	2017-2018 Foundation Prg. 75% Total Allocation	2017-2018 Amount Charged	Overage (Shortage) Variance Amount	Variance %	
General	52,188	11.07%	302,201.68		302,202	11.07%	1,00%	12,483.24	1.00%	5,912.96	320,598	-	(320,598)	-100.00%	
Real Estate	15,910	3.37%	92,129		92,129	3.37%	1.00%	12,483		-	104,612	219,000	114,388	109.34%	
Grants and Contracts	36,524	7.75%	211,497	59,703	271,200	9.93%	23.00%	287,115	50.00%	295,648	853,963	671,566	(182,397)	-21.36%	
Designated	6,077	1.29%	35,190		35,190	1.29%		-		-	35,190	14,391	(20,799)	-59.10%	
Enterprise	216,120	45.84%	1,251,472.12	(34,003)	1,217,469	44.59%	62.00%	773,961	35.00%	206,954	2,198,384	2,700,000	501,616	22.82%	
Agriculture	23,314	4.94%	135,003	(3,400)	131,603	4.82%	3.00%	37,450	3.00%	17,739	186,791	135,914	(50,877)	-27.24%	
Endowment	14,380	3.05%	83,269	20,000	103,269	3.78%	3.00%	37,450		-	140,719	438,720	298,001	211.77%	
Programs/Scholarships	92,242	19.56%	534,140	(41,600)	492,540	18.04%	3.50%	43,691	2.00%	11,826	548,057	411,043	473,332	62,289	11.37%
Continuing Education	14,743	3.13%	85,371	(700)	84,671	3.10%	3.50%	43,691	9.00%	53,216.64	181,579	183,918	2,339	1.29%	
Total	471,498	100%	2,730,273	-	2,730,273	100.00%	100.00%	1,248,324	100.00%	591,296	4,569,893	4,110,432	403,962	8.840%	

Programs/Scholarships Actual total allocation vs. amount charged (74,725)

Fund	2017-2018 Allocated Actual Cost per Transaction	2017-2018 Amount Charged per Transaction	Variance
General/Innovation Village	6.14	-	0%
Rental Buildings	6.58	13.76	209%
Grants	23.38	18.39	79%
Designated	5.79	2.37	41%
Enterprise	10.17	12.49	123%
Agriculture	8.01	5.83	73%
Endowment	9.79	30.51	312%
Foundation	5.94	5.13	86%
Continuing Education	12.32	12.47	101%
Avg. per Trans.	9.79	11.22	115%

Average Balance Quarterly

Amount Distributed	Foundation Prgs	Scholarships	Yield Returned	Foundation Prgs	Scholarships	Yield Withheld	Foundation Prgs	Scholarships	Total Withheld
Sept	163,875.76	22,884.41	0.49541%	33,078,815.53	4,619,287.06	0.12500%	41,348.52	5,774.11	47,122.63
Dec	220,377.31	29,288.98	0.63882%	34,497,559.56	4,584,856.45	0.12500%	43,121.95	5,731.07	48,853.02
Mar	191,157.68	24,559.93	0.53379%	35,811,401.49	4,601,047.23	0.12500%	44,764.25	5,751.31	50,515.56
June	216,967.03	27,731.32	0.60885%	35,635,547.34	4,554,704.77	0.12500%	44,544.43	5,693.38	50,237.82
	792,377.78	104,464.64					173,779.15	22,949.87	196,729.02

896,842.42

CAL POLY POMONA FOUNDATION, INC.

ADMINISTRATION

2019-2020

BUSINESS PLAN

APRIL 2019

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Proposed Fiscal Year Budget

A

Cal Poly Pomona Foundation
ADMIN - EXECUTIVE
Consolidated Budget Comparison Summary
For the 2019-20 Fiscal Year

	2018-19 Approved Budget	2018-19 Forecast	2019-20 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Administrative Fees	4,853,776	4,799,999	4,102,048	(697,951)
Sales	35,290	46,960	472,000	425,040
Total Revenues	4,889,066	4,846,959	4,574,048	(272,911)
Cost of Goods Sold				
Total Cost of Goods Sold				
Expenditures- Controllable				
Utilities	30,000	23,030	26,400	3,370
Insurance	61,899	45,329	49,577	4,248
Repairs & Maintenance	17,400	24,606	15,600	(9,006)
Meals & Refreshments	16,900	16,900	16,900	
Postage & Freight	10,400	10,400	10,716	316
Advertising	210,500	57,481	135,100	77,619
Rent/Commissions	7,800	7,800	7,800	
Services	50,380	61,800	58,280	(3,520)
Supplies	18,085	10,400	17,845	7,445
Telephone	40,800	29,000	32,004	3,004
Travel	5,400	897	5,400	4,503
Other	46,040	17,585	17,870	285
Total Expenditures- Controllable	515,604	305,228	393,492	88,264
Expenditures- Non-Controllable				
Depreciation	21,504	21,715	10,686	(11,029)
Interest Expense		227,953	213,173	(14,780)
Rent/Commissions	1,800	180	1,800	1,620
Bank Card Fees		10		(10)
Other	360	150	360	210
Total Expenditures- Non-Controllable	23,664	250,008	226,019	(23,989)
Labor Costs				
Salaries & Wages	276,904	172,323	316,186	143,863
Employee Benefits	78,822	68,245	167,154	98,909
Total Labor Costs	355,726	240,568	483,340	242,772
Total Expenses	894,994	795,804	1,102,851	307,047
Net Income	3,994,072	4,051,155	3,471,197	(579,958)

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

Forecasted administrative revenues are fees charged to various activities and are forecasted to be \$4.8 million or 98% of budget, due to the decrease in revenues in the Bookstore, Dining Services, University Village Housing, Real Estate Development, Sponsored Programs, and CEU. These fees support a wide range of necessary corporate functions.

Administration is accountable for ensuring that support services are delivered and held accountable. The Foundation continues to be more efficient with upgrades to our software and hardware and training for our employees. The Foundation will continue to use virtualization, cloud-based systems and artificial intelligence to expand storage, control costs and increase information analytics.

Explanation of Proposed Fiscal Year Budget:

Foundation Administration will continue to support campus activities including the new philanthropic organization in this year's proposed budget and collaborate with the University through Board approved designated support and services we provide. The proposed budget includes personnel recruiting costs for an Executive Director.

Changes in Programs and Services for Proposed Fiscal Year:

The Foundation will continue strategies to improve productivity by restructuring departments and encouraging more "collaborative" opportunities. The Foundation will embrace the high-tech world with more use of mobile time keeping, self checkouts, digital signage and webform processes for greater efficiency. The Foundation will continue efforts related to electronic documentation, use of the web, social media, and enhancing systems for more efficient operation. All systems will be sensitive to the effort of reducing greenhouse gases. The Foundation will continue to demonstrate organizational transparency by providing access to records online. The Foundation will focus on the issues raised by the Chancellor's Office and take actions to move quickly to implement recommendations that include training for its Board of Directors. The Foundation will continue to be transparent and accountable in all operations.

Explanation of Proposed Fiscal Year Capital Requests:

N/A

Changes in Staffing:

The proposed budget includes personnel recruiting costs for an Executive Director.

Outlook for Next 3 Years and 4 to 10 Years Beyond:

Sustainability will be the word for the next 10 years. CPPF issues will be driven by CPP funding and enrollment. The Foundation will manage resources based on needs and leveraging funds to meet campus and foundation needs. The Foundation will need to find new sources of revenue and enhance current revenue sources. Some of the major trends/ issues that must be addressed as part of the 10 year plan will include the following:

- * Lanterman Developmental Center property will need ongoing support
- * Aging facilities (maintenance and replacement) * Revenue shrinkage (products and services changing)
- * PCI and protecting data concerns (customer and internal) * Constraints on the ability to reward employees
- * Social Media strategies for marketing and communications * Health care costs and Retirement costs
- * Expanding compliance and risk issues and their costs * Employee Training Costs * Succession Planning
- * The IT Department will be a center of collaboration among the Enterprise Units to facilitate the Acquisition of new technologies.
- *Campus review of the ID card

Major Projects and Business Goals for Proposed Fiscal Year

D

Action Steps	Person Responsible	Due Date
*Implement of the new dining commons	All	June 2020
*Support the University with Lanterman Development Center	Admin. & Real Estate	June 2020
*Analytics dashboard build-out to support Grants, Financial Services& enterprise operations	Admin. and Financial Services	June 2020
*Innovation Village: marketing, and options for existing land.	Admin. & Real Estate	June 2020
*Review effects of CSU salary inversion and senior management pay versus market.	CEO,CFO,ChiefEmploymentOfficer	June 2020
*Long-term plan-Kellogg West Conf. Ctr. & Lodge for financial and facility substantiality.		
*Implementation and support for the new philanthropic organization	Admin & IT and Finance	June 2020
*Fiber run and server migration to the new data center POD	Campus IT and FIT staff	April 2020
*Dining Services - continue to create customer tailored dining environments that support the University		
and implement recommendations from 2017 Board approved Dining Master Plan.	Dining Services	June 2020
*Bronco Bookstore-continue to provide savings to students thru an aggressive rental program and		
the early adoption of textbook incentive program.	Bronco Bookstore	June 2020
* Univ Village-maintain high occupancy, financial performance, competitive rates and facility maintenance		
that meets student needs and expectations. Explore options for non-traditional student housing.	University Village	June 2020
Assist consultants with review and assessment of current organizational structure, functions & staffing.	All	June 2020
*Support Cal Poly Pomona's commitment to sponsored research and fund raising by providing resources		
and services tailored to assist the campus meets its performance goals.	Admin. and Financial Services	June 2020
*Review options: Master Planning/Development of South Campus including student/faculty mixed housing	Univ Facilities/Design, Admin. RE	June 2020
*Climate Neutral, Reduction of Greenhouse Gases - Investigate and implement ways for the Foundation		
to be climate neutral and reduce greenhouse gases in all operations. Be a role model for other to follow.	All	June 2020
*Presidential Order-The Foundation will use the Presidential Order to initiate opportunities to provide more		
services to the campus community and market the advantages in "reinvesting in ourselves."	Marketing et. al	June 2020
Public Relations campaign-Foundation Gives back to the University	Admin & Marketing	June 2020

Mission/Vision Statement

The Cal Poly Pomona Foundation, Inc., established in 1966, is an integral component of the educational mission of the university. In pursuit of this mission, the Foundation is a partner in the university community which includes students, faculty, staff, administrators, alumni and members of the larger community. The Foundation exists to provide the highest level of service and financial support while maintaining corporate fiscal integrity. The role of the Foundation is to provide convenient and appropriate goods and services at a reasonable price and to develop additional assets and resources for the university. The Foundation also promotes and celebrates the cultural diversity of the university, helps foster and maintain an effective learning environment to provide educational opportunities, reflects an institutional image of competence and quality and encourages cooperative relations within the university community.

Excellence in service to the university is the highest priority of the Foundation. The Foundation accomplishes this by:

- * Operating in a professional and conscientious manner.
- * Continually updating its planning for the future and emphasizing the importance of quality and excellence.
- * Promoting high standards for ethics, honesty, competency and professionalism in all its employees.
- * Developing and motivating employees to express an entrepreneurial spirit by using creativity, innovation, initiative and open communication.
- * Maintaining its commitment to affirmative action, equal opportunity, and career development in a safe working environment.

The Cal Poly Pomona Foundation, Inc. is an equal opportunity, affirmative action employer. The Foundation subscribes to all state and federal regulations and prohibits discrimination based on sex, race, sexual orientation, national origin, handicap, marital status, age, religious creed, color, ancestry, medical condition, or veteran status. The Foundation hires only individuals lawfully authorized to work in the United States.

The Foundation operates as a public-benefit charitable-educational organization under the provisions of the California Revenue and Taxation Code, Section 23701(d) and the United States Internal Revenue Code, Section 501(c)(3). As a recognized auxiliary of the California State University, the Foundation conforms to the regulations established by the Board of Trustees of the California State University and approved by the California State Director of Finance as required by the California Education Code, Section 89900. The university's administrative organization supervises the Foundation, as required by Title 5, California Code of Regulations, Section 42402.

Created: 12/11/95 (per 1995/1996 Foundation Business Plan)

CORPORATE VISION STATEMENT--"Quality Service Supporting Quality Education"

To be the best... an organization of employees must be committed to quality. Recognized as leaders and "award winners." An organization having the best business practices. An organization where service quality consistently exceeds customer expectations and financial performance consistently exceeds comparable industry norms. An organization with a stimulating and gratifying workplace where employees can achieve their full potential. Vision and mission, strategic planning, policies and procedures, customer service and campus relations all build and depend upon each other. Without a vision and mission, effective planning cannot take place. The process of assessing current status, soliciting input from campus stakeholders, and identifying problems and goals is common to each, and reinforce the others.

Strengths and Challenges

Strengths

Strong Diverse Revenue Streams* Growth Oriented - \$180 Million in Net Worth and \$240 million is Assets including the assets of approximately \$135 million that will be transferred to the new philanthropic organization * A Major Donor to University * Supporter of Fund Raising * Award-Winning Services * Bronco Card Purchasing Capability * Veteran Management Team is Stable, learning Centered - Always Improving * Recipient of Unqualified Audits * Capable of Managing Large Projects in Support of University such as Faculty Housing and Innovation Village * Independent, Self-Supporting and Operates with Minimal Risk to the University * Financial Services and Post Award Grant/Contract Support * A Recognized Leader and Innovator within the Industry * Board Representative of University

Challenges

Developing New Sources of Revenue* *Containing or Reducing Costs *Growing Cost of Employee Benefits * Lack of Retail Business during the Summer Months * Need to Maintain Cutting Edge Technology, Improve Efficiency and Integrate Systems * Need to Manage and Anticipate Risks of all Types * Meeting Customer Expectations for Low Prices and High Value * Need Green Strategies and Systems * Integration of Online /Viral Media Strategies into Traditional Marketing Campaigns * Anticipated flat enrollment * Challenging Economy and Retreat on Housing Prices * Supporting Real Property development * Implementing increasingly restrictive water usage measures

Employee Survey

(Surveys were conducted at the unit level)

F

Customer Survey

(Surveys were conducted at the unit level)

Keys to Success

Keys to Success Items	Rank in Importance 10 to 1
Key to our success is to provide outstanding value to our major stakeholders:	
*Customers: by delivering service beyond expectations	10
*Employees - by delivering high performance - self-motivating teams	10
*Cal Poly Pomona - by delivering exceptional financial performance and effectively supporting the campus mission	10
Key Issues:	
* Identifying and providing core products and services.	10
*The Need for Changing Business Processes	10
* Balancing the goals of financial performance, customer service and serving Cal Poly Pomona in a	
a challenging economy.	8
* Providing non-traditional products and services such as developing real estate projects.	9
* Knowing the cost of doing business and adjusting to economic realities promptly.	9
* Abandon yesterday - improve systematically and continually.	8
* Intensifying competition on and off-campus.	8
*Encourage more collaborative opportunities	10
*Access to Crucial Data	10

Corporate Culture

Customer/Client Perception	Unit Perception
NO SECRETS:	Everyone in the Foundation at all levels shares information openly.
NO SURPRISES:	No one can claim to be in the dark about problems or opportunities
NO POLITICS:	People get together and look at the same information and make tough decisions
NO DISTRACTIONS:	Management and systems operate in the background; they make noise only when things go wrong. People are free to get their work done.
NO CONFUSION:	Employees know what they need to do to succeed.
NO WASTE:	The organization is lean and mean.
NO ILLUSIONS:	We have no illusions about how tough things can be; that is why we are constantly modifying, improving and starting over.

Business Controls and Vital Factors

H

ADMINISTRATION: * Oversees all programs, services and activities for program objectives * Develops administrative and personnel policies * Approves staff * Facilitates long-term and short-term planning * Prepares annual budget for Board approval * Approves expenditures * Serves as chief liaison with other organizations and key stakeholders
BOARD OF DIRECTORS: * Understands and supports mission of Foundation * Selects the Executive Director * Shares expertise and engages in decision-making * Engages in planning * Provides adequate resources * Prepares for and attends board and committee meetings * Understands and evaluates programs * Enhances the Foundation's public standing * Ensures legal and ethical integrity, and maintains accountability * Maintains the quality of the Board through careful recruitment and orientation * Evaluates the Executive Director and Board's performance
PARTNERSHIP: * Common expectations * Cooperative planning and evaluation * open and honest communications * Respect

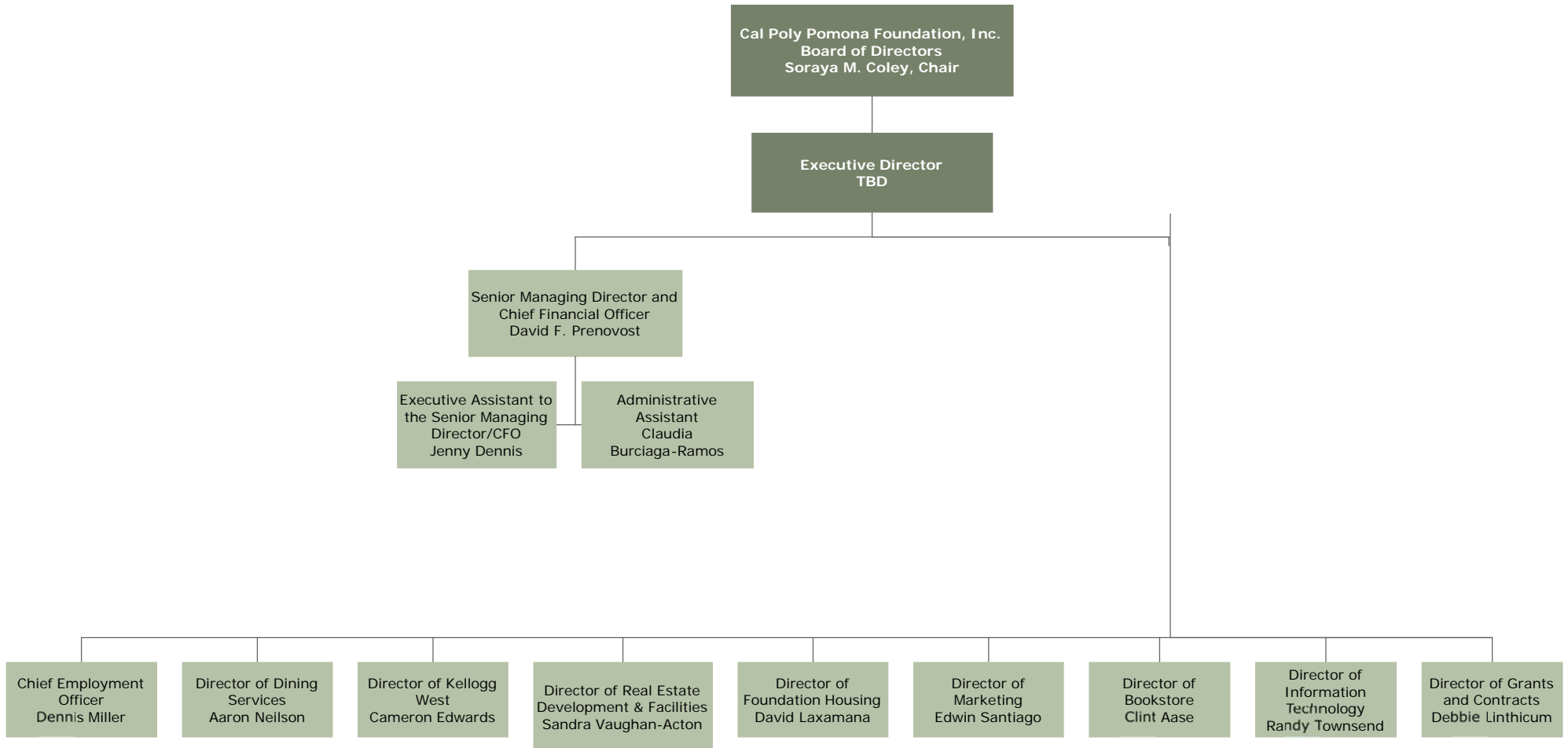
Asset Protection/Risk Management

The Foundation has long practiced a conservative approach to risk management and has transferred risk of identifiable hazards to insurers through purchase of comprehensive insurance coverage. This approach and the practices to implement it are integrated into Foundation operations. The Foundation has conducted Risk Assessments and reports for the units and will continue this practice.

Organization Chart

I

CAL POLY POMONA FOUNDATION, INC. "Quality Service Supporting Student Success" EXECUTIVE MANAGEMENT TEAM



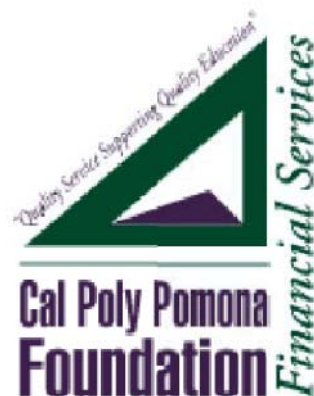
April 2019

CAL POLY POMONA FOUNDATION, INC.

FINANCIAL SERVICES AND IT

2019-2020

BUSINESS PLAN



APRIL 2019

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Proposed Fiscal Year Budget

A

Cal Poly Pomona Foundation
FINANCIAL SERVICES
Consolidated Budget Comparison Summary
For the 2019-20 Fiscal Year

	2018-19 Approved Budget	2018-19 Forecast	2019-20 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Sales	400	400	400	
Total Revenues	400	400	400	
Expenditures- Controllable				
Repairs & Maintenance	234,404	250,300	265,596	15,296
Meals & Refreshments	2,064	2,060	2,064	4
Postage & Freight	11,820	11,106	11,304	198
Advertising	5,140	3,060	3,060	
Services	157,529	149,267	157,664	8,397
Supplies	43,440	47,812	51,420	3,608
Telephone	4,404	4,300	4,404	104
Travel	16,596	12,900	15,600	2,700
Other	4,872	6,940	7,248	308
Total Expenditures- Controllable	480,269	487,745	518,360	30,615
Expenditures- Non-Controllable				
Depreciation	181,716	140,218	187,212	46,994
Rent/Commissions	5,604	6,000	6,120	120
Bank Card Fees	96	100	96	(4)
Other	110,304	95,715	88,872	(6,843)
Total Expenditures- Non-Controllable	297,720	242,033	282,300	40,267
Labor Costs				
Salaries & Wages	1,572,060	1,553,057	1,510,464	(42,593)
Employee Benefits	523,302	615,674	711,354	95,680
Total Labor Costs	2,095,362	2,168,731	2,221,818	53,087
Total Expenses	2,873,351	2,898,509	3,022,478	123,969
Net Income	(2,872,951)	(2,898,109)	(3,022,078)	(123,969)

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

190010:

7285: Services/Audit: Full Actuarial Study for Post Retirement Program by Nicolay Consulting Group.

190030: Capital budgets are on track for vendor related projects in all systems; Maintenance costs are up as workstations are upgraded to Windows10; Auditing is up, and labor costs have risen due to expanded need for PCI and POS support services. In fiscal year 2017-2018, project goals were met to perform the following: Financial system workflows, Bookstore POS upgrades; Convenience store POS upgrades; Kronos v8 talent acquisition module implementation; Micros/KW POS upgrades to EMV readers; Bookstore Apple DEP implementation; PCI penetration testing for v3.2; Odyssey upgrade; PCI audit and disaster recovery audit; IT PCI policy/procedure updates; RKR Micros server move; UV Wireless upgrade; staff hires; OneSolution beta testing; Cognos v11 upgrade and report conversion; Varonis monitoring and logging installation. Projects are still open for the following: ONeSolution v18 upgrade; Verifone reader retirement; Enrollment analytics project; Windows 10 rollout; Azure disaster recovery testing; Tapingo rollout; Foundation Programs dashboard; CO InfoSec audit; Concur rollout; Grants invoice workflow; BCP update.

Explanation of Proposed Fiscal Year Budget:

190010:

7285 Services/Audit: Going out for RFP for Year-End Auditing Services for FY 17-18.

190030: Capital expenses will include the upgrade to OneSolution v18 and a full migration from CDD to Cognos reports. In the coming year costs for computer maintenance will level the workstation upgrade is completed. Power consumption has dropped to its lowest point through virtualization of potential servers, and the move to backup/disaster recovery processes via hosted Exagrid and Azure cloud services. Vendor software maintenance will continue to increase gradually due to increased outsourcing, mobility and cloud services. This trend will be offset somewhat by lower in-house maintenance costs and greater business continuity. PCI consulting costs will be moved from capital to maintenance for business as usual, and will still include yearly pen testing, SAQ automation, and perpetual mitigation. PCI compliance service expenses will continue to be necessary to license staff in PCI and enhanced credit card monitoring services, and continued automation of online documentation. Expenses associated with cellular wireless services will continue a slow increase as more tablets, smart phones, and other IOT devices become strategic to business processes. Increased demand for technology driven by business intelligence growth and deeper security compliance requirements is pressing the need for more analytics and smart monitoring capability. In-house labor resources are stabilizing after the loss of three core staff and efficient are coming back for each work area. Work space is expanding due to storage needs growing. New workflows for the financial system are coming online in the coming year. Preparation is starting for a move of servers from building 55 to the new data center POD. Events and space management integration with CollegeNet.

Changes in Programs and Services for Proposed Fiscal Year:

190010: The Foundation has updated the accounting system to One Solution and will continue analyzing the functionality of new system and automating processes to improve efficiency.

190030:

Where fiscally and operationally advantageous to Foundation business there will be a further move toward outsourcing and/or cloud hosting of applications. University equipment, as well as fellow auxiliaries, will continue to be evaluated against internal and external hosting in consideration of the Data Center Initiative. Any changes to services will be based on mutually beneficial agreements using industry standard service level agreements, or MOU's, written to insure separation of duties and requisite compliance.

Explanation of Proposed Fiscal Year Capital Requests:

190030:

We are requesting funding for the following capital projects:

1. Windows 10 Updates rollover - Rollout of this new desktop operation system to the enterprise units.
2. Financial System upgrade to OneSolution v18, conversion of all CDD reports to Cognos v11, and new workflows.
3. Continued analytics dashboard build-out to support Grants, Financial Services, and the enterprise operations.
5. Mobile Device Management rollover - software updates to manage security on Foundation owned tablets.
6. Fiber build-out - for building 55 to allow improved speed, and preparation for the server moves to the new data center pod.
7. Storage and workspace update - storage room enclosure and cubical changes for staff.
8. Event and Space Management rollover - license/upgrade buy-in to a software for campus wide space management.
9. The addition of credit card monitoring services for ongoing financial audit.
10. Server room infrastructure upgrade in preparation of equipment moves to the new pod.
11. Odyssey Activity Module to provide reporting on new remote devices used by the campus.

Changes in Staffing:

190010: New Accounts Payable/Travel Position in 2018-2019.

Outlook for Next 3 Years and 4 to 10 Years Beyond:

190010: Improve financial and information systems. Continue to support increased activity in sponsored project proposals and Kellogg Legacy projects; Support University Advancements capital campaign; Continue long term risk management program for cost savings and risk mitigation; Year (2017-2019) Wireless expansion, Workflow Tools; Software Update Automation. Server Software Upgrades (Windows server 2012); SANS Hardware/Server Virtualization, Emergency generator, 190030: We are anticipating an increase of costs in the near future as maintenance expenses related to desktop automation, VDI, hosting, the data center is moved. Labor changes and hardware updates are being completed and will be stabilizing as new technologies increase spending this year. Increases in vendor maintenance fees are expected as cloud based computing is expanded for more automated application/analytics needs. Technical support to manage security monitoring, training, and risk mitigate and protection of confidential/business data is also increasing slowly. Additional consulting will be necessary for analytics and document writing. Over the next three years we will be performing further system consolidation; furthering the use of hosting, desktop virtualization, analytics, Artificial Intelligence, and Internet Of Things solutions.

Major Projects and Business Goals for Proposed Fiscal Year

D

Action Steps	Person Responsible	Due Date
Promote OneSolution System through training and implementation	All	June 2019
Analyze system functionality and create automated processes to improve efficiency	All	June 2019
Create/Update department manuals to incorporate changes due to software upgrade	All	June 2019
Continue to develop and implement Concur travel system	All	June 2019
Mobile Device Management - software updates	IT Staff	July 2018
Windows 10 Updates - Rollout to the enterprise	IT Staff	July 2018
Financial System upgrade to OneSolution v18, and conversion of CDD reports to Cognos v11	Financial and IT Staff	July 2018
PCIP training for staff, and credit card monitoring services	IT Staff	September 2018
Event and Space Management - license/upgrade	IT and Campus Staff	December 2018
Analytics dashboard build-out to support Grants, Financial Services& enterprise operations	Enterprise and IT Staff	August 2018
Workspace and storage enclosure remodels	IT and Facilities staff	July 2018
Financial system workflow buildouts	Financial and IT staff	October 2018
Fiber run and server migration to the new data center POD	Campus IT and FIT staff	April 2019
Odyssey Activity Module	Campus IT and FIT staff	October 2018
Travel and Expense build-out	Campus IT and FIT Staff	August 2018

Mission/Vision Statement

The Financial Services department provides accounts payable, accounts receivable, cash receipt processing, purchasing, grant and contract administration, management information services, financial reporting, budgeting, investments, risk management and other financial services to the University for functions relating to the Foundation's on and off campus commercial activities, sponsored projects, campus programs, endowment and scholarship funds and to other auxiliary organizations as needed.

- The Financial Services department provides quality financial services by operating in a professional and business-like manner with a high degree of technical competency to meet both internal and external reporting requirements.
- The Financial Services department strives for accuracy and timeliness in its services using trained personnel, computer systems and cost effective methods to safeguard the assets of the Foundation.
- The Financial Services department provides financial analysis to aid Foundation administration and operations managers in decision-making.
- The Financial Services department provides its employees with open lines of communication, opportunity for personal, professional growth and a participatory work environment to enable quick response to the growing demands of the University and Foundation activities and business.

Strengths and Challenges

Strengths

Quality of staff; the ability to meet various required deadlines; multi-tasking; internal controls; communication through semi-annual meetings, monthly financial facts, newsletters, updated policies, procedures, forms on the Web; online Superior work order services; responsive to campus needs through internal managers; courteous; friendly; knowledgeable; professional; customer service oriented; and efficient.

Challenges

Volume of work with minimal staff; maintaining accuracy with increased volume; cross training opportunities; delegation of responsibilities among staff; special projects; decentralization of accounting functions; consistency; inter-department communication; employees turn-over; limited resources to support new projects and recently implemented projects; office space constraints; and comparable compensation.

Employee Survey

This year's survey included the same 10 questions as the previous years and 17 out of the 19 employees responded to the survey. On a scale of 0 to 4, 4 being totally agree, 3 being agree, 2 being disagree, 1 being totally disagree, and 0 being don't know, there were a total of 55 responses who totally agree, 86 responses who agree, 20 responses who disagree, 3 responses who totally disagree and 5 responses who didn't know.

Financial Services received an overall score for 17-18 of 3.18 versus 16-17 of 3.13, 15-16 of 2.92, 14-15 of 3.08, 12-13 of 2.79, 11-12 of 2.71, 10-11 of 2.90, 2.95 in 09-10, 3.00 in 08-09, 3.13 in 07-08, 2.92 in 06-07, 3.46 in 05-06.

For 2017-18, the following totally agree or agree:

- 88% believe their supervisor considers them to be an important factor to their department's success;
- 94% feel they are treated with fairness, respect and equality as a whole;
- 76% feel other departments or employees react quickly to meet the needs of the other employees/departments;
- 82% feel there is a high level of trust between employees and direct supervisors;
- 94% feel there is a good level of trust between employees and upper management;
- 88% feel goals are communicated to all employee levels;
- 82% feel teamwork and communication within Foundation Financial Services is good;
- 53% feel their salary plus benefits is appropriate for the requirement of their position;
- 82% Foundation management is interested in their future and does all it can to develop their skills; and
- 94% enjoy working for Foundation Financial Services;

Customer Survey

There were 25 responses where we have used the same scale as the employee survey from 0 to 4. We received an overall score of 3.21 in 17-18 versus 3.12 16-17, 3.34 in 15-16, 14-15 3.21 in 13-14 2.77 in 12-13, 3.17 in 11-12, 2.98 in 10-11, 3.09 in 09-10, 2.97 in 08-09 year, 2.41 in 07-08 year. There were a total of 299 responses of which 110 totally agree, 135 responses who agree, 31 responses who disagree, 9 responses who totally disagree and 14 responses who didn't know.

The following totally agree or agree:

- 92%--employees are courteous, helpful, knowledgeable and service oriented;
- 80%--faced with new projects or demands, Financial Services reacts quickly to meet the needs of the customer;
- 88%--produces a consistently superior level of accuracy in all of the work we perform;
- 80%--consistently completes assignments on time;
- 71%--incorporates current technology in servicing our customers;
- 88%--organized, professional organization that conducts transactions in a business-like manner;
- 92%--the services provided is an asset to the University;
- 68%--forms are easy to understand and use;
- 92%--the staff is always efficient when answering their questions;
- 88%--computer information is current and accessible;
- 60%--computer systems are reliable and efficient;
- 84%--MIS staff respond to service requests in a timely manner;

Foundation Financial Services Procedures are comprehensible:

- 94%--Wells Fargo Purchasing Card
- 91%--Disbursement Voucher Form
- 78%--Travel Form
- 95%--Deposit
- 95%--Purchasing

Keys to Success

<u>Keys to Success Items</u>	<u>Rank in Importance 10 to 1</u>
Knowledge/Expertise	9
Timeliness in Reporting	9
Responsiveness to Customer Needs	9
Compliance to Regulations and Policies	9
Accuracy	10
Quality of Service	10
Communication	9
Efficient	10
Teamwork	9
Integrity	10

Corporate Culture

<u>Customer/Client Perception</u>	<u>Unit Perception</u>
Inflexible	Innovative Ideas
Bureaucratic	Education Customers
Friendly	Friendly
Improve Responsiveness	Improve Responsiveness
Cooperative	Cooperative
Service Oriented	Service Oriented
Professional	Professional
Organized	Organized

Business Controls and Vital Factors

H

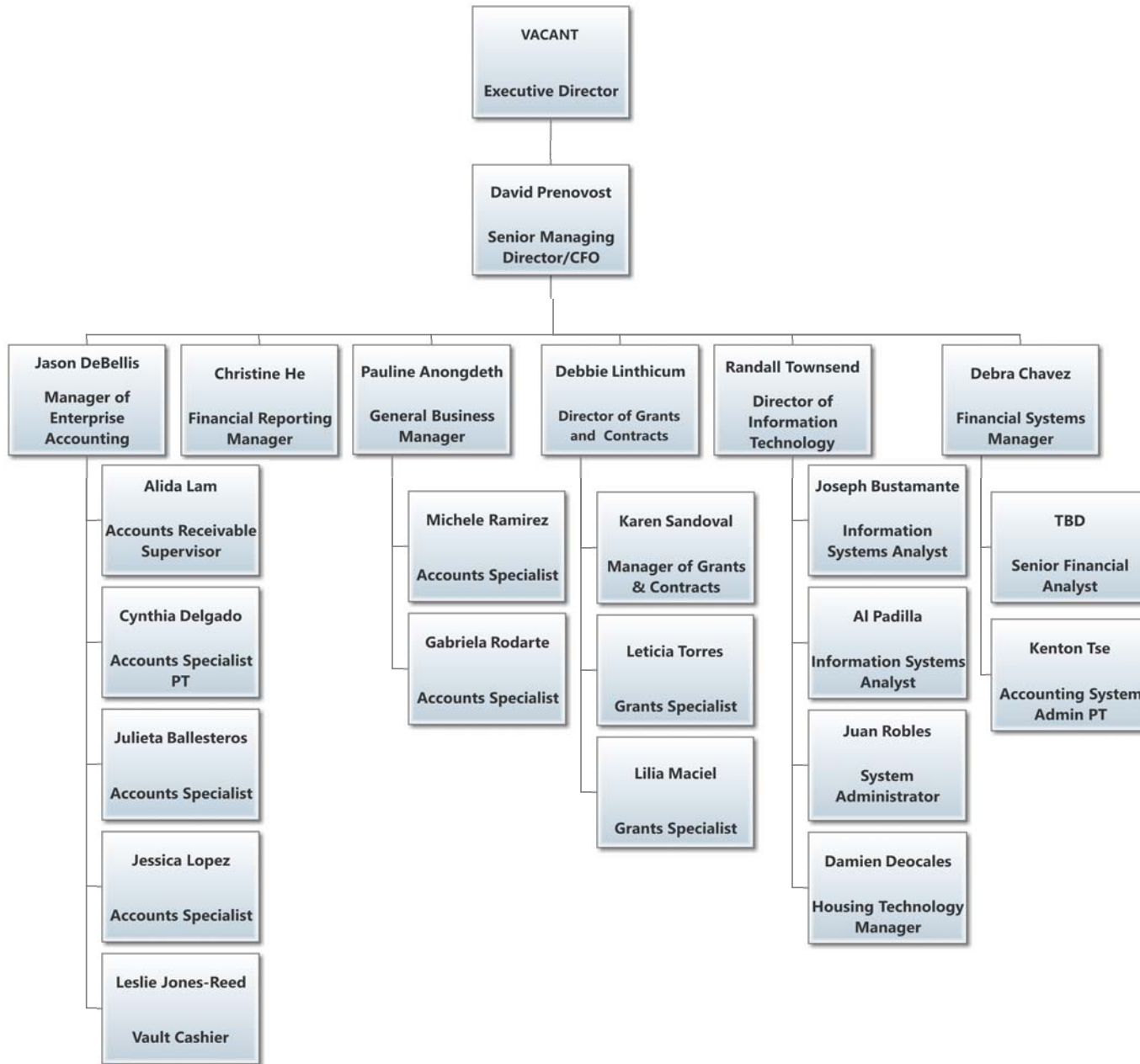
We control our business and vital factors by managing our time, providing timely service, accuracy and accessibility to information. We manage our time and projects through our 30 day goals process, weekly manager meetings, bi-weekly one on one manager meetings and monthly department meetings. We manage our service by assigning internal managers to respective colleges or divisions, customer survey, employee survey, focus group meetings, committee and director meetings and our five year cycle of all campus program and scholarship projects. We manage our accuracy of information through segregation of duties and required review and approval of all transactions and reports. We manage the accessibility of information through the Web based One Solution accounting system.

Asset Protection/Risk Management

1. Mitigating the risk of network security breaches. Corrective action includes use of monitoring software, log management, pro-active scanning and improvements to physical security of equipment.
2. Business continuity risk management. Corrective action includes hardware and software redundancy in mission critical computer systems, pro-active facilities maintenance in the areas of electrical, cooling, water and fire suppression systems and general disaster recovery protocols.
3. Examining feasibility of alternative risk management by transferring the risk (through contractual transfer of risk and commercial insurance) or risk retention (through higher deductible and establishing a funded insurance reserve). This task is done by the following:
 - 3a. Reviewing the contracts, insurance requirements, and hold harmless agreements or indemnification clauses to transfer legal and financial responsibility of loss to other parties.
 - 3b. Annual review of Foundation insurance programs/coverages, property and liability schedules, and Insurance reserve for proper funding.

Organization Chart

CAL POLY POMONA FOUNDATION, INC.
 "Quality Service Supporting Quality Education"
 FINANCIAL SERVICES / INFORMATION TECHNOLOGY



CAL POLY POMONA FOUNDATION, INC.

EMPLOYMENT SERVICES

2019 - 2020

BUSINESS PLAN

APRIL 2019

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Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation
EMPLOYMENT SERVICES
Consolidated Budget Comparison Summary
For the 2019-20 Fiscal Year**

	2018-19 Approved Budget	2018-19 Forecast	2019-20 Proposed	\$ Change Forecast to Proposed Budget
Expenditures- Controllable				
Repairs & Maintenance		400		(400)
Meals & Refreshments	1,200	1,200	1,200	
Postage & Freight	180	105	180	75
Advertising	7,655	7,845	9,455	1,610
Rent/Commissions	600		600	600
Services	29,400	23,100	29,400	6,300
Supplies	8,400	10,000	7,800	(2,200)
Telephone	4,200	3,800	4,200	400
Travel	6,600	7,500	6,600	(900)
Other	114,600	127,600	114,900	(12,700)
Total Expenditures- Controllable	172,835	181,550	174,335	(7,215)
Labor Costs				
Salaries & Wages	452,028	467,600	502,299	34,699
Employee Benefits	210,825	325,299	325,534	235
Total Labor Costs	662,853	792,899	827,833	34,934
Total Expenses	835,688	974,449	1,002,168	27,719
Net Income	(835,688)	(974,449)	(1,002,168)	(27,719)

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

Overall, 2018-2019 was a good year. We continue to reap minor process efficiencies by leveraging technology while conducting the business of Employment Services. We continue to focus on improving outcomes for our employees and retirees with a specific focus toward improving work-life balances for employees. We consider new employee benefits and programs and look for new ways to offer desirable benefits with a key objective of remaining an employer of choice in Pomona while working to ensure all employee benefits and programs remain fiscally viable.

Unfortunately, due to low employee participation and historical high claims in the EPO healthcare plan, Foundation was unable to renew the EPO plan for the 2019 calendar year. Essentially, stop-loss carriers require a minimum number of participants to meet their underwriting requirements, and Foundation enrollment dropped below the minimum requirement. For CY 2019 Foundation offered an HMO and PPO plan both from Kaiser. Foundation continues to offer three Medicare healthcare plans for eligible retirees; one plan provided by Kaiser and the other two provided by United Healthcare.

The current state of healthcare insurance for active employees remains challenging due to our inability to obtain a quote from any healthcare provider except from Kaiser. Historically, more than 85% of employees elect Kaiser each year and Kaiser remains a favorable option for Foundation employees. Still, having only one healthcare provider to offer employees is limiting for some. While Foundation is examining pooled plans, those plans may have limitations that would make them unfavorable.

We are currently on track to meet our goals for 2019 and expect to finalize the year on budget.

Explanation of Proposed Fiscal Year Budget:

No variance proposed.

Changes in Programs and Services for Proposed Fiscal Year:

No major changes in programs or services for the 2019-2020 year.

Explanation of Proposed Fiscal Year Capital Requests:

One capital budget request for the 2019-2020 fiscal year in the amount of \$35,000. This request is focused on hiring a consulting firm to conduct an in-depth review of the Foundation's compensation system and includes reviewing and updating all position descriptions, and ultimately ensuring all positions are aligned within the appropriate salary grades.

Changes in Staffing:

Employment Services is providing budgetary support for a HR Generalist position that Dining Services will add to the Dining Services function. Further, Employment Services expects to hire one payroll professional for up to 6 months during this fiscal year to facilitate the transition of a planned retirement in the payroll function.

Outlook for Next 3 Years and 4 to 10 Years Beyond:

During the near term we anticipate continued improvements in customer services and how we deliver services to Foundation employees. We are currently upgrading our Human Capital Management (HCM) platform which will offer easier access and use of the HCM for employees and managers in several areas such as scheduling, grant administration, and employee self-service, among other areas.

Employment Services will continue to focus on employee professional development related to supervisory employees in Foundation. Refining and sustaining the training and development for the next generation of supervisory employees is our most critical long term objective.

Between now and the next 5 years, we expect the majority of our existing senior management team will have retired or be in the final stages of their employment life-cycle. Planning for this impact is a key strategic initiative. Exacerbating this known problem is a shrinking pool of experienced and qualified applicants for these essential positions from which to recruit.

Major Projects and Business Goals for Proposed Fiscal Year

Action Steps	Person Responsible	Due Date
Refine and execute strategic plan for enhanced employee communications and engagement	Dennis	9-30-19
Modify programs and communicate changes regarding health insurance offerings	Dennis / Nora	12-15 -19
Coach supervisors and managers on performance review techniques	Dennis / Nora / Angelique	July 1 - 31
Annual benefits renewal	Nora / Dennis	12-21-19
Document, communicate, and execute monthly goals	Dennis	Monthly
Annual budget and business plan	Dennis	2/15/19
Update Employee Handbook (Rescheduled from 2018 goals)	Dennis	9-1-19
Complete HCM Upgrade	Dennis	12-31-2019

Mission/Vision Statement

The key mission of the Foundation Employment Services Department is to deliver the full spectrum of employment based services to all employed by Foundation, throughout the entire employment life-cycle, in support of their roles supporting the educational mission of Cal Poly Pomona.

We achieve our mission by providing cost effective employee centered benefits, programs, and payroll services, with a focus on attracting new employees while maintaining a balanced quality of work-life environment for existing employees during their time as a member of the Foundation.

The Core Values of the Employment Services Department include:

- a) Fair treatment for all employees and applicants
- b) Superior level of services to our employees
- c) Confidentiality and Security of "Personal Information"
- d) Professionalism
- e) Appropriate ethical and moral behavior
- f) Timely and accurate administrative related services

Strengths and Challenges

Strengths

- 1. Well organized and cohesive team
- 2. Positive attitude with a strong focus on providing professional level employee services
- 3. Strong willingness to create and adopt new processes and new technologies - thereby adding value
- 4. Relatively low cost service provider encompassing the full spectrum of employee services
- 5. All team members have embraced the mission of the department and are all working toward the same outcomes
- 6. Professional growth opportunities for all team members

Challenges

- 1. Evolving the skills of all employees in Employment Services toward becoming more strategic and more customer centric as a services provider.
- 2. Enhancing the technical skills (job skills) of all employees in Employment Services to keep pace with new demands, technology changes in the marketplace, and to encourage individual professional evolution.
- 3. Adapting to the changing demographics in recruitment, selection, and retention.

Employee Survey

Survey not completed this year.



Customer Survey

Survey not completed this year.

Keys to Success

G

Keys to Success Items	Rank in Importance 10 to 1
Timely, clear, and thorough communications	10
Positive staff and employee relations (i.e.: employee centric)	10
Quality delivery of employee services	10
Sets example of high ethical standards	10
Enhancing employee engagement	10
Responsiveness	10
Setting the appropriate professional example	10
Open door policy	10
Timely and accurate database information, and the security thereto	10
Adaptability	9
Supporting Foundation's culture of transparency	9

Corporate Culture

Customer/Client Perception	Unit Perception
Unknown	Fair
	Helpful
	Flexible
	Patient
	Approachable
	Adaptable

Business Controls and Vital Factors

H

On a monthly basis, setting and achieving measurable and realistic, goals (goals aligned with the business plan).

Timely communications with Executive Director on risk issues; developing and implementing appropriate solutions to address and/or minimize the risk.

Timely and thorough collaboration / communications with unit Directors on matters of importance applicable to their units.

Continue to improve all employment processes.

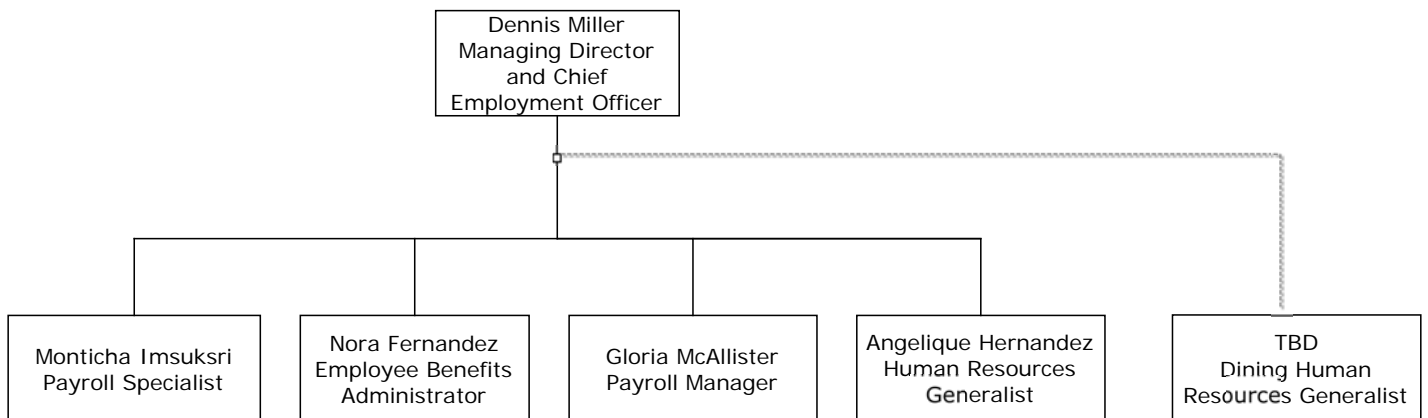
Offer and deliver services to operational units that assist them toward achieving their business objectives.

Asset Protection/Risk Management

Employment Services is sponsoring a Foundation wide Risk Assessment project to be conducted by experts from Alliant Insurance Services in assessing employee related risk factors related to safety and workers compensation. A key outcome of the assessment will be a list of items identified as potential risk issues and suggested corrective action.

Organization Chart

CAL POLY POMONA FOUNDATION, INC. "Quality Service Supporting Quality Education" EMPLOYMENT SERVICES



April 2019

CAL POLY POMONA FOUNDATION, INC.

MARKETING

2019-2020

BUSINESS PLAN

APRIL 2019

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Proposed Fiscal Year Budget

A

Cal Poly Pomona Foundation
MARKETING
Consolidated Budget Comparison Summary
For the 2019-20 Fiscal Year

	2018-19 Approved Budget	2018-19 Forecast	2019-20 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Sales	1,500	1,400	1,500	100
Total Revenues	1,500	1,400	1,500	100
Expenditures- Controllable				
Repairs & Maintenance	9,080	8,916	11,900	2,984
Meals & Refreshments	1,800	2,800	2,800	
Postage & Freight	250	150	200	50
Advertising	51,640	49,335	59,190	9,855
Services	11,700	11,000	13,800	2,800
Supplies	47,295	48,650	44,020	(4,630)
Telephone	4,900	4,900	6,240	1,340
Travel	4,490	3,800	6,530	2,730
Other	2,394	1,994	2,934	940
Total Expenditures- Controllable	133,549	131,545	147,614	16,069
Expenditures- Non-Controllable				
Depreciation	8,700	2,823	12,180	9,357
Total Expenditures- Non-Controllable	8,700	2,823	12,180	9,357
Labor Costs				
Salaries & Wages	349,452	351,615	386,496	34,881
Employee Benefits	126,208	139,309	190,586	51,277
Total Labor Costs	475,660	490,924	577,082	86,158
Total Expenses	617,909	625,292	736,876	111,584
Net Income	(616,409)	(623,892)	(735,376)	(111,484)

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

We will be above budget by 3.6% for budget year 2018-2019 due to overtime pay, labor cost and benefit increase.

We had very successful events including Summer Orientation, Hotdog Caper, BrewWorks Anniversary Party, Grad Fair, Holiday Alumni Event, Buyback campaigns, Bookstore Online Campaign and BroncoTech sales campaigns.

We have been utilizing the digital signs at Campus Center and Atrium for our many campaigns. We have also launched several social media campaigns. We created several foundation videos for online promotion for the Foundation, Dining Services, Kellogg West, Innovation Village and South Campus. We also used the drone for photography and videography.

Explanation of Proposed Fiscal Year Budget:

2019-20 MARKETING BUDGET: We anticipate an increase in our budget by approximately \$101k. Here are the reasons why:

Increase in Printing/Copying - Biennial report printing

Increase in Maintenance Software - Video wall fees for screens at Campus Center Marketplace and Bookstore atrium

Increase in Software - New marketing project request system & Adobe software increases

Increase in Travel - Attending additional conferences

Increase in Services - Hot Dog Caper general increases

Increase in Marketing - Foundation logo redesign

If our capital request for new video walls and printer is approved, we will have an increase in depreciation of requested items.

Purchasing new large format printer printer

Digital displays and electronic signage

Increase in employee development - Training for staff - we want to enhance our skills with newer technologies

Increase in staff/salaries - general cost of living increase, 50% salary contribution for the new Marketing Development Coordinator, Staff promotion

Increase in benefits - One employee added partner to our medical plan, 50% benefit contribution for new Marketing Development Coordinator position, general benefit increases

Changes in Programs and Services for Proposed Fiscal Year:

We are creating a social media and campus event campaign to promote Foundation Units. We are utilizing a social media platform called PROMO to accomplish this.

We are promoting Los Olivos and Bronco Channel heavily in 2019-20 and planning on spending a bit for its promotion including a booth, banners and raffle.

Continue Tapingo's progress in sales.

Create branding for new Los Olivos. Create more unified campaign for Dining Services' 27 units.

Explanation of Proposed Fiscal Year Capital Requests:

Changes in Staffing:

We are hiring part time student employees for web programming to help during busy season. We have a new Marketing Coordinator position that we are splitting with Dining Services.

Outlook for Next 3 Years and 4 to 10 Years Beyond:

1. Create ad campaigns to promote Los Olivos, Innovation Poly Trolley, Brew Works, Jamba Juice, and Einstein
2. Promote BroncoChannel.com to increase awareness to the campus community through social media
3. Reach 35% occupancy rate for University Village during Summer and 99% remainder of the year
4. Combine our social media efforts for Bronco Channel and phase out other social media platforms.
5. Do more articles for Poly Post, Poly Trends and Panorama.
6. Increase sales for Poly Trolley
7. Increase occupancy and conference sales at KW Hotel by 15%
8. Launch campaign to boost sales at Denny's and Vista Market
9. Increase overall website hits by 15%
10. Increase BroncoGear Sales by 20% and Grad Fair by 10%
12. Financial success of new Los Olivos as outlined by Dining Services
13. Make websites ADA Compliant

Major Projects and Business Goals for Proposed Fiscal Year

D

Action Steps	Person Responsible	Due Date
Hot Dog Caper	Arielle	Oct
Foundation Image Campaign	Edwin	July/Aug
Campus Map	Edwin	October
Computer and technology sales at Bookstore	Edwin/Alex	Ongoing
Increase Accessibility for our websites	Alex	December
Update faulty/staff/student email database	Alex	Oct
Priest Scholarship and Pepsi Scholarship Marketing	Arielle	Oct
NACUFS Dining Customer Service Survey	Alex	Oct
Develop Video Usage for The Foundation	Darren	Nov
Innovation Village/Real Estate Website Rebrand	Alex/Arielle	May
Village Summer Occupancy	Edwin	Ongoing
Bronco Channel	Arielle	Dec
Create campaign for Bridal at Kellogg House	Edwin/Arielle	July
Increase Dining Services' FB "likes" by 40%	Arielle	June
Re-Do Village Website	Alex	Dec
Promote ATT	Arielle	July
Los Olivos Meal Plan Video/Animation Style	Edwin	December
Re Brand of Foundation	Edwin	July
Campus Catering campaign	Lisanne	Ongoing
Tapingo	Lisanne	June
Wedding at KH Campaign	Edwin/Arielle	Nov
Grad Fair	Alex	March
Alumni Holiday Event	Alex/Edwin	December

Mission/Vision Statement

MISSION STATEMENT: Marketing provides services that promote the Foundation to internal and external constituents in a manner that will facilitate the organization's ability to achieve its stated goals. To accomplish this, Marketing's focus is twofold. First, to engage in activities which build awareness of and enhance the Foundation from a corporate stand point. Secondly, to provide assistance to individual units in realizing their goals through various promotional endeavors.

VISION STATEMENT: Support the marketing, public relations and advertising functions of all auxiliary units including Human Resources, Foundation Administration and Financial Services. Our goal is to maximize the results of each department's advertising budget, safeguard the branding of each unit by keeping a consistent look in all its advertising and signage and continuously research innovative and cost effective ways of reaching the campus community.

Strengths and Challenges

Strengths

1. Creativity
2. Timely processing of requests
3. Working on minimal budget
4. Goal oriented
5. Innovative
6. Consistent quality of work
7. Ability to work in a time-crunch
8. Keep on top of evolving technology to increase our marketing presence.
9. Wide spectrum of services: Photography, event planning, web development, public relations, graphic design, etc.
10. Collaborative team environment

Challenges

1. University's email policy
2. Website Accessibility
3. Limited budget of units
4. Lack of planning from unit
5. Mass Email distribution issues
6. Availability of transportation(Van) for work related tasks

Employee Survey

An employee survey was not conducted



Customer Survey

Marketing Customer Survey was not conducted

Keys to Success

Keys to Success Items	Rank in Importance 10 to 1
Quantity of Projects	10
Quality of Projects	9
On-Time Delivery	9
Creative Content	9
Customer Relations	9
Use of emerging technology to reach our target market	9
Marketing Options	9

Corporate Culture

Customer/Client Perception	Unit Perception
Adherence to Budget	Excellent
Creativity	Excellent
Adapting to New Technology	Excellent
Professionalism	Meets Expectation
Award-Winning Performance	Excellent
Knowledge	Excellent
Return on Investment	Excellent
Results Oriented	Excellent
Attention to Detail	Excellent
Meeting Deadlines	Meets Expectation
Innovative Ideas	Excellent

Business Controls and Vital Factors

H

- Analyze Project Request Form's effectiveness
- Communication with clients regarding project status
- Tracking unit's marketing budget vs actual
- Analyzing marketing costs vs. return on investment (ROI)
- Analyzing labor costs vs. work output
- Tracking on-time delivery of projects
- Maintaining high quality product
- Maintain high client satisfaction level
- Prioritize project requests on hand
- Introducing innovative ideas and marketing solutions
- Cost effective marketing solutions

Asset Protection/Risk Management

Accessibility compliance with the Section 508, ADA and the WCAG 2.0 accessibility guidelines

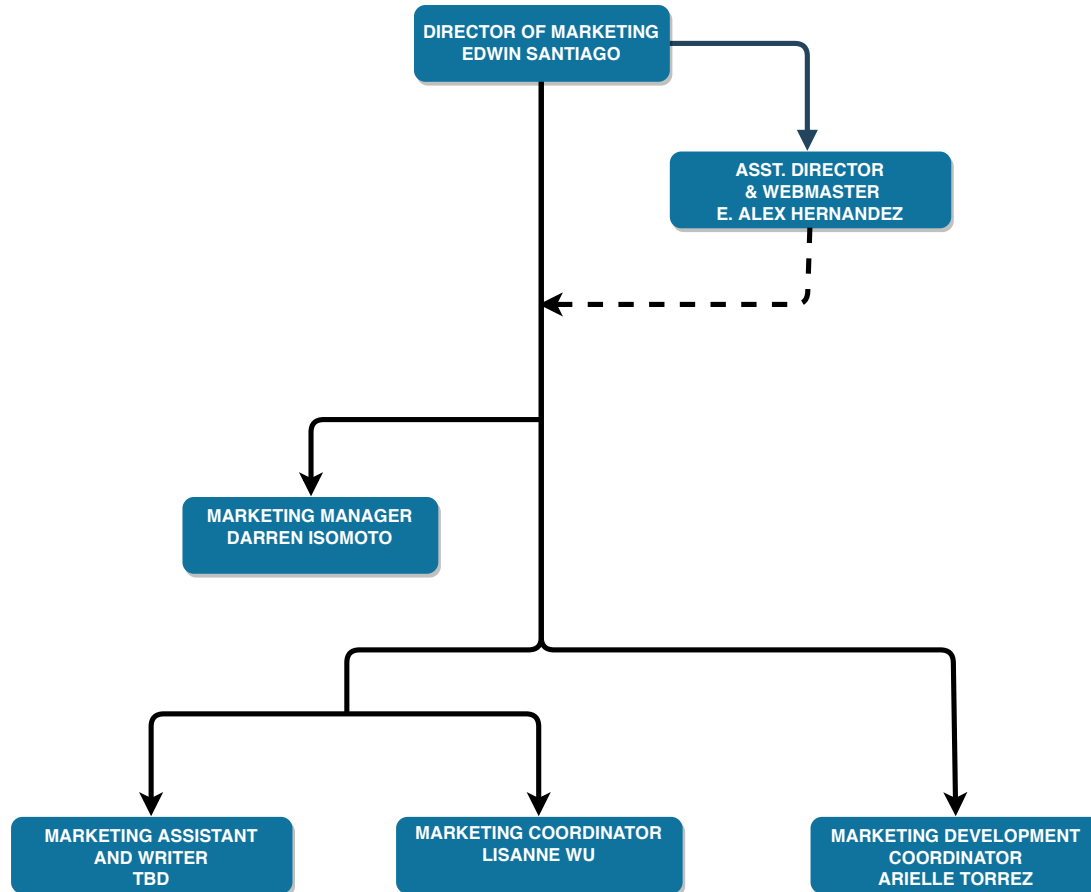
Steps to be taken to correct risk:

- A high-level overview of your current level of accessibility of websites
- Scan websites for compliance using Compliance Sheriff software (the official software used by the CSU's to determine accessibility)
- Create a time line to make websites Compliant
- Further training in ADA accessibility
- Possibility of hiring a third-party company to do additional testing and audit of website compliance

Organization Chart

I

MARKETING



Continued -Outlook for Next 3 Years and 4 to 10 Years Beyond:

4 to 10 years and beyond:

1. Enter Loyal Horton competitions and win more awards
2. Win web awards for our websites
3. Increase use of new forms of media in order to market to students on campus
3. Standardize branding for all websites
4. Maintain bookstore's market share in the face of evolving technology by increasing online sales and digital book sales
5. Partnership with Public Affairs and Athletics
6. Use social media/web/internet/e-mail more efficiently for all marketing campaigns
7. Increase social media likes by 40%
8. Support our Climate Commitment by reducing print collateral
9. A continuous Foundation image campaign
10. Develop branding standards for all units
11. Broaden BroncoChannel.com
12. Strengthen Partnership with Tapingo

Continued -No Continuations

Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation
REAL ESTATE ADMINISTRATION
Consolidated Budget Comparison Summary
For the 2019-20 Fiscal Year**

	2018-19 Approved Budget	2018-19 Forecast	2019-20 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other	23,200	5,800	20,100	14,300
Sales	450	18,300	9,000	(9,300)
Total Revenues	23,650	24,100	29,100	5,000
Expenditures- Controllable				
Meals & Refreshments	250	300	250	(50)
Postage & Freight	100	100	100	
Advertising	900	850	850	
Rent/Commissions	450	200	450	250
Services	5,050	4,900	4,925	25
Supplies	4,600	500	4,600	4,100
Telephone	2,440	2,040	2,440	400
Travel	11,900	9,000	9,840	840
Other	2,450	2,200	2,700	500
Total Expenditures- Controllable	28,140	20,090	26,155	6,065
Labor Costs				
Salaries & Wages	219,324	219,324	221,592	2,268
Employee Benefits	83,200	83,419	114,466	31,047
Total Labor Costs	302,524	302,743	336,058	33,315
Total Expenses	330,664	322,833	362,213	39,380
Net Income	(307,014)	(298,733)	(333,113)	(34,380)

CAL POLY POMONA FOUNDATION, INC.
Proposed Fiscal Year - Project Summary - Schedule B

Real Estate Administration

Overview of Current Fiscal Year:

The Department had steady demand in time and services in the prior fiscal year. We remain active with the campus efforts related to the former Lanterman Development Center however, our efforts have been focused on generating income on the property through our work with the film industry. Additionally, we have had quite a bit of activity in the faculty/staff housing program, including adding two new units in the single family home neighborhood we commonly refer to as Kellogg Tract.

Additionally, the department director has taken over the management of the Foundation Facilities Maintenance and Management department, thus requiring more time spent gaining an understanding of the demands of the department and the 17 staff members who make up the department. The Facilities Maintenance Department will stand alone as a separate department but will report to the Director of Real Estate.

Explanation of Proposed Fiscal Year Budget:

Proposed Fiscal Year budget assumes that the current projects in place continue with no added demand for real estate services in all areas (faculty/staff housing program, Innovation Village, gift real estate, campus buildings and the former Lanterman site). With the addition of the part-time accounting clerk last year the department is better able to take on added responsibilities. We are hopeful that we will sign a new agreement for the development of a 4th building for Southern California Edison at Innovation Village. With the new philanthropic foundation establishment it is likely we will continue to be involved in more gift properties as the campus pushes its fund raising efforts along.

Changes in Programs and Services for Proposed Fiscal Year:

The most likely change in programs and services will come about if we move forward on negotiations with Southern California Edison for a 4th building at Innovation Village to be built on their existing Phase IV parcel. We also anticipate additional donations of real property that need due diligence and disposition. We are aware of a few new gift properties that could be added to our portfolio in the coming year and we anticipate being involved with the monetization of 1 or 2 gift properties that will be ready for re-sale. In addition, the faculty-staff housing program is experiencing a small increase in turn over as the buyers are at the higher level of ground rent structured in their lease. The campus could see as many as 40 faculty-new hires in the Fall, which will add to our volume of inquiries and requests for housing assistance.

Additionally, the slow pace of progress with the Lanterman Developmental Center means our efforts to generate income continues.

Explanation of Proposed Fiscal Year Capital Requests:

No capital requests in Real Estate Administration

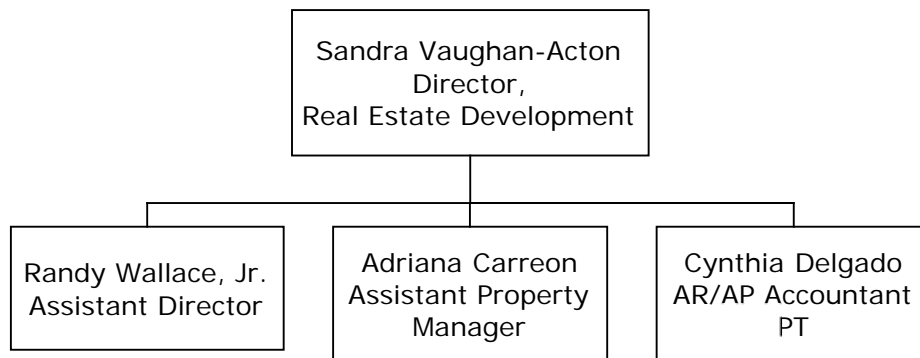
Changes in Staffing:

No known staffing changes planned or anticipated at this time.

Outlook for Next 3 Years and 4 to 10 Years Beyond:

Assuming no major changes in programs and scope of projects currently in place, the outlook for the next 4 to 10 years appears to be one of growth and possible need for at least one added staff member. Because of the nature of this business, and the added responsibility over the Facilities Department, it is very difficult to predict how much demand there will be for additional real estate resources outside the existing program. While we are taking a conservative approach and assuming that no other projects other than the current projects will demand additional resources, we are aware that CPP Campus South could increase the demand of our services in the future and create the need for an added staff member.

CAL POLY POMONA FOUNDATION, INC.
"Quality Service Supporting Quality Education"
Real Estate



April 2019

OPERATING BUDGETS
GENERAL ACTIVITIES
∞∞∞
CALPERS

Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation
CALPERS
Consolidated Budget Comparison Summary
For the 2019-20 Fiscal Year**

	2018-19 Approved Budget	2018-19 Forecast	2019-20 Proposed	\$ Change Forecast to Proposed Budget
Expenditures- Non-Controllable				
Other	4,752			
Total Expenditures- Non-Controllable	4,752			
Labor Costs				
Employee Benefits	160,638	(1,689,783)		1,689,783
Total Labor Costs	160,638	(1,689,783)		1,689,783
Total Expenses	165,390	(1,689,783)		1,689,783
Net Income	(165,390)	1,689,783		(1,689,783)

CAL POLY POMONA FOUNDATION, INC.
Proposed Fiscal Year - Project Summary - Schedule B

CalPERS - GASB 68

Overview of Current Fiscal Year:

CalPERS forecast reflects a year end favorable adjustment of \$1,689,783 mainly due to changes in deferred inflows and outflows and investment returns greater than the actuarially projected for the fiscal year ended June 2017.

Explanation of Proposed Fiscal Year Budget:

The proposed budget assumes the CalPERS year end adjustment (GASB 68) will be \$0 as we assumed CalPERS investment returns will be at least equal to the actuarial projections for the fiscal year ended June 2018.

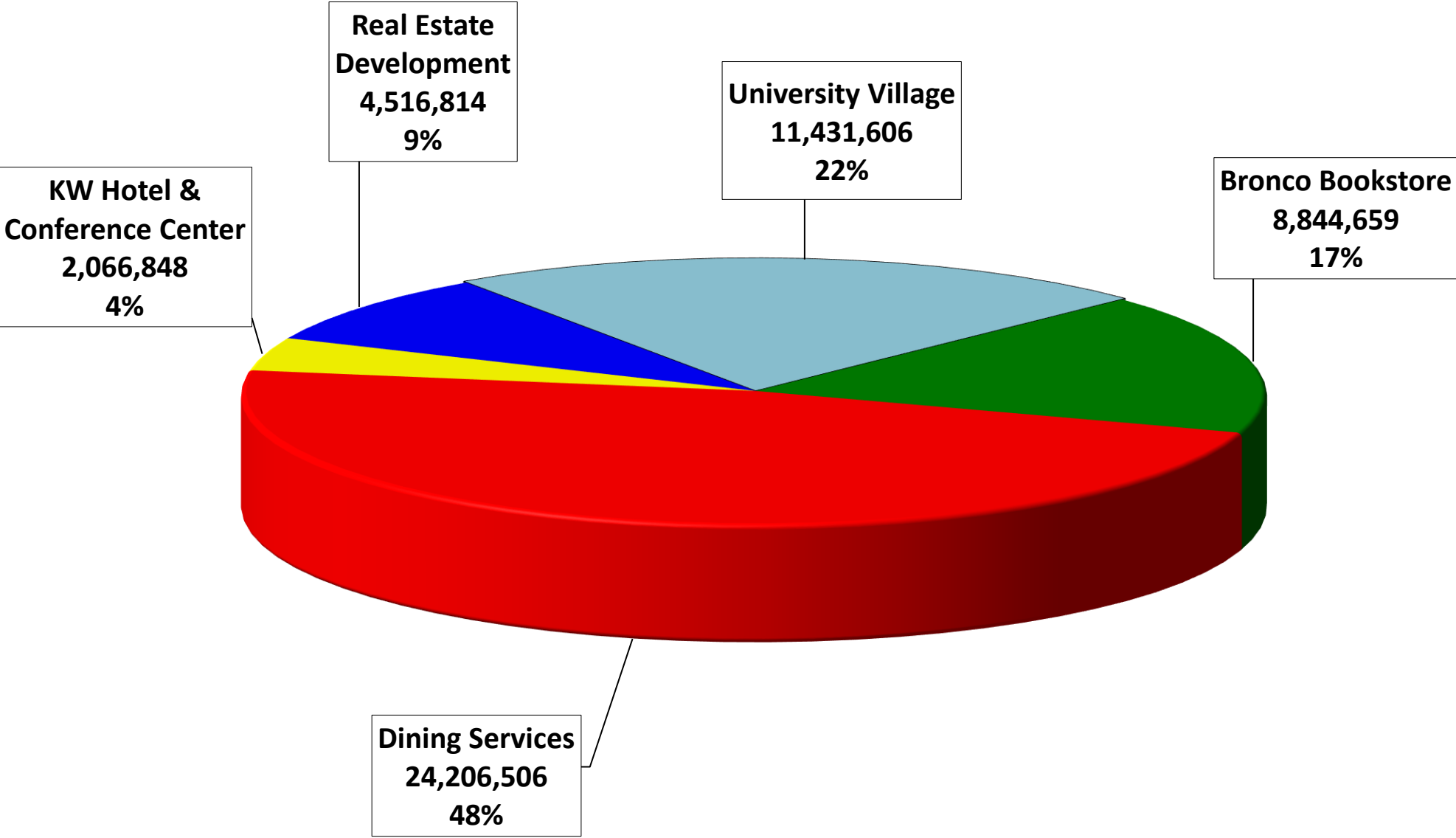
OPERATING BUDGETS ENTERPRISES


Cal Poly Pomona Foundation
ENTERPRISE OPERATIONS
Consolidated Budget Comparison Summary
For the 2019-20 Fiscal Year

	2018-19 Approved Budget	2018-19 Forecast	2019-20 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Investment Returns	72,600	76,826	72,600	(4,226)
Other	896,261	958,637	990,552	31,915
Sales	48,550,081	47,234,931	50,003,281	2,768,350
Total Revenues	49,518,942	48,270,394	51,066,433	2,796,039
Cost of Goods Sold				
Cost of Goods Sold	13,349,921	13,167,574	13,243,097	75,523
Total Cost of Goods Sold	13,349,921	13,167,574	13,243,097	75,523
Expenditures- Controllable				
Utilities	1,573,382	1,563,040	1,634,384	71,344
Agr/RE Fees		142		(142)
Insurance	237,558	217,772	225,929	8,157
Repairs & Maintenance	2,939,057	2,747,782	2,633,169	(114,613)
Meals & Refreshments	21,077	27,086	30,213	3,127
Postage & Freight	8,826	9,850	7,440	(2,410)
Advertising	93,284	93,687	113,053	19,366
Rent/Commissions	588,750	593,041	621,879	28,838
Services	1,636,943	1,072,400	1,191,986	119,586
Supplies	1,081,969	1,073,739	1,174,096	100,357
Telephone	469,993	438,999	454,840	15,841
Travel	50,637	57,119	69,818	12,699
Laundry	268,126	250,901	268,076	17,175
REAL ESTATE FEES	35,004	18,155	35,004	16,849
Other	273,890	271,160	273,916	2,756
Total Expenditures- Controllable	9,278,496	8,434,873	8,733,803	298,930
Expenditures- Non-Controllable				
Administrative Fees	3,033,317	3,025,590	3,135,109	109,519
Depreciation	3,386,206	3,007,526	3,165,944	158,418
Interest Expense	936,596	929,755	1,523,552	593,797
Rent/Commissions	642,246	722,831	529,711	(193,120)
Bank Card Fees	576,407	567,792	595,638	27,846
Other	701,752	758,787	811,323	52,536
Total Expenditures- Non-Controllable	9,276,524	9,012,281	9,761,277	748,996
Labor Costs				
Salaries & Wages	10,012,316	10,382,244	11,382,680	1,000,436
Employee Benefits	2,815,916	2,970,895	4,010,058	1,039,163
Total Labor Costs	12,828,232	13,353,139	15,392,738	2,039,599
Total Expenses	44,733,172	43,967,867	47,130,915	3,163,048
Net Income	4,785,769	4,302,527	3,935,518	(367,009)

Enterprise Proposed Budget Revenues

2019-2020



OPERATING BUDGETS
ENTERPRISES

BOOKSTORE

CAL POLY POMONA FOUNDATION, INC.

BRONCO BOOKSTORE

2019-2020

BUSINESS PLAN



APRIL 2019

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Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation
BRONCO BOOKSTORE
Consolidated Budget Comparison Summary
For the 2019-20 Fiscal Year**

	2018-19 Approved Budget	2018-19 Forecast	2019-20 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other	211,000	303,000	321,009	18,009
Sales	9,439,725	8,962,763	8,523,650	(439,113)
Total Revenues	9,650,725	9,265,763	8,844,659	(421,104)
Cost of Goods Sold				
Cost of Goods Sold	6,644,283	6,743,521	6,074,398	(669,123)
Total Cost of Goods Sold	6,644,283	6,743,521	6,074,398	(669,123)
Expenditures- Controllable				
Utilities	60,588	56,900	54,660	(2,240)
Insurance	12,181	12,181	12,181	
Repairs & Maintenance	29,800	25,033	22,200	(2,833)
Meals & Refreshments	2,400	700	2,400	1,700
Postage & Freight	6,000	8,500	6,000	(2,500)
Advertising	15,300	10,255	16,500	6,245
Rent/Commissions	4,800	11,806	4,800	(7,006)
Services	102,400	37,810	54,600	16,790
Supplies	58,920	34,366	46,520	12,154
Telephone	19,200	13,800	19,200	5,400
Travel		1,500	2,500	1,000
Other	11,200	10,198	3,200	(6,998)
Total Expenditures- Controllable	322,789	223,049	244,761	21,712
Expenditures- Non-Controllable				
Administrative Fees	538,024	507,781	477,767	(30,014)
Depreciation	166,608	80,000	36,000	(44,000)
Bank Card Fees	116,883	109,625	106,195	(3,430)
Other	220	220	220	
Total Expenditures- Non-Controllable	821,735	697,626	620,182	(77,444)
Labor Costs				
Salaries & Wages	1,222,652	1,236,767	1,234,044	(2,723)
Employee Benefits	319,414	301,068	448,385	147,317
Total Labor Costs	1,542,066	1,537,835	1,682,429	144,594
Total Expenses	9,330,873	9,202,031	8,621,770	(580,261)
Net Income	319,852	63,732	222,889	159,157

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

Bronco Bookstore is currently below forecasted revenue and net income YTD. Indications are that final net income for 2018-19 will not meet budgeted net income by a sizeable difference, but will still be profitable. Overall revenue as of 2/28/19 is 16% lower than YTD budget, but 11% ahead of last year. Course materials revenue is about 7% higher than last year, and units sold/rented are up about 14%, however that slight year-over-year increase is before the March-April period that constituted Spring Quarter Rush in prior years.

In technology classes computer/hardware sales are up \$170K from last year, while sales in software/accessories category are down about \$24K, the higher ratio of hardware to accessories sales depressed margin, so the combined gross margin for the combined categories is down \$32K to last year.

Gifts & soft goods general merchandise sales continue to be a strength apparel sales are basically flat to budget & last year, and gifts are \$42K ahead of last year. Snacks, beverage and convenience sales are up about 25% to last year.

Overall expenses are 13.3% below budget and 6% above last YTD. Labor costs however are 1.2% over budget and 11% over last year, concentrated in student labor hours and post-retirement medical expenses. Predicting store traffic and scheduling student hours appropriately has been a challenge of the change to the new academic calendar, next year we'll have a better idea of true labor needs.

Explanation of Proposed Fiscal Year Budget:

For last year's budget, the transition to semesters made it hard to predict revenue patterns, and "peaks" were estimated in the months classes began. Our projection that the Fall and Spring semesters would each be 33% busier than the Fall and Winter quarters was not borne out by actual results this year. Looking ahead to 2019-20 we have a truer picture of new sales patterns to base monthly revenue forecasts on.

We are budgeting for net revenue for the fiscal year 2019-20 to be at least 2.4% of total revenue. This is below past historical performance. However, consistent with national higher education trends, revenue from course materials sales/rental is budgeted to decrease. Drivers for this include the shift to lower cost/margin or free/OER affordable materials, and continued pricing pressures from online marketplaces, particularly on print textbook rentals. Now that the university leadership has approved the Instant Access program for all academic departments who wish to participate, we expect that this will help us increase the store's course materials overall market share. However, shifting more sales to IA may decrease the gross margin dollars we can realize from course materials. We should make up some of that with reduced inventory costs, however it is also labor-intensive to administer.

Although print sales/ rentals market share are decreasing for campus stores nationally, they will still be the majority of course materials revenue for 19-20. Therefore judicious inventory management that balances higher margin sourcing options for print books against write-off risk will be a key focus. Success in this area depends on timely and accurate faculty adoptions. The Bronco Bookstore will collaborate with faculty, students, campus partners, publishers and digital providers in search of better ways to offer value to students and the campus community.

GM sales are budgeted to decrease somewhat as well, particularly in gifts. After the peak of 2018, fewer graduates in 18-19 and 19-20 will mean lower commencement merchandise sales. However, we do expect continued growth in high-margin food and convenience and novelties as we maximize the 'impulse purchase' zone in the store. There are also opportunities to add additional promotions and programming in store during the middle of the semester. As the new housing units and dining commons open in Spring 2020 there should be additional opportunities to engage students and bring them into the store.

Changes in Programs and Services for Proposed Fiscal Year:

1. Expansion of "Instant Access" course materials fee program has been approved and new courses and departments will be participating starting in Summer 2019. Scaling this program up will require automation of data interfaces between PeopleSoft and bookstore systems.
2. Program to allow students to charge academic required purchases at the bookstore to their student financial aid should be implemented Fall 2019.

Explanation of Proposed Fiscal Year Capital Requests:

1. Course Materials/E-Commerce Remodel project: \$300,000. To accommodate continued growth of web reservations as a share of total bookstore activity and improve the overall customer experience with web sales, we are proposing to:
 - * Relocate the web reservation processing/pick-up area to space adjacent to course materials office and storage area
 - * Construct a new pick-up and service counter and queuing area facing onto the course materials sales floor.
 - * Reconfigure current textbook sales floor fixture map to make room for the above changes and add look-up stations.
 - * Convert current web reservations space to secure register storage space, and permanently seal roll-up window.
2. Bookstore Van Replacement \$35,000: The existing van is more than 15 years old and is outdated and inefficient. We propose to purchase a more fuel efficient and sustainable replacement delivery vehicle
3. HVAC Replacement \$900,000 : Replacing outdated AC system with chilled water system, in line with campus upgrades
4. New store audio/music system \$10,000: Current address and music system over 15 years old.

Changes in Staffing:

We are proposing to add one new full time position in our accounting area, to assist with increased A/R and A/P workload and replace 2 previous part-time positions.

Outlook for Next 3 Years and 4 to 10 Years Beyond:

Next 3 years:

Now that we've completed our first two major semesters we need to analyze the new sales patterns and look for opportunities to increase sales and reduce expenses in off-peak periods. Approved expansion of the Instant Access program from pilot to full program means scaling it to potentially 100s of courses; therefore we will be prioritizing automation of the billing/refund process in partnership with university IT, Student Cashiers and Academic Technology. In a related project, collaboration with IT and Financial Aid should improved student experience in purchasing materials by allowin them to charge those purchases to student account/financial aid.

The university's growing use of digital and OER options is necessitating the remodel of the upstairs sales floor and operations area due to stocking fewer physical books but needing to manage customers' increasing preference for online shopping throughout the year.

As the new housing units and dining commons come on line, we anticipate increased traffic and opportunities for GM sales

Major Projects and Business Goals for Proposed Fiscal Year

D

Action Steps	Person Responsible	Due Date
Explore new revenue opportunities and potential products/services	Suzanne, Clint, Brian	ongoing
Review cost of goods margins monthly to maintain accrued budget	Suzanne, Clint	monthly
Continue to monitor labor and optimize budgeted hours	All dept. managers	monthly
Expand campus awareness of digital options through the bookstore, add new vendor partnerships	Suzanne	ongoing
Web Reservations: continue to streamline process and enhance customer experience	Kevin and Melissa	ongoing
Continue to maximize textbook rental rebates	Kevin	by semester
Implement Inclusive Access expansion and automation	Suzanne, Kevin, IT	August 2019
Pursue ICBA and other industry awards/recognition (Best performance, Innovative Programs)	Clint, Suzanne, Marketing	ongoing
Provide leadership in university's Affordable Learning initiatives	Clint, Suzanne	ongoing
Pursue opportunities to develop new course materials bus. models i.e. Inclusive Access	Suzanne, Clint	ongoing
Review ROI of strategic partnerships with major vendors (Nebraska, Apple, etc)	Clint, Suzanne	ongoing
Evaluate future store technology needs/trends (POS, inventory mgmt, CR) & review available solutions	Clint, Suzanne	ongoing

Mission/Vision Statement

The Bronco Bookstore, of Cal Poly Pomona Foundation, Inc. will provide a complete range of bookstore products and services to support the University community in meeting their academic and individual needs in a fiscally responsible manner, with a commitment to service excellence.

VISION STATEMENT Bronco Bookstore will be the most important resource supporting the Cal Poly Pomona campus community, with a commitment to quality service and strong relationships with our customers.

ETHICS STATEMENT The Code of Ethics for Bronco Bookstore stipulates that all vendors and business partners must adhere to local, state or federal fair labor and safety laws and practices. The Bookstores' code prohibits the use of forced, convict, child or indentured laborers, either by a vendor or business partner or the source of their goods and services. Bronco Bookstore reserves the right to cancel orders, return merchandise, and/or terminate business dealings with vendors and business partners who violate these Ethics.

Strengths and Challenges

Strengths

- Reputation for efficient and speedy service
- Pleasant and inviting shopping environment, well organized store
- Appealing non-text product mix
- Provide requested academic merchandise on time
- Financially prudent good inventory management, lean operation
- Campus Partnerships (DRC, AL\$, Orientation, Athletics, Alumni Affairs)
- Departmental teamwork, experienced & knowledgeable staff

Challenges

- Balancing course materials affordability pressures with net contribution expectations
- Campus perception that store is overpriced or unfair monopoly
- Balancing inventory risk/opportunity ratio (risks of out-of-stocks vs. risks of excess inventory & writeoffs)
- Industry/CSU System Developments - OER grants, Zero Textbook Cost programs, publishers pushing direct links, etc.
- Technology- POS/web capabilities vs. increased customer expectations for mobile/omnichannel, Security/PCI
- Outreach/marketing - limits on emails and use of other technology make it hard to reach customers
- Need for staff development/mentoring for FT and students to ensure we're getting most value for labor dollars

Employee Survey

The Bookstore did not conduct an employee survey this year

Customer Survey

The bookstore did not conduct a customer or faculty survey in 2018-19. Instead we focused on continued participation in the Independent College Store Research survey and NACS Independent Store Report for financial benchmarking and trends.

ICSR and NACS ISR 2018 Take Aways:

- * Course materials sales showed declines across participating stores for the past 5 years.
- * Rentals seem to be plateauing but still important
- * Net income ratios for stores averaged 2.1% in 2017-18, compared to Bronco Bookstore's 4.73%.
- * While our net performance for 17-18 was good, our sales to FTE were lower than some comparably sized stores (not NCAA I) indicating opportunities to engage more students with GM offerings.

Keys to Success

Keys to Success Items	Rank in Importance 10 to 1
Campus Partnerships/Communication (Faculty/Students/Staff)	10
Exceptional Customer Service	10
Effective Marketing/Branding (Store Perception)	9
Course Materials on time	9
Staff Development/Knowledge	9
Current in Regards to Technology (Infrastructure/Course Content)	9
Control Operating Costs (Expenses and Labor)	9
Stay Responsive to New Markets/Products/Services	8
Remain Competitively Priced	9
Maintain Appropriate Inventory	9
Merchandise Selection	9
Stay Responsive to Customer Wants/Needs/Expectations	9

Corporate Culture

Customer/Client Perception	Unit Perception
High Margins/Overpriced/"Gouging"	Net Income Meeting Budget Requirements
Not part of Campus, just like outside corporations	Campus Partner
Profit Oriented	Service Oriented
Efficient Operation	Efficient Operation
Knowledgable and Helpful Staff	Knowledgeable and Helpful Staff
Not Enough Operating Hours	Open to Meet Customer Needs
Inconvenient Customer Parking	Inconvenient Customer Parking

Business Controls and Vital Factors

H

BUSINESS CONTROLS

P&L Reviews
30 Day Goals
Semi Annual Business Plan Report
Strategic Plan
Inventory Levels/Margins
Departmental Labor Reviews

VITAL FACTORS

Semester Opening Revenue Compared to Budget/Prior Year
Net Profit/Loss Compared to Budget
Inventory Turns/Levels Compared to Industry Average
Sales per FTE Compared to Industry Average
Inventory Margins Compared to Budget
Percentage of Labor to Sales
New/Used Book Ratio
Operating Expenses Compared to Budget

Asset Protection/Risk Management

Physical Safety and Security

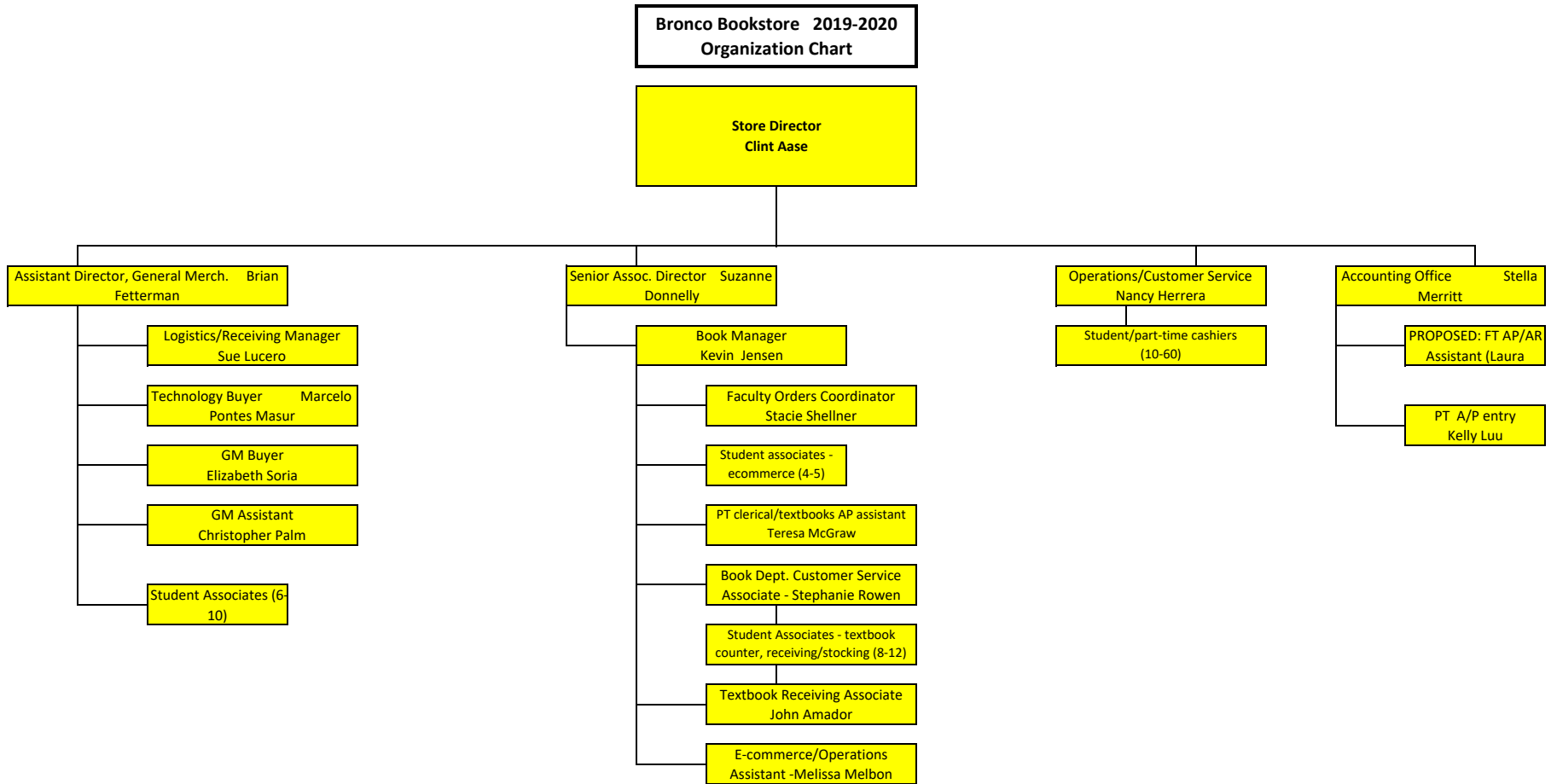
1. Fire, life, safety, intrusion systems, smoke detector systems maintained and tested
All fire and alarm system that were inspected were up to date. Completed tests with the Police department to ensure fire and safety alarms were communicating correctly.
2. Safety devices in place and maintained.
Received inspection and posted permit for air tank in the HVAC room.

Data Security

1 The primary inventory system server is located in Bldg. #55 and maintained by MIS. Received documentation confirming emergency system replacement within 24 hours.

Organization Chart

I




Continued -Outlook for Next 3 Years and 4 to 10 Years Beyond:

throughout the semester, not just at the peaks. Maintaining good partnerships with both ASI, Student Affairs, Athletics and University Housing will be key to developing those opportunities.

4-10 Years

Store systems need to stay current with customer expectation for both in-store and online shopping and interaction. Significant ongoing development of modern and secure systems will be crucial to maintaining standards of customer service and store performance that 21st century students and customers expect. As course materials area becomes more academic/ service-oriented we will need to ensure skill-sets of CM staff are aligned with providing knowledgeable recommendations both to faculty and to learners, rather than just traditional transactional competence. As the ration of physical to digital course materials shifts we may need to adjust overall staffing levels in CM down. The store will need to devote resources to succession planning and staff development to ensure smooth transitions as current key staff begin reaching retirement.

Continued -No Continuations

OPERATING BUDGETS
ENTERPRISES

DINING SERVICES

CAL POLY POMONA FOUNDATION, INC.

DINING SERVICES

2019-2020
BUSINESS PLAN



APRIL 2019

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Proposed Fiscal Year Budget

A

Cal Poly Pomona Foundation
DINING SERVICES
Consolidated Budget Comparison Summary
For the 2019-20 Fiscal Year

	2018-19 Approved Budget	2018-19 Forecast	2019-20 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other	373,631	377,448	390,823	13,375
Sales	21,897,049	21,578,931	23,815,683	2,236,752
Total Revenues	22,270,680	21,956,379	24,206,506	2,250,127
Cost of Goods Sold				
Cost of Goods Sold	6,705,638	6,424,053	7,168,699	744,646
Total Cost of Goods Sold	6,705,638	6,424,053	7,168,699	744,646
Expenditures- Controllable				
Utilities	398,801	389,802	393,289	3,487
Agr/RE Fees		142		(142)
Insurance	46,132	35,517	37,255	1,738
Repairs & Maintenance	248,086	317,826	274,663	(43,163)
Meals & Refreshments	11,227	14,989	13,913	(1,076)
Postage & Freight		50		(50)
Advertising	56,080	58,554	68,768	10,214
Rent/Commissions	564,472	564,474	599,617	35,143
Services	26,912	12,297	25,506	13,209
Supplies	848,019	876,366	955,378	79,012
Telephone	81,494	86,003	88,603	2,600
Travel	36,962	46,219	56,143	9,924
Laundry	133,335	136,256	138,164	1,908
Other	29,167	39,152	36,596	(2,556)
Total Expenditures- Controllable	2,480,687	2,577,647	2,687,895	110,248
Expenditures- Non-Controllable				
Administrative Fees	1,439,197	1,491,772	1,558,761	66,989
Depreciation	431,988	399,462	678,862	279,400
Interest Expense			675,664	675,664
Rent/Commissions	642,246	722,831	529,711	(193,120)
Bank Card Fees	333,057	320,171	352,574	32,403
Other	487,792	551,545	588,603	37,058
Total Expenditures- Non-Controllable	3,334,280	3,485,781	4,384,175	898,394
Labor Costs				
Salaries & Wages	6,713,668	7,025,647	7,789,825	764,178
Employee Benefits	1,848,976	2,005,877	2,608,057	602,180
Total Labor Costs	8,562,644	9,031,524	10,397,882	1,366,358
Total Expenses	21,083,248	21,519,005	24,638,651	3,119,646
Net Income	1,187,431	437,374	(432,145)	(869,519)

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

Dining overall is forecast to end up at \$21.9 million in revenue, \$314k behind 18-19 budget with a surplus of \$426k, or \$761k behind budget. Shortfall in revenue primarily attributed to delayed opening of Recharge Cafe (\$154k), marginal performance in Campus Center Operations (\$117k), downward trend of campus use of KW Catering (\$119k). The Poly Trolley, KW UBI activities, BSC Operations, and Campus Markets (Convenience Stores) continue to meet or exceed budget helping offset revenue shortfall in other areas.

Forecast surplus shortfall to budget driven by Foundation voluntary accelerated minimum wage (\$149k), Calpers unfunded liability correction and Health Benefits reset (\$136k), Declining performance of Campus Center Operations (\$211k), KW Campus Catering non-UBI (\$113k), and the beer education project (\$84k). We have noted a 25% reduction in Pony Express @ CLA traffic due to the relocation of staff to the new Student Services Building causing a forecast \$59k deficit in that operation.

The Foundation voluntarily accelerated the minimum wage to \$13/hour, \$1 ahead of the state-mandated schedule. This impacted our 18-19 forecast-budget \$149k in Net, or \$298,000 annualized. It should be noted that \$2.4 million is paid to CPP students in the form of wages from the dining division.

Dining services budgeted no minimum wage increase for the 19-20 budget year.

Explanation of Proposed Fiscal Year Budget:

In January 2020, 980 of our residents will be moving into the new residential facility across campus adjacent to the new dining facility and the suites. This effectively concentrates about 2,000 available beds (980 new beds and 1018 existing suites beds) in this area. About 400 residents will remain in the older and remote "bricks" for the remainder of the 19-20 academic year. In Fall 2020, occupancy in these "bricks" is expected to expand to 648 for 3-4 years as phase II (646 beds) of the new residential complex is constructed. New meal plans aligned with industry best-practices as recommended by Envision Strategies, our Dining Master Plan consultant are being implemented in Fall 2019. We assumed 97% occupancy in the resident halls in fall 2019, and 94% in the spring based on 2,405 available beds and an assumed 3% increase in traditional board rates and an increase in the suites rates associated with the new meal plan structure that will include 70 meal swipes per semester.

Dining overall is budgeted at \$24.2 million in revenue, about \$2.3 Million ahead of 18-19 forecast with a deficit of \$<450,707> or \$877k lower than 18-19 forecast.

Increase in budgeted revenue to 18-19 forecast primarily attributed to Resident Dining Operations (Los Olivos Replacement, The Den, and Vista Market) (\$1.53 million), Kellogg West UBI Revenue Strategy (\$172k), lift in revenue at Campus Center operations anticipated due to Summer 2019 dining area remodel (\$213k), Recharge Cafe coming online (\$157k), and Innovation Brew Works organic growth (\$230k).

Primary drivers of our financial performance will come from food cost savings at the Los Olivos Replacement project derived from our participation in the UC Procurement program, revenue lift from the Campus Center dining area refresh, Innovation Brew Works organic growth combined with the beer education program, Recharge Cafe, and increased retail activity in operations surrounding the residential facilities due to meal plan enhancements.

Primary headwinds associated with Los Olivos Replacement Debt and Depreciation (\$1,354,526), accelerated minimum wage (\$149k) and new ongoing annual expense associated with board-approved CalPers unfunded liability adjustment (4.5% of benefitted wages) and medical plan reset (\$362k). We are taking action to address underperforming areas: Campus Center, SCE Cafes, CLA, and brewing education.

We will take this year to work on the product offering at the CLA market in order to see if it makes sense to continue to operate this unit. We elected to keep this market open following the migration of 500 staff from the CLA building to the new SSB, our studies found that 75% of our customers were students at that location.

We are not budgeting any increase to the minimum wage this budget year.

Changes in Programs and Services for Proposed Fiscal Year:

Los Olivos Replacement comes online in January 2020 combined with a ~450sf retail coffee shop. We are exploring ways to serve the 400 students who remain in the old residence halls during this 3-4 year transitional period. These include the implementation of an innovative micro-market in the lobby of one of the older halls modeled after the unstaffed Amazon market and expanded hours, offering, and services are being explored at the College Of Business Einstein's Bagel and Pony Express Market during the transitional years from the "old" halls to the "new" residential complex.

We Continue to evolve in-house retail brands serving on-trend offerings (i.e., Fresh Escape).

We are currently engaged with a group of faculty and staff to enhance the dining experience in the faculty lounge at Campus Center.

Explanation of Proposed Fiscal Year Capital Requests:

- Biometric Access To Resident Dining Facility
- Reimagine Faculty Staff cafe
- Major refrigeration and Roofing work @ CCMP #97
- Replace floor, furniture, paint and roof at Campus Center Marketplace
- Continue work in the area of analytics
- POS (cash register) and Card-reader EOL replacement
- MicroMarket implementation at traditional halls
- Round Table Pizza rebrand to student requested "Pub" atmosphere

Changes in Staffing:

Dining services is requesting one additional full-time position- Floor Supervisor @ Innovation Brew Works, and a supervisor for the Residential Dining Coffee Shop

Outlook for Next 3 Years and 4 to 10 Years Beyond:

2020-2022- 2,719 meal plan holders (748 traditional halls*, 952 new halls, 1019 suites)
 2022-2025 Phase II housing opens (647 new beds)- 3,265 meal plans (648 traditional halls*, 1,598 new halls, 1,019 suites)
 2025- ? (Phase III opening TBD**) Traditional halls close- 2,617 meal plans (14 traditional halls*, 1,598 new halls, 1019 suites)
 *Includes a small contingent of 14 traditional beds at the Center of Regenerative Studies.
 **A phase III of housing is planned at some point TBD.
 We are exploring a number of solutions to address the population residents who will remain in the traditional halls for 3 years as phase II in 2022-23 (647 beds) of the new residential complex is constructed.

-SEE CONTINUATIONS-

Mission/Vision Statement

The mission of Foundation Dining Services is to create exceptional dining experiences to support and nourish the Cal Poly Pomona community.

"High Five" Values

Five Commitments to our People:

- We create opportunities for growth & development that will create enthusiastic and ambitious team members.
- We develop a culture of commitment where people are open, honest, reliable and caring. Our people feel safe and seen.
- We are committed to providing training and support for all of our team members.
- We are committed to a culture that promotes bold creativity, taking ownership of opportunities and driving solutions.
- We are committed to a culture that views occasional mistakes as opportunities for learning.

Five Commitments to our Community:

- We are committed to leading with the highest standards of ethics, competency and professionalism.
- We are committed to continually adapting, utilizing our resources to meet the needs of our community in terms of value, quality and sustainability.
- We are committed to staying engaged and in touch with the larger community, constantly evolving and innovating to meet current and future needs.
- We are committed to diversity and equal opportunity in a positive work environment.
- We are committed to being a "hands on" learning environment in support of the Polytechnic model of the institution we serve.

Strengths and Challenges

Strengths

We have a highly motivated and effective Dining Operational Support Team (OST) (Culinary, HR, Marketing, Operations, Procurement) and are aligned to meet the challenges and growth described in this business plan. Our customer drives our decisions, and we have a wide variety of channels in which we listen: (surveys, comment cards, web feedback, etc.). We have a solid food safety and inspection record; Variety; convenient locations - We are leaders in Technological and operational innovation.

Challenges

Minimum wage increases. High volume of campus requests for dining support: Basic Needs Initiative, Donations, campus requests for additional unprofitable "micro-operations." Meet minimum wage increases outpricing entry-level wages; Campus perception of Presidential Order on Use of Foundation Services & Central Support Resources; perception of "unhealthy" offering; rapidly evolving Technology-POS/reporting systems; development of effective training; aging infrastructure at CCMP and Los Olivos; cleanliness of dining rooms/areas; Continuing demands for PCI compliance, credit card issuers placing fraud liability on merchants.

Employee Survey

We conducted an employee survey over summer 2018 again this year using Employer's Group, a consulting firm with a relationship with AOA. A total of 28 full-time dining staff participated in the survey. This was important to us as we had recently completed a 2-year reorganization effort (DLP, or Dining Leadership Project) within our division facilitated by leadership consultants Group To Team.

The survey consisted of 12 broad categories, and we saw year-over-year increases in favorable responses in 11 of the 12 categories: Working Conditions (+1%) , Supervisory Effectiveness (people skills) (+6%), Supervisory Effectiveness (management skills) (+7%), Reaction to the Survey (+1%), Quality of Work Life (+6%), Quality and Productivity (+2%), Policies and Practices (+4%), Management Effectiveness (+8%), Employee Engagement (+9%), Employee Development and Recognition (+13%), Compensation and Benefits (-4%), Communication (+6%)

We are currently recruiting for a Dining Services Human Resources specialist to assist us in continuing this upward trend, as we rank below normative data from all industries in most categories. Two notable categories in which we appear to excel in vs. the normative data are in the areas of Employee Engagement (+16%) and Working Conditions (+24%).

Customer Survey

Our annual NACUFS survey was completed during the fall of 2018, and the results returned in late February 2019. There were a record number (3,170) surveys completed of which 86% were students, 11% were staff, and 3% were faculty with a 61/38 ratio of female-to-male respondents, 1% of "other identity". 23% lived on campus. 24% were freshmen. 11% Sophomore, 30% Juniors, 32% Seniors, 2% Graduate, 1% "other identity".

A detailed analysis of the results is still underway, and a full report will be presented to the Foundation Board in Spring of 2019.

We will be drilling down into the areas of least satisfaction which include the availability of seating, value, nutritional content, and freshness. We will use this information to direct our efforts to improve our operations moving forward.

Keys to Success

<u>Keys to Success Items</u>	<u>Rank in Importance 10 to 1</u>
Create opportunities for growth & development that will create enthusiastic and ambitious team members	10
Develop a culture of commitment where people are open, honest, reliable and caring. People feel safe and seen	10
Commitment to providing training and support for all of our team members.	10
Commitment to a culture that promotes bold creativity, taking ownership of opportunities and driving solutions.	10
Committed to a culture that views occasional mistakes as opportunities for learning.	10
Customer Focus	10
Staying abreast and ahead of trends- Be the innovation leader	10
Challenge the Status Quo	10
Quality 1-1 Time with supervisors and staff	10
Meeting or exceeding Financial Goals	10
The Health and Well-being of our staff and customers	10
Celebrating Success	10
Take calculated risks	10
Balancing financial performance and economic sustainability with service expectations	

Corporate Culture

<u>Customer/Client Perception</u>	<u>Unit Perception</u>
Expensive	At-or-below local marketplace, we create value
Unhealthy	The offering is available but rarely sells
Not enough facilities open when I want service	Balancing financial performance and service
Not planet-friendly	Our story isn't well-told.... And we have a great story!

Business Controls and Vital Factors

H

- 1) Establish KPI's (MPLH or SPLH) labor goals for each operation that can be measured daily/weekly against actuals
- 2) Provide leadership training opportunities for key staff
- 3) Set measurable annual goals with each operating unit that tie into the overall goals of the division, providing frequent feedback on progress throughout each operating period
- 4) Develop an Operations Support Team (OST) to assist in operational excellence
- 5) Work toward analytical tools to assist in predicting the future instead of looking back to see how we did (Tableau initiative)
- 6) Cash handling, PCI, and other compliance issues
- 7) Continue to monitor product cost & adjusting purchasing patterns and pricing on a constant basis.

Asset Protection/Risk Management

In Dining Services, we have several areas where Asset Protection and Risk Management play a significant role. Looking at Corporate Assets, Dining Services has several: Food, Liquor, Beer, Wine, Cash and equipment to mention a few.

Developing web-based assessment tools for safety and policy compliance (Touchwork)

Areas that we have implemented based on the risk management assessment :

Innovation Brew Works: installed burglar alarm system and panic buttons

Fire extinguisher training for staff, facilities repairs, staff training by Employment Services,

Evacuation Drills

PCI and Level 1 data training have taken place at various supervisory and front line staff levels as appropriate. IBW- Prevention training, alcohol service training, inventory

Organization Chart



FOUNDATION DINING SERVICES @ CAL POLY POMONA



We create exceptional dining experiences to support and nourish the Cal Poly Pomona community.



Continued -Outlook for Next 3 Years and 4 to 10 Years Beyond:

OTHER CONSIDERATIONS

Foundation escalated minimum wage by \$2 per hour to \$13 on January 1, 2019. This escalation exceeded the state-mandated increase of an additional \$1 per hour.

To place this in context, each \$1 increase increases the expenses in our division by nearly \$300k.

Bronco Student Center Study and Expansion

Improvements to the Campus Center Marketplace in context with the Campus Master Plan.

Centralization and optimization of Campus Catering operations

Kellogg West Hotel, Conferencing, and Catering Operations Study

Continued -Explanation of Proposed Fiscal Year Budget:

OPERATING BUDGETS
ENTERPRISES

KELLOGG WEST
CONFERENCE CENTER & HOTEL

CAL POLY POMONA FOUNDATION, INC.

Kellogg West Conference Center & Hotel Rooms, Conferences & Sales

2019 - 2020

BUSINESS PLAN

APRIL 2019

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Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation
KW CONFERENCE CENTER & HOTEL
Consolidated Budget Comparison Summary
For the 2019-20 Fiscal Year**

	2018-19 Approved Budget	2018-19 Forecast	2019-20 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Sales	1,914,874	1,864,463	2,066,848	202,385
Total Revenues	1,914,874	1,864,463	2,066,848	202,385
Expenditures- Controllable				
Utilities	90,059	101,146	115,537	14,391
Insurance	30,637	27,989	33,069	5,080
Repairs & Maintenance	197,466	189,926	211,054	21,128
Meals & Refreshments	1,200	2,197	3,600	1,403
Postage & Freight	2,106	620	720	100
Advertising	7,544	9,276	13,335	4,059
Rent/Commissions	4,238	2,961	3,164	203
Services	241,544	234,141	251,935	17,794
Supplies	81,556	64,505	70,847	6,342
Telephone	38,299	37,750	41,337	3,587
Travel	300		300	300
Laundry	134,041	114,645	129,162	14,517
Other	19,953	16,980	9,440	(7,540)
Total Expenditures- Controllable	848,943	802,136	883,500	81,364
Expenditures- Non-Controllable				
Administrative Fees	114,894	111,868	134,349	22,481
Depreciation	66,445	38,182	31,740	(6,442)
Bank Card Fees	34,467	27,996	26,869	(1,127)
Other	900	520	900	380
Total Expenditures- Non-Controllable	216,706	178,566	193,858	15,292
Labor Costs				
Salaries & Wages	594,252	663,768	705,103	41,335
Employee Benefits	184,812	213,904	265,302	51,398
Total Labor Costs	779,064	877,672	970,405	92,733
Total Expenses	1,844,713	1,858,374	2,047,763	189,389
Net Income	70,161	6,089	19,085	12,996

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

Through the first 7 months of the 2018 - 2019 fiscal year Kellogg West Rooms & Conferences revenue is up over prior year by \$75K but slightly down from budget by \$24K. YTD expenses are 80% of YTD Revenue this year versus 82.5% of Prior Year Revenue. YTD Net Income is lower than budgeted and Prior Year but forecasted to come in right at EOY Forecasted Revenue despite higher costs, including labor.

Explanation of Proposed Fiscal Year Budget:

Kellogg West is budgeting that meeting/conference demand and revenues as well as hotel revenues will continue to increase in 2019-2020 with a continued demand for more affordable facilities that offer excellent service and clean, high quality facilities that meeting planners expect. Also, as has been the case for several years now, Kellogg West continues to see clients who are still seeking out "educational" locations/venues such as Kellogg West.

Kellogg West is also seeing a much more competitive College of The Extended University/Global Education Institute focusing on offering training to international professionals from around the world through their Global Education Programs. Their concerted efforts (-especially in the Asian marketplace) have, in turn, produced greatly increased hotel room revenues for Kellogg West due to the many groups brought here for year-round extensive variety of Study Abroad options for students who wish to engage in international or multi-cultural studies .Their efforts have, in turn, opened up other doors and additional Clients (-and additional hotel revenues) through SoCal Asian tour companies also looking for educational/university locations and venues such as Cal Poly.

Controllable Expenses as well as Labor Expenses for 2019-2020 will continue to be tightly controlled and the financial "bottom line" is still the focus.

Changes in Programs and Services for Proposed Fiscal Year:

No significant changes in programs and services are proposed at this time.

Explanation of Proposed Fiscal Year Capital Requests:

Capital improvements of the past several fiscal years (hotel guest rooms, hotel lobby, conference center areas, dining room and exterior changes to our Crestview Building) are still being very favorably received by all of our Guests and has greatly helped in increasing customer satisfaction and, in turn, increased revenues.

This past year's renovation of all conference center lighting, to LED, has made a noticeable and favorably received improvement that has also made a significant difference in brightness of the rooms as well as a decrease in electrical costs.

Over the next fiscal year Kellogg West will be replacing some of the "older and worn-out " meeting room tables so as to ensure that we continue to offer a good product along with our good service.

Kellogg West will also be completing the upgrading of parking lot, street and public area exterior lighting to LED which, will in turn, brighten up all areas as well as save energy and money.

Changes in Staffing:

For 2019-2020 there are no changes planned in Staffing.

Outlook for Next 3 Years and 4 to 10 Years Beyond:

Demand for "affordable" yet up-to-date modern meeting and training facilities and/or venues in educational/university settings will continue to be high due to continued budget constraints as well as tightly audited "educational location" venue options.

In addition to the above demand, will be the continued excellent (-and growing) working relationship with CEU/GEI and the Asian market needs for hotel rooms and venues in an education/university setting.

Other factors which will have an impact on Kellogg West's business over the next three to five years are some of the key issues that have been repeatedly discussed over the last several years. Those are increased competition, the seismic upgrade and, of course, the University Master Plan, all of which could impact Kellogg West.

Mission/Vision Statement

Kellogg West has evolved into a business that makes sense financially that will enable us to carry on our long history and valuable partnership with Cal Poly Pomona University and The Foundation.

Kellogg West has, and will always, continually strive to provide the highest standards of guest services in, both, lodging and conference services. We will continue providing outstanding service along with the latest technology and resources available to meet or exceed the expectations of our Guests and The University.

Strengths and Challenges

Strengths

With the continued, close scrutiny of how companies and organizations are spending their money, conference centers and meeting locations that are a part of a University or non-profit organization will continue to be sought out as places to hold meetings and avoid negative media or shareholder criticism. Located on the campus of Cal Poly and as a part of the non-profit Cal Poly Foundation, Kellogg West is uniquely situated to provide just such a meeting and conference environment and is marketing itself as such by letting our potential clients know of our non-profit status and giving back to the University thus helping others.

Challenges

In order to drive increased revenues Kellogg West will have to continue driving increased sales. Kellogg West will also need to continue working as "lean" as we did during the past several fiscal years by doing more with less and doing it just as good. In addition to maintaining the unprecedented savings of these past several years, Kellogg West will need to keeping controllable expenses to absolute "bare-bones" operational necessities. New hospitality products continue to become more and more available in our market areas, albeit at a somewhat slower pace. Many "older" (-but much newer than Kellogg West) properties have undergone extensive renovations and, as such, Kellogg West will need to keep making major capital improvements or be left behind.

Employee Survey

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Kellogg West Conference Center & Hotel employee satisfaction continues to be high due, for the most part, to Management's continued communications to and from employees and also because of the present Director's daily involvement and "roll up the sleeves" work ethics in helping when help is needed. Not to mention that age-old philosophy and practice of treating others as you would want to be treated. -We're a Team and all in this together so that's the way we work. Management has no plans to change this "team work" philosophy, attitude and work ethics.

Customer Survey

Customer satisfaction with guest focus areas such as cleanliness, friendliness and courtesy continues to be very high and our overall customer satisfaction and comments (especially with service) continues to be extremely good and a source of pride for all of our employees, at all levels. Guests surveys continue to show that they will likely or definitely stay at this property when they return to this area and that they will likely or definitely recommend Kellogg West to a friend. The recent guest-room renovations have been extremely well received and, almost unanimously, Guests surveys rate Kellogg West's hospitality and now our guest rooms as "meets or exceeds expectations".

Keys to Success

<u>Keys to Success Items</u>	<u>Rank in Importance 10 to 1</u>
Increased sales solicitations.	10
Market as a unique and affordable meeting alternative to the newer but higher priced conference options	10
Continued capital improvements to overcome guest's perception that property is "getting tired"	10
Increased internet and social network marketing efforts to increase customer awareness of KW	10
Increased focus on education, state associations, religious, medical, government and related business markets	9
More emphasis on KW as a full service conference center and training/educational facility at Cal Poly University	9
Emphasis as a "serious meeting/training environment for businesses and meeting planners facing serious times".	9
Upgrade, update and only offer state of the art conference equipment suited for "tech-savy" conference attendees	9

Corporate Culture

<u>Customer/Client Perception</u>	<u>Unit Perception</u>
Service is very good	Hospitality and meeting the Guest's needs is always a priority.
Guest rooms and conference center facilities are very nice and very clean	New guest-room renovations have made a huge and positive impact.
Facility is hard to find and away from everything	Facility is peacefully secluded & away from most city/airport distractions.
Property is not in step with technological needs	WiFi is free and available in all areas & A/V equipment upgrades continue

Business Controls and Vital Factors

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- Daily: Review of Flash Reports which is the snapshot of revenue for the previous day and month to date.
- Weekly: Department & Management team meetings, review of pending payment requests, comparison review of expenditures vs. budget, Aging Report update, review of all department schedules and monthly progress of food cost.
- Monthly: Goals to Foundation, Financial Statement review process, revenue forecasting (which are also reviewed on a bimonthly basis and Employee of the Month selection
- Semi-Annual: Business Plan Update, Fixed Asset analysis
- Annual: Budget and Business Plan preparation and presentation

Vital factors are primarily (1) Actual Costs compared to budgets and schedules and (2) Occupancy comparisons and analysis (ADR & Rev Par)

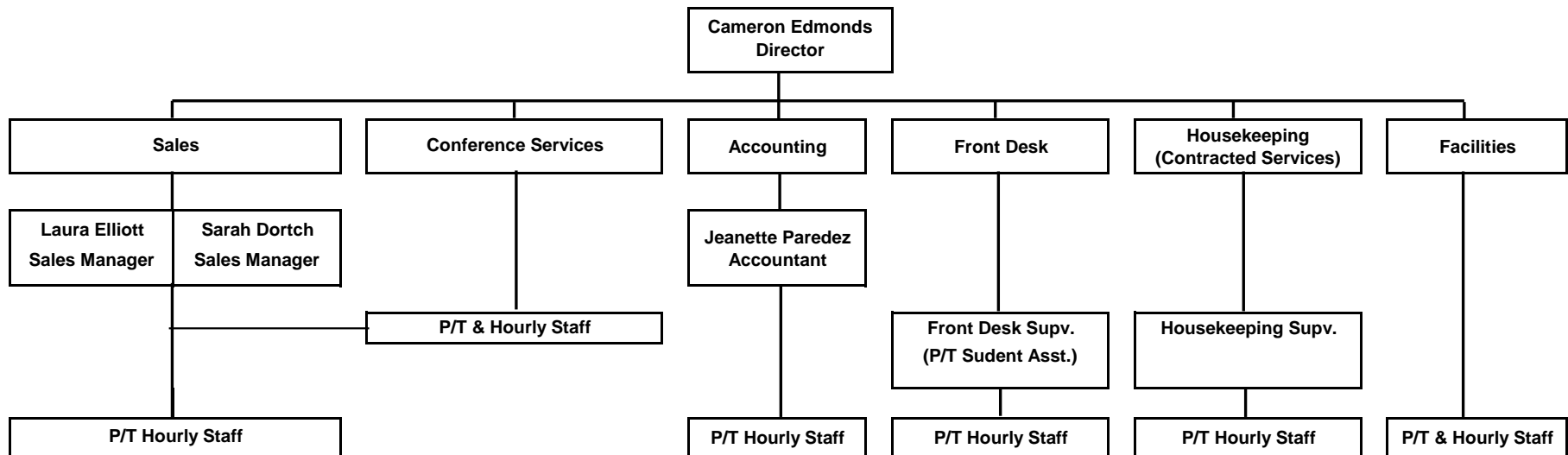
Asset Protection/Risk Management

1. Installation of video security cameras in multiple exterior and interior locations - Completed.
2. Update of KW Emergency Procedures and manuals - Completed/ongoing and updated annually or as needed.
3. Separation of duties with KW Director - Completed and ongoing with KW Accountant placing orders and Director reviewing/approving.
4. Change safe combinations and keep a record of who has access and knowledge of combination - Completed and ongoing. Record of who has access and safe combination now in sealed envelope in Foundation safe.
5. Yearly risk assessment is completed by the Foundation IT Team on all Kellogg West IT systems. This includes a review/prioritizing of old risks & potential new risks as well as potential "gaps" caused by changing technologies. - Completed and ongoing.
6. Upgrade of KW website to meet and/or exceed ADA requirements has been started and will be ongoing until all requirements are met or as close to being met as possible.
7. Upgrade parking lot lighting to LED to increase safety for our customers and staff.

Organization Chart



Kellogg West Conference Center & Hotel 2019-2020 Organizational Chart



OPERATING BUDGETS
ENTERPRISES

FOUNDATION HOUSING SERVICES

CAL POLY POMONA FOUNDATION, INC.

Foundation Housing Services

2019 - 2020

BUSINESS PLAN

APRIL 2019

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Proposed Fiscal Year Budget

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**Cal Poly Pomona Foundation
UNIVERSITY VILLAGE
Consolidated Budget Comparison Summary
For the 2019-20 Fiscal Year**

	2018-19 Approved Budget	2018-19 Forecast	2019-20 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other	143,980	135,470	139,100	3,630
Sales	10,747,110	10,530,882	11,292,506	761,624
Total Revenues	10,891,090	10,666,352	11,431,606	765,254
Expenditures- Controllable				
Utilities	630,300	626,500	658,996	32,496
Insurance	104,208	96,993	96,996	3
Repairs & Maintenance	610,296	467,212	623,298	156,086
Meals & Refreshments	5,950	9,000	10,000	1,000
Postage & Freight	600	600	600	
Advertising	7,660	8,766	8,250	(516)
Rent/Commissions	2,640	4,800	5,298	498
Services	474,843	458,246	478,779	20,533
Supplies	55,950	64,656	63,302	(1,354)
Telephone	325,600	295,000	298,200	3,200
Travel	7,450	9,000	9,300	300
Laundry	750		750	750
Other	140,640	143,774	150,790	7,016
Total Expenditures- Controllable	2,366,887	2,184,547	2,404,559	220,012
Expenditures- Non-Controllable				
Administrative Fees	707,921	693,313	743,056	49,743
Depreciation	1,947,996	1,719,870	1,650,396	(69,474)
Interest Expense	868,944	860,676	786,648	(74,028)
Bank Card Fees	92,000	110,000	110,000	
Other	198,840	190,886	207,600	16,714
Total Expenditures- Non-Controllable	3,815,701	3,574,745	3,497,700	(77,045)
Labor Costs				
Salaries & Wages	1,284,068	1,246,351	1,447,068	200,717
Employee Benefits	385,560	369,914	576,168	206,254
Total Labor Costs	1,669,628	1,616,265	2,023,236	406,971
Total Expenses	7,852,216	7,375,557	7,925,495	549,938
Net Income	3,038,874	3,290,795	3,506,111	215,316

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

We expect to meet our budgetary goals for this fiscal year. We opened at 98% occupancy in August 2018 and have averaged 98% occupancy for the fall 2018 quarter. Due to semester conversion, the longer winter break between the fall and spring semester saw lower occupancy than expected. We are managing controllable expenses tightly, to offset the decreased revenue from lower occupancy.

Explanation of Proposed Fiscal Year Budget:

The only major fluctuations between this year's forecast and the proposed 2018-2019 budget was the decreased occupancy during the winter break. We are proposing a rental rate increase of 3% to cover inflation and priority maintenance. We are basing our budget on a projected 96% average occupancy rate during the academic year, and 90% occupancy during the winter break.

Since we have a full summer this year, we are planning to do maintenance that was deferred from last year's short summer. Major maintenance projects include: replace HVAC units in four Phase II buildings, clean ducts in seven Phase II buildings, inject foam underneath the shower pans in all Phase III buildings (120 apartments), replace carpet with vinyl flooring in 15 apartments, replace laminate flooring with vinyl flooring in the recreation center, replace 100 mattresses, replace 50 water heaters, replace 20 refrigerators, replace 20 stoves, replace one maintenance truck, perform a 10 year refresh in 20 Phase III apartments, install anti-slip step covers in all 5 Phase III buildings, and paint seven Phase II buildings (28 apartments). This summer we plan to close Phase II buildings 170, 180, 190, and 200. We are projecting 30% occupancy for the summer.

Changes in Programs and Services for Proposed Fiscal Year:

We plan to continue and expand our wellness programming efforts.

Explanation of Proposed Fiscal Year Capital Requests:

1. Replace HVAC units in four Phase II buildings
2. Clean ducts in seven Phase II buildings
3. Inject foam underneath the shower pans in all Phase III buildings (120 apartments)
4. Replace carpet with vinyl flooring in 15 apartments
5. Replace laminate flooring with vinyl flooring in the recreation center
6. Replace 100 mattresses
7. Replace 50 water heaters
8. Replace 20 refrigerators
9. Replace 20 stoves
10. Replace one maintenance truck
11. Perform a 10 year refresh in 20 Phase III apartments

Changes in Staffing:

No staffing changes.

Outlook for Next 3 Years and 4 to 10 Years Beyond:

In the next three years, we expect complete the replacement of the Phase II HVAC units, and in all phases continue interior painting and the replacement of furniture and flooring. We are beginning to plan for the replacement of Phase I and II roofs.

Long range items that will need attention four to ten years out include: deck rehab in all phases, exterior painting of all phases, and roof replacement in Phase I and Phase II.

Mission/Vision Statement

By focusing on the interpersonal relationships with our residents, we strive to create a safe, respectful and inclusive community where one will find:

- *Valuable, clean, well-maintained and furnished accommodations.
- *Active customer service with open and timely interaction.
- *A dynamic environment working to continually adapt to residential needs.
- *An educational experience that empowers residents to participate and take ownership of their community.

Strengths and Challenges

Strengths

*quality of staff*financially responsible and profitable*affordable housing*student customer focus*quality of student life*occupancy (new and retained)*comprehensive training program for residential education staff*24 hour emergency response (student crisis)*flexible and responsive approach to "change" and organizational development*transitional skills education*communication between various departments (overall)*students report high satisfaction with the quality of life (overall-Residential Experience Survey)*staff creativity, motivation, professionalism and commitment to the missions of the University, Foundation, and University Village*facilities (flexible design options)

Challenges

*security*general operating costs*maintaining affordable rates*aging facilities*necessary current and future capital projects*learning and planning for a semester-based schedule (occupancy)*student recreation and study space*website with online services*effective communication of policies, procedures, and general information to residents*residents taking responsibility for their community*maintaining positive and equal relationships with campus offices*University enrollment and retention*business continuity

Employee Survey

An employee survey was not conducted.

Customer Survey

The Residential Experience Survey was administered by Skyfactor (formerly Educational Benchmarking, Inc.) Skyfactor provides national benchmarking data/comparative features. The survey was provided via email to 1250 residents (100% occupancy). 654 residents responded this year, 52.3% response rate.

Following are the major results of the survey:

*Overall Satisfaction: 87.9%

Satisfaction Rates:

*Residents live at the Village due to proximity to campus 95.8%, cost 94.4%, and availability 94.4%

*Interactions (Positive/Very Positive): Student Leaders 92.4%, Facilities 88.9%, IT 93.1%, Front Office 90.2%, Mailroom 96.8%

*Resident Experience With: Check-In 95.2%, Assignment Process 44.5%, Laundry Room 69.5%, Monthly Cleaning Service 92%, Wi-Fi 59.4%, Study Areas 86.8%, Computer Lab 89.3%, Condition of Apartment 80%

We are generally pleased by the responses to our staff and programs by our residents. There were minimal changes in satisfaction, less than a 5% increase or decrease, in most areas. The largest increases in satisfaction were in the areas of Wi-Fi (up from 40.3%), the Assignment Process/room selection (up from 43%), Check-in, and Interactions with IT and Mailroom Staff. The largest decreases in satisfaction were in the areas of Apartment Condition, Laundry Room, and Interactions with Facilities Staff. We believe last year's short summer played a large part in the decrease in satisfaction, as it affected our ability to do maintenance projects and cleaning. Overall student satisfaction remains high, with room for improvement. We will continue our efforts to raise the satisfaction levels and respond to the needs our student customers.

Keys to Success

Keys to Success Items	Rank in Importance 10 to 1
Positive resident/customer relations	10
Safety and security	10
Maintain and improve facilities and services	10
Managing expenses	10
High Occupancy	10
Inclusive community	9
Enhancing technology for residents and staff	9
Positive staff relations	8
Positive relations with University and Foundation colleagues	8
Marketing	8

Corporate Culture

Customer/Client Perception	Unit Perception
Positive	Customer Service Oriented
Expensive	Fair Value
Helpful	Caring
Community Oriented	Familial
Fun	Social
Business Focused	Professional
Inflexible	Consistent/Fair
Strict	Educational/Developmental
Intrusive	Concerned with Safety/Security

Business Controls and Vital Factors

H

BUSINESS CONTROLS

*Budget Prep/P&L Reviews*Departmental Meetings*Monthly Goals*Position Descriptions*Individual Supervisory Meetings*Business Plan Preparation and Quarterly Reviews*Incident/Student Conduct Database*Daily Residential Education Duty Logs*Review of Pending Disbursement Vouchers*Maintenance Work Orders*Scheduled Property Inspections*Annual Residential Experience Survey*Occupancy Reports*Unit Management Structure

VITAL FACTORS

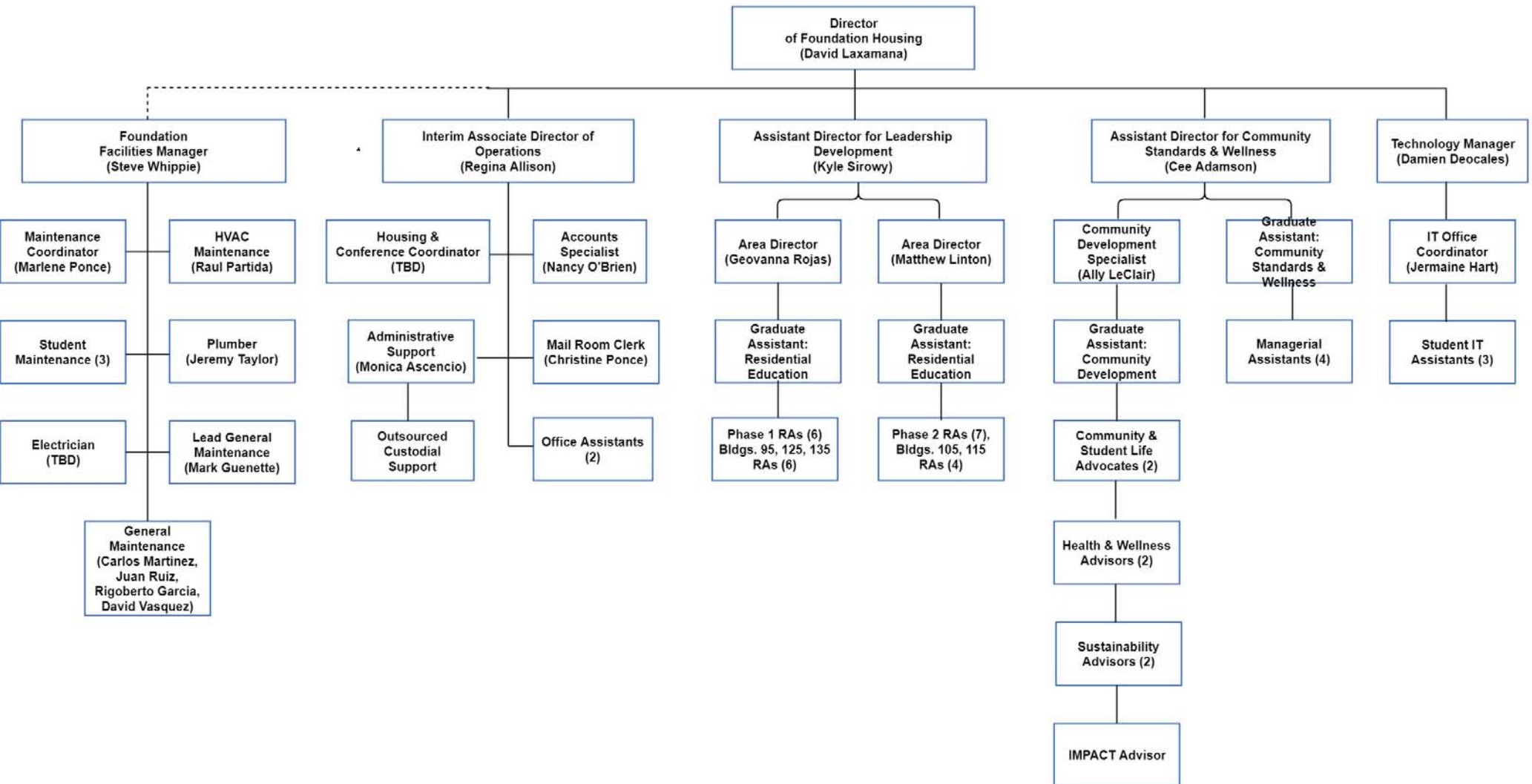
Actual to Budget Comparisons*Net P&L Compared to Budget*Occupancy-Retention and New Applicants*Consistency in Policy Implementation*Resident Accountability-Accountability to Residents (License Agreement-Community Standards)
*Incident Follow-up*Follow-up to student initiated appeals and grievances.


Asset Protection/Risk Management

All staff participate in first aid/CPR training and fire extinguisher training. Certain staff are also Evacuation Coordinators who undergo additional emergency management training. We expect to have our Business Continuity Plan developed by the beginning of the next academic year.

Organization Chart

UNIVERSITY VILLAGE ORGANIZATIONAL CHART 2019-2020



OPERATING BUDGETS
ENTERPRISES

FACILITIES MANAGEMENT

CAL POLY POMONA FOUNDATION, INC.

FACILITIES MANAGEMENT

2019 - 2020

BUSINESS PLAN

APRIL 2019

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Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation
FACILITIES MANAGEMENT
Consolidated Budget Comparison Summary
For the 2019-20 Fiscal Year**

	2018-19 Approved Budget	2018-19 Forecast	2019-20 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Sales		221		(221)
Total Revenues		221		(221)
Expenditures- Controllable				
Insurance	1,800	2,732	2,700	(32)
Repairs & Maintenance	5,400	7,526	9,375	1,849
Meals & Refreshments	300	200	240	40
Rent/Commissions	240	150	240	90
Services	(393,412)	(385,349)	(520,094)	(134,745)
Supplies	8,460	9,779	23,815	14,036
Telephone	8,400	8,400	9,000	600
Other	300	120	150	30
Total Expenditures- Controllable	(368,512)	(356,442)	(474,574)	(118,132)
Expenditures- Non-Controllable				
Depreciation	3,336	3,336	10,740	7,404
Rent/Commissions	600	400	600	200
Total Expenditures- Non-Controllable	3,936	3,736	11,340	7,604
Labor Costs				
Salaries & Wages	270,420	238,420	313,108	74,688
Employee Benefits	94,158	114,286	150,126	35,840
Total Labor Costs	364,578	352,706	463,234	110,528
Total Expenses	2			
Net Income	(2)	221		(221)

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

Facilities Maintenance is projecting to end the year on budget.

All goals outlined at the beginning of the year will be met.

Explanation of Proposed Fiscal Year Budget:

The Facilities Maintenance department operates as a purely supporting department and all costs of doing so are passed through to the enterprise units that they support on a pro-rated basis. Therefore, the budget reflects a zero net at the end of each month.

The costs of maintaining facilities for the Foundation are increasing. Labor costs are increasing as are the number of facilities we are responsible for. Additionally, many of the facilities and equipment serving them are aging. The demand on our staff has increased dramatically over the last several years and the department has done its best to keep up with the demands. A pro-active plan is being put into place to meet the increased demands in order to minimize the cost of outsourcing services.

Due to the transition to report now to the Director of Real Estate Development, as well as the addition of a significant asset (new dining commons) we anticipate personnel changes. We are evaluating the entire department operations, including current staffing and resources utilized by staff (ie: vehicles, equipment, maintenance shop, etc). We have already identified the need for an added staff member to specialize in appliance maintenance and repair. This position thus requires us to add a vehicle to the current fleet. Additionally, at least one of the current vehicles must be replaced for safety reasons.

Changes in Programs and Services for Proposed Fiscal Year:

The new dining commons will be maintained by Foundation. Additionally, the department is in need of structural changes including upgrade of its work order system.

Explanation of Proposed Fiscal Year Capital Requests:

There is one new vehicle and one replacement vehicle being requested.

The vehicle to be replaced is vehicle #201 - a 1996 Chevy S10 pickup truck which has incurred over \$8,000 in repairs and maintenance in the last 9 years. The vehicle has 140,000+ miles on it and continues to require repairs- currently the door hinges are failing and it is essentially deteriorating - it has been in one accident in the past and has outlived its useful life. Drivers have reported feeling unsafe while driving this vehicle.

Changes in Staffing:

We plan to add an appliance specialist in this next budget year.

Outlook for Next 3 Years and 4 to 10 Years Beyond:

Facilities Maintenance continues to review and consider all areas for process improvement and cost control opportunities. During the next year the two key areas to review for improvements include our approach for tracking the purchases and uses of consumable supplies and an inventory system for parts.

Improvement with the use of technology in the delivery of services and basic administration within the Facilities Maintenance function continues. The desired outcomes continue to be providing quicker response times and more complete and timely feedback to those who submit work requests.

Within the next 5 years we expect to replace 2 more vehicles and possibly 3 with similar type vehicles with a goal to use clean energy vehicles where feasible.

Major Projects and Business Goals for Proposed Fiscal Year

D

Action Steps	Person Responsible	Due Date
Evaluate all work flows for relevance and applicability	Steve / Marlene / Dave / Regina	10-15-2019
Complete summer work at Village	Steve	9-15-2019
Complete updating of existing Manager Plus system with added data and functionality	Steve / Marlene/Dining Services	8-1-2019
Evaluate and analyze all services agreement with vendors	Steve / Raul / Sandy	9-15-2019
Evaluate use of Manager Plus for inventory and equipment controls	Steve / Marlene	12/1/19
Create an internal committee to determine a plan for operation of the maintenance shop	Steve/Sandy	7/15/19
Implement plan for improvement of the shop function and cleanliness	Steve/Marlene/Staff	10/15/19
Implement upgrade of Manager Plus to cloud-based system	Steve/Marlene/Dining Services	6/1/20

Mission/Vision Statement

Foundation Facilities Management formed in July 1998:

- To support Foundation units by providing building maintenance, equipment management, and custodial services, in a timely, cost effective, and professional manner.
- To deliver preventive maintenance programs and technical support to all Foundation units.
- To keep critical Foundation services operating at levels required for operational effectiveness.
- To provide staff support, training, and to utilize all available resources in its endeavor to deliver timely and cost effective services.
- To continue to enhance the professional working relationships between Facilities Management and all Foundation units.

Strengths and Challenges

Strengths

- Good employee morale
- High levels of job skills with Facilities Management employees
- Ability to use contractors or in-house staff to deliver timely and cost effective services
- Excellent work order turn-around and very quick response time a majority of the time
- Strong centralized team

Challenges

- Improving communication with customers and staff
- Completing large projects in the time frame expected by requestors
- Educating customers on the role of Facilities Management in terms of projects versus repairs
- Appropriate oversight of outside service providers (i.e.: contractors)
- Understanding how to apply technology based solutions to areas in Facilities Management

Employee Survey

None completed this year.

Customer Survey

Results from 2017-18 survey at University Village:

2017-18

Interactions with Maintenance/Facilities Staff:	94% Satisfactory/Very Satisfactory
Promptness of response to maintenance requests:	63% Slightly/Moderately/Very Satisfied
Timeliness of repairs:	62.6% Slightly/Moderately/Very Satisfied
Repairs completed by Maintenance and Facilities staff have been:	91.4% Satisfactory/Very Satisfactory

This represents a 3.3% decline from prior year in area of interactions with staff, a 1.6% decline in area of promptness and a .5% decline in timeliness of repairs and a 3.8% decline in completion.

The results from the annual survey are very close to prior year and generally the same as the last 2 years. The timeliness of repairs needs improvement and while the department interacts well and responds quickly, the need to complete the jobs in a timely manner is often tied to staffing, which we will be improving in the coming fiscal year.

Keys to Success

Keys to Success Items	Rank in Importance 10 to 1
Quality services delivered by the facilities crew	10
Positive staff and employee relations	10
Thorough and clear communications	10
Fiscal accountability	10
Cross training of all facilities workers	9
Responsiveness	9
Improving core skills sets	9
Setting an appropriate example (professionally)	9
Organizational skills	9
Timely and accurate database information	8
Culture of teamwork	8

Corporate Culture

Customer/Client Perception	Unit Perception
Dependable	Adaptable
Important to their success	Flexible
The one to contact for emergencies	Responsive
Hardworking	Helpful
Communications could improve	Patient

Business Controls and Vital Factors

H

- Review budget and P&L's monthly, effect adjustments where necessary
- Review, prioritize, and respond to work orders daily and throughout each day
- Manage services agreements with contractors (e.g. boiler maintenance and HVAC maintenance)
- Review, prioritize, and complete projects and 30 day goals
- Respond to work orders within 24 hours of request
- Implement new work order system
- Attend monthly MMHR meeting and deliver updated status report on Facilities Maintenance
- Create standard procedure for procurement of outside contractors for both open P.O. work and special projects

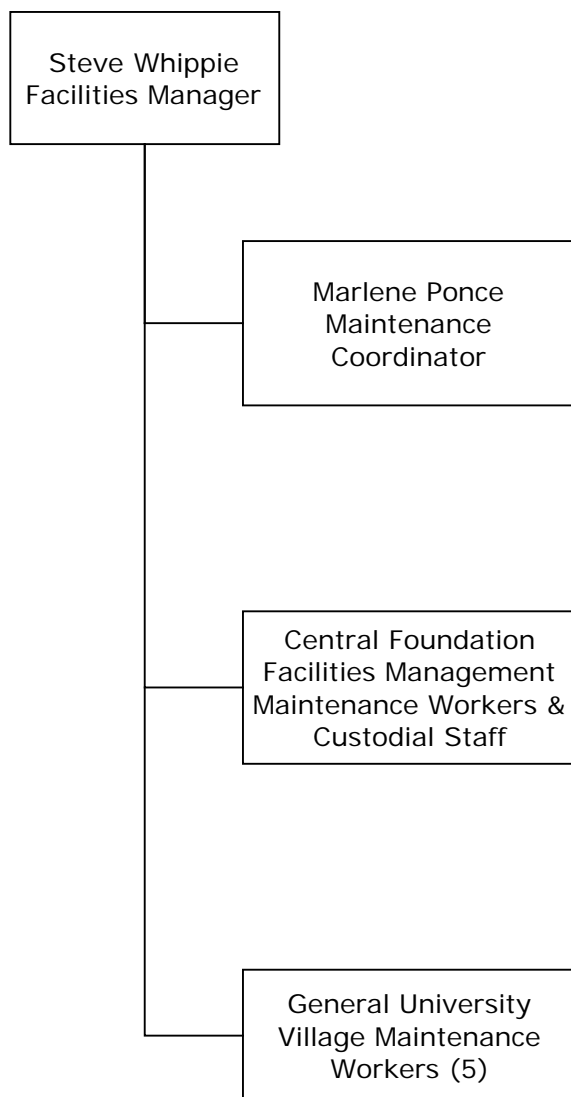
Asset Protection/Risk Management

While no asset protection appears to have been completed in prior years, there are several areas being reviewed for improvement currently:


1. vehicles
2. maintenance shop
3. maintenance storage area

Additionally, we are assessing any needs for safety training as well.

CAL POLY POMONA FOUNDATION, INC. "Quality Service Supporting Quality Education" FOUNDATION FACILITIES



April 2019

OPERATING BUDGETS
ENTERPRISES

BRONCO BUCKS OFFICE

CAL POLY POMONA FOUNDATION, INC.

BRONCO BUCKS OFFICE

2019-2020

BUSINESS PLAN

APRIL 2019

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Proposed Fiscal Year Budget

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**Cal Poly Pomona Foundation
BRONCO BUCKS OFFICE
Consolidated Budget Comparison Summary
For the 2019-20 Fiscal Year**

	2018-19 Approved Budget	2018-19 Forecast	2019-20 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Sales	158,602	175,493	184,500	9,007
Total Revenues	158,602	175,493	184,500	9,007
Cost of Goods Sold				
Total Cost of Goods Sold				
Expenditures- Controllable				
Meals & Refreshments	100		100	100
Advertising	1,000	1,398	1,000	(398)
Services	3,000	2,210		(2,210)
Supplies	31,608	24,869	32,208	7,339
Telephone	1,200	540	1,200	660
Other	400		400	400
Total Expenditures- Controllable	37,308	29,017	34,908	5,891
Expenditures- Non-Controllable				
Bank Card Fees	8,004	7,398	8,004	606
Other	2,424	2,413	2,424	11
Total Expenditures- Non-Controllable	10,428	9,811	10,428	617
Labor Costs				
Salaries & Wages	75,440	103,296	87,440	(15,856)
Employee Benefits	36,980	37,738	52,912	15,174
Total Labor Costs	112,420	141,034	140,352	(682)
Total Expenses	160,156	179,862	185,688	5,826
Net Income	(1,554)	(4,369)	(1,188)	3,181

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

The Bronco Card office is funded by the campus community using their Bronco ID card for their purchases on campus. Whether the card utilizes meal points, board meals or bronco bucks 2% of the purchase price helps to fund the Bronco Card Office. The main source of revenue for the office is from students on traditional board meals. This year the number of students in housing requiring a meal plan remained consistent at @ 1377 or 99% throughout Fall, Spring Semester has seen a slight decline to @ 1323 or 96% . In 2019-2020 all students in housing will be a "board plan." This change should generate more revenue for the card office.

Explanation of Proposed Fiscal Year Budget:

In the past suite residents were given an option of a traditional board meal or a meal point plan. In 2019-2020 the options all include a block of board meals. It is believed this change will have a favorable impact board revenue resulting in a favorable impact on Card Office revenue and is reflected in the budget.

Changes in Programs and Services for Proposed Fiscal Year:

There are no changes in programs or services of this office.

Explanation of Proposed Fiscal Year Capital Requests:

N/A

Changes in Staffing:

This year the office covered 2.0 full time employees.

Outlook for Next 3 Years and 4 to 10 Years Beyond:

The card office will continue to operate as it has been operating until further notice.

Mission/Vision Statement

To offer the campus community an added value to their campus ID card for convenience and ease in purchasing or accessing the services on campus including: Dining Services, Bronco Bookstore, rent at the Village, tickets at the ASI box office, groceries at the Farmstore or copies at an I&IT lab, Collins School, the Library and College of Agriculture . To create and support a cashless Bronco Card financial transaction system that Cal Poly Pomona customers view as convenient and valued tools to obtain retail campus goods and services.

Strengths and Challenges

Strengths

Challenges

- Student awareness of the campus card.
- Competition with credit cards.
- Promotion of Bronco card usage.

Employee Survey

N/A



Customer Survey

N/A

Keys to Success

<u>Keys to Success Items</u>	<u>Rank in Importance 10 to 1</u>
Promotion of the Bronco Access Card usage.	10

Corporate Culture

<u>Customer/Client Perception</u>	<u>Unit Perception</u>

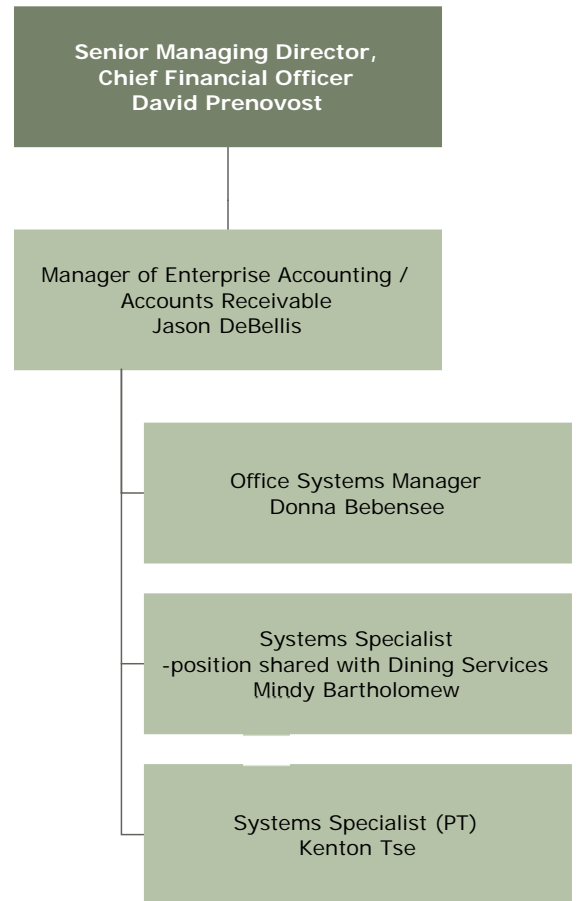
Asset Protection/Risk Management

Organization Chart

CAL POLY POMONA FOUNDATION, INC.
"Quality Service Supporting Quality Education"

BRONCO CARD OFFICE

- Support to Auxiliary Operations
- Meal Options
 - Gift Cards
 - CBORD
 - Accounting
 - Bronco Bucks



April 2019

OPERATING BUDGETS
ENTERPRISES

REAL ESTATE DEVELOPMENT

CAL POLY POMONA FOUNDATION, INC.

REAL ESTATE

2019-2020

BUSINESS PLAN

APRIL 2019

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**Cal Poly Pomona Foundation
Real Estate
Consolidated Budget Comparison Summary
For the 2019-20 Fiscal Year**

	2018-19 Approved Budget	2018-19 Forecast	2019-20 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Investment Returns	72,600	76,826	72,600	(4,226)
Other	167,650	142,719	139,620	(3,099)
Sales	4,551,323	4,297,892	4,304,594	6,702
Total Revenues	4,791,573	4,517,437	4,516,814	(623)
Expenditures- Controllable				
Utilities	393,634	388,692	411,902	23,210
Insurance	44,400	45,092	46,428	1,336
Repairs & Maintenance	1,853,409	1,747,785	1,501,954	(245,831)
Meals & Refreshments	300	200	300	100
Postage & Freight	120	80	120	40
Advertising	6,700	6,836	6,200	(636)
Rent/Commissions	12,600	9,000	9,000	
Services	791,244	329,906	381,166	51,260
Supplies	37,524	33,846	38,049	4,203
Telephone	5,400	6,446	7,500	1,054
Travel	5,925	400	1,575	1,175
REAL ESTATE FEES	35,004	18,155	35,004	16,849
Other	72,930	61,056	73,890	12,834
Total Expenditures- Controllable	3,259,190	2,647,494	2,513,088	(134,406)
Expenditures- Non-Controllable				
Administrative Fees	233,281	220,856	221,176	320
Depreciation	773,169	770,012	768,946	(1,066)
Interest Expense	67,652	69,079	61,240	(7,839)
Other	14,000	15,616	14,000	(1,616)
Total Expenditures- Non-Controllable	1,088,102	1,075,563	1,065,362	(10,201)
Labor Costs				
Salaries & Wages	197,676	209,711	206,640	(3,071)
Employee Benefits	77,154	80,132	112,146	32,014
Total Labor Costs	274,830	289,843	318,786	28,943
Total Expenses	4,622,122	4,012,900	3,897,236	(115,664)
Net Income	169,451	504,537	619,578	115,041

**REAL ESTATE
SURPLUS/(DEFICIT) BUDGET COMPARISON SUMMARY
FOR THE FISCAL YEAR**

DESCRIPTION	Actual YTD 3/31/18	2017-18 Actual	2017-18 Forecast	2017-18 Approved Budget	Actual YTD 3/31/19	2018-19 Forecast	2018-19 Approved Budget	2019-20 Proposed Budget
REAL ESTATE DEVELOPMENT								
220080 Center for Training Technology & Incubation	210,101	80,890	31,713	(3,860)	26,836	(99,921)	2,884	38,624
220010 Innovation Village - see Note 1	675,407	862,257	821,624	794,035	688,856	849,630	827,478	875,862
220050 Innovation Village/American Red Cross	4,019	(1,413)	-	-	8,828	-	-	-
220052 Innovation Village/Tramel Crow	(4,590)	(4,262)	-	-	6,023	-	-	-
220070 Innovation Village Common Areas	(52,302)	-	-	-	(50,644)	(1,624)	2	(2,262)
220250 Trammel Crow/I.V. Phase IV	(3,302)	(4,114)	-	-	4,093	-	-	-
459540 Spadra Farm	-	-	-	-	(313,977)	-	(418,632)	-
460760 Real Estate Campus Improvement	-	-	-	-	-	-	-	-
461890 Innovation Village Phase V	(3,523)	(5,017)	-	-	4,883	-	-	-
461900 Innovation Village Phase VI	-	-	-	-	-	-	-	-
462140 Support for Lanterman Operations	(392,046)	(525,274)	(500,000)	(500,000)	(426,209)	(500,000)	(500,000)	(499,983)
Total Real Estate Development	433,764	403,067	353,337	290,175	(51,311)	248,085	(88,268)	412,241
RENTAL Buildings								
200660 Building # 66 - Classrooms & Offices	136,530	172,297	181,491	148,802	120,795	163,117	178,153	146,102
190970 Building # 97 - Offices	114,397	155,399	155,084	137,643	123,233	171,985	160,378	163,590
200220 CTTi Building # 220A - College of ENV Studio	(98,423)	(140,793)	(153,142)	(167,352)	(107,438)	(165,523)	(166,032)	(171,912)
190330 Downtown Pomona Building	-	-	-	-	-	-	-	-
Total Rental Buildings	152,504	186,903	183,433	119,093	136,590	169,579	172,499	137,780
FACULTY/STAFF HOUSING								
Fund 11 Faculty/Staff Housing	59,897	191,163	84,641	164,237	56,555	86,873	85,220	69,557
Total Faculty/Staff Housing	59,897	191,163	84,641	164,237	56,555	86,873	85,220	69,557
GRAND TOTAL REAL ESTATE	646,165	781,133	621,411	573,505	141,834	504,537	169,451	619,578

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

Faculty/Staff Housing: The residential real estate market continued its growth pattern with only a slight slow down despite some uncertainties from Washington and increased interest rates. It appears we can expect slow improvement in the next fiscal year. Our program has matured to the extent that our homeowners are "graduating" out of the program by purchasing other homes. We expect several homes sold back to us in the coming year and expect as many as 40 faculty new-hires coming into Fall. In addition, home prices are rising modestly which may encourage homeowners who purchased early to sell. Lastly, some of the owners who have been with us a while are feeling the pinch of the gradual ground rent increases and are looking to move out of our program. We currently do not own any units at Fair Oaks Walk and 3 homes in the Kellogg Tract. 2 of the 3 homes in the Kellogg Tract are under renovation and will be on the market before the beginning of the fiscal year. We will be offering them to both faculty and staff, with priority to faculty new-hires as they come to us.

Campus South: We continue providing oversight of film locations contracting to generate revenue. Additionally, \$500,000 has been paid annually from Venture Capital/Real Estate Reserves pursuant to policy 172 to assist the campus in paying for its security and maintenance of the site as approved by our board. RSI contract expires June 2019 which we assume renews.

Innovation Village: Innovation Village is 65% complete with the balance of land currently being considered for campus development. As the campus works through its master plan, we have been unable to respond to inquiries in the market. We are currently in discussions with SCE for a 4th building and are exploring the possibility of building approximately 125,000 sq. ft. on their current Phase IV site. These are very preliminary discussions. Lastly, Foundation continues to - CONTINUED -

Explanation of Proposed Fiscal Year Budget:

All Real Estate operations are anticipated to operate in 2019-20 at similar levels experienced in 2018-19 including Campus South until this project is handed over to the campus development partner. It is anticipated that may happen in this following fiscal year but unlikely to change any of the current activity as they work through pre-development efforts.

Faculty/Staff housing program will see about the same number of sales even though our inventory has grown. There are a few on the horizon we anticipate being sold, but the volume will likely be the same between this year and next.

Innovation Village is holding steady. Trammell Crow has exercised its option to extend their commitment to the project through May 31, 2020. CTTi is at 100% occupancy and while we are talking to SCE about a new building, it is likely this project will take some time to work through considering we are not able to lease them additional land.

Buildings 66 and 97 continue to generate stable income with no major operational expense changes.

Changes in Programs and Services for Proposed Fiscal Year:

C

We anticipate a possible increase in demand for our services due to the CPP Campus South project, however they do remain somewhat tentative at this time.

Explanation of Proposed Fiscal Year Capital Requests:

Building 66 is in need of HVAC replacement and we have decided to add chilled water to the building to accommodate a chilled water system. This building was originally constructed in 1986, and is served by two custom Direct Expansion (DX) rooftop air handler units (AHU) to provide cooling. Both of these units were installed in 1986 and exceed the 15-year ASHRAE recommended median life expectancy for roof top air conditioners. The building heating hot water system is currently served by a single Raypak boiler that is also original to the building. A study was completed to investigate the best method of upgrading the existing AHUs and hydronic heating system, and it is recommended that chilled water AHUs be installed, instead of a replacement DX AHU. In opting for chilled water AHUs it would mean decreased energy consumption for the building by tying in to the campus chilled water loop, higher reliability as a chilled water AHU is inherently simpler than a DX equivalent, and lower maintenance as there are less components with the chilled water selection. The study also finds that while the existing Raypak boiler is sufficient to heat the entirety of the building, it is approaching the recommended median lifespan of operation, and so it is in the Foundation's best interest to also replace the boiler.

CONTINUED -

Changes in Staffing:

The department Director has been given the added responsibility of overseeing the Foundation Facilities Maintenance and Management department, thus there is added work load offset to the real estate department personnel. At this time, it is not likely we will need additional staff, but it is early in this transition and this may change in time.

Outlook for Next 3 Years and 4 to 10 Years Beyond:

REAL ESTATE DEPARTMENT: With the addition of the Facilities department oversight, it is possible we will need to add at least one staff member to the department in the future.

FACULTY/STAFF HOUSING: The program has reached maturity and much will depend on the campus and anticipated hiring of new staff. Additionally, it will depend on the administrations selection of a developer for CPP Campus South property. Should the campus hire a developer that builds a high percentage of housing, our program will not likely grow and may need to re-evaluate its effectiveness.

Mission/Vision Statement

It is the Real Estate Department's vision to be the premier source of real estate support and information to the Foundation and the University. By providing support to those seeking housing within the faculty and staff, as well as services relating to the commercial real estate industry, we hope to be the first place the campus looks for support in real estate.

We are doing this by responding to requests for market information as opportunities arise in both commercial and residential real estate. We are also doing this by responding to those seeking housing not just within our housing program, but also outside our program. While we cannot offer sales support to everyone looking to purchase a home, we can assist in the information gathering stage and refer to outside resources for both short term and long term housing needs. Additionally, as the campus administration requests, we assist high level recruits understand the local real estate market and provide support in their efforts to find housing.

Where office or lab space is needed, our first resource is Innovation Village. We are working with both campus personnel as well as the private sector to find tenants that complement the research park and support the mission of the University.

In addition, we continue to provide support to the campus as future acreage is master planned for public/private partnerships both currently owned by the campus and those being looked at for acquisition.

Finally, we continue to operate as the source for campus Development officers in the Advancement Office for due diligence, valuation, acceptance, management and ultimate disposition of donated real estate. In the past 10 years we have assisted in the acquisition of several properties - some have been held and managed by us, others have been immediately monetized. A solid pipeline of properties is currently being assessed for potential donation.

Strengths and Challenges

Strengths

- Well trained, knowledgeable, seasoned, and licensed professional personnel who continue to learn and grow
- Support from Foundation administration and management
- Culture of cooperation within the department and throughout the Foundation
- Knowledge and experienced beyond the CSU system
- Community involvement in Pomona Chamber and surrounding areas
- Collaboration with Facilities Maintenance and Management department

Challenges

- More demands on our time due to an ever changing real estate market and campus administrative changes in direction
- Required to take on new projects (donated property, Spadra, CPP Campus South) which require additional time and resources without commensurate salary review/modification.
- Added responsibility on Real Estate Department Director to manage the Facilities department
- Real Estate market that is still challenging and a lending environment that continues to create obstacles
- Lack of Executive Director impedes our ability to respond and work with the campus administration/faculty and staff

Employee Survey



Customer Survey

Keys to Success

<u>Keys to Success Items</u>	<u>Rank in Importance 10 to 1</u>
Supportive campus administration	10
Supportive Foundation administration and management	10
Talented and committed staff with vision and understanding of their field	10
Effective communication between staff and customers	10
Effective progress measurement tools	10
Culture of cooperation within the Department	10
Recognition and reward of staff achievement by management	8
Access to tools to perform efficiently and effectively	8
Education and personal development of staff	7
Experience in performing duties and years of serving campus	7
Contact and knowledge of general marketplace beyond the CSU system	5
Periodic review of workforce and demands on staff to maintain the highest level of service to our customer	5

Corporate Culture

<u>Customer/Client Perception</u>	<u>Unit Perception</u>
Pleased with high level of customer service	A campus Asset
Need to be more flexible with the components of the housing program	Providing the best available in the market today within our capability
Need to be more flexible with existing homeowners who have purchased in the program prior to the market downturn	Providing as much as we can with the resources available today but we have our own constraints and are subject to the market along side them
Institutional and Rigid	Entrepreneurial and service oriented
Entrepreneurial and creative in generating revenue	Given more responsibility and work without adequate compensation
	Think outside the box to problem solve
	Not always appreciated for what we deliver and the value added

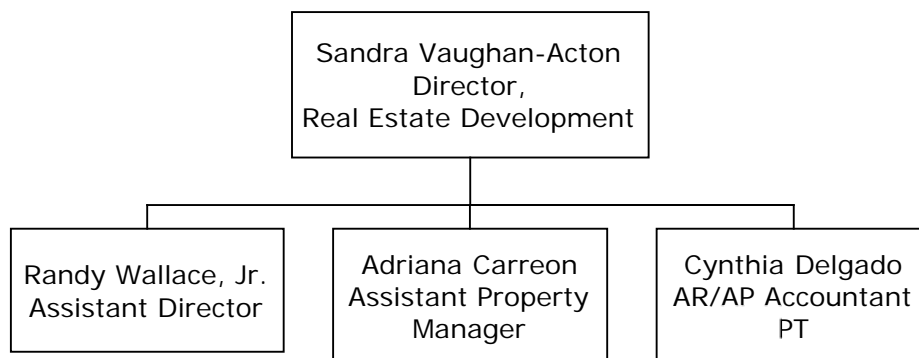
Business Controls and Vital Factors

- Business Plan
- 30 day goals
- Capital and operating budgets
- Board of Director input
- Monthly P&L reports and management review
- Monthly Accounts receivable aging report review
- Periodic updates to budget forecast
- Monthly department meetings to go over all activities
- Current market indicators and real estate reports on trends in the market
- Lender data on interest rates and loan programs being offered today
- CAR data on median housing prices, sales trends and inventory
- RELUI annual market outlook event
- Various brokerage reports on the commercial trends
- LAEDC and other economic development groups providing data on economic development
- Real Estate Research Council at Cal Poly Pomona - quarterly housing report and meetings
- IREM data on operating costs of commercial product and ongoing training and education
- IREM, NAR, ULI and CAR updates on legislation effecting the industry
- Department of Real Estate updates on laws impacting the sale and leasing of real estate and agents handling these transactions
- CAR forms and templates for use in residential transactions
- IREM and AIR forms and templates for use in commercial transactions
- Pomona Chamber of Commerce information on the local business climate and politics
- San Gabriel Economic Partnership for regional data on the business climate and politics

Asset Protection/Risk Management

Real Estate Department in the past has solely been focused on for sale housing and ground lease real estate at Innovation Village. As the Department has expanded to include oversight of marketing and managing CTTi, management of buildings 66 and 97, filming at CPP Campus South, as well as real estate donations and other ad-hoc assignments, we have begun looking at Asset Protection and Risk Management of all facilities. We are utilizing best practices in the industry to mitigate risk at all assets we manage and have a culture of risk avoidance in all our decision making as it relates to both the physical as well as financial risks associated with all that we do.

CAL POLY POMONA FOUNDATION, INC. "Quality Service Supporting Quality Education" Real Estate



April 2019

Continued - Outlook for Next 3 Years and 4 to 10 Years Beyond:

INNOVATION VILLAGE: We are constrained in our marketing efforts as we wait for the outcome of the campus master plan. Discussions are on hold with users interested in locating at Innovation Village. Additionally, the campus administration has added needs to provide temporary parking facilities as it works through other projects currently under construction. It is possible Innovation Village could reach 100% occupancy within the projected 10 year period depending factors beyond our control.

Continued - Overview of Current Fiscal Year:

CONTINUED: OVERVIEW OF CURRENT FISCAL YEAR:

Innovation Village:

As the campus expands its footprint in the project, Foundation is unable to recover common area maintenance costs otherwise allocated to the occupants of each parcel of land in the project. The anticipated cost to the Foundation for this fiscal year is \$64,620.

CONTINUED: CAPITAL PROJECT EXPLANATION:


Building 97:

We anticipate replacement of the automatic glass doors at the Counseling Center - it has reached the end of its useful life.

CTTI:

The Center for Training, Technology and Incubation has stabilized and we anticipate completing minor carpet change outs in tenant spaces as they turn over.

**OPERATING BUDGETS
SUPPLEMENTAL PROGRAMS**



**CONTINUING EDUCATION
PROGRAMS**

Cal Poly Pomona Foundation
CONTINUING EDUCATION
Consolidated Budget Comparison Summary
For the 2019-20 Fiscal Year

	2018-19 Approved Budget	2018-19 Forecast	2019-20 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other	85,000	152,412	95,000	(57,412)
Sales	4,493,035	4,244,527	4,029,424	(215,103)
Total Revenues	4,578,035	4,396,939	4,124,424	(272,515)
Cost of Goods Sold				
Total Cost of Goods Sold				
Expenditures- Controllable				
Utilities	64,000	72,830	73,200	370
Insurance	5,603	5,480	4,638	(842)
Repairs & Maintenance	21,300	20,500	22,600	2,100
Meals & Refreshments	58,450	50,496	51,550	1,054
Postage & Freight	7,200	5,950	9,360	3,410
Advertising	109,684	111,605	102,902	(8,703)
Rent/Commissions	130,384	57,710	60,392	2,682
Services	417,086	300,868	265,622	(35,246)
Supplies	94,836	129,448	113,300	(16,148)
Telephone	3,430	2,790	4,630	1,840
Travel	140,100	117,367	116,200	(1,167)
Laundry		500		(500)
Other	305,792	231,573	202,150	(29,423)
Total Expenditures- Controllable	1,357,865	1,107,117	1,026,544	(80,573)
Expenditures- Non-Controllable				
Administrative Fees	202,191	190,637	181,103	(9,534)
Depreciation	52,964	21,601	27,204	5,603
Rent/Commissions	7,000	8,030	11,620	3,590
Bank Card Fees	46,256	30,749	31,513	764
Other	45,674	18,195	19,095	900
Total Expenditures- Non-Controllable	354,085	269,212	270,535	1,323
Labor Costs				
Salaries & Wages	1,851,352	2,104,175	2,070,679	(33,496)
Employee Benefits	479,563	467,227	664,260	197,033
Total Labor Costs	2,330,915	2,571,402	2,734,939	163,537
Total Expenses	4,042,865	3,947,731	4,032,018	84,287
Net Income	535,170	449,208	92,406	(356,802)


**CONTINUING EDUCATION PROGRAMS
SURPLUS/(DEFICIT) BUDGET COMPARISON SUMMARY
FOR THE FISCAL YEAR**

DESCRIPTION	2017-18 Actual	2017-18 Forecast	2017-18 Approved Budget	Actual YTD 3/31/19	2018-19 Forecast	2018-19 Approved Budget	2019-20 Proposed Budget
<u>COLLEGE OF EXTENDED UNIVERSITY - Programs</u>							
283500 Administration	326,969	73,981	101,286	31,117	7,511	64,805	48,336
461820 Program Development	(259,373)	(284,897)	(311,613)	(218,878)	(312,430)	(292,520)	(440,562)
283071 Computer Programs	-	-	-	-	-	-	-
283072 Certificate Programs	-	-	-	-	-	-	-
283080 English Language Inst.	-	-	-	-	-	-	-
283610 Int'l Workshop and Training	-	-	-	-	-	-	-
283620 Quality Management	11,276	6,717	14,323	20,558	8,997	7,842	6,894
283630 Professional Project Management Program	24,026	24,897	23,008	30,861	15,821	22,272	3,290
283790 Leadership & Management	1,535	12,352	8,808	9,385	1,245	22,258	4,481
283060 Start-Up Programs	(150)	-	-	(169)	-	-	-
283076 Geographic Information	-	-	-	-	-	-	-
283073 Engineering & Manufacturing	66,414	108,184	27,153	259,445	177,564	156,198	111,591
460280 Summer Support @ CEU	(13,536)	262	(981)	2,502	-	(1,004)	(1)
460920 Business Comm & Grant Writing	12,596	7,144	-	7,406	3,620	8,380	3,966
460930 Accounting & Finance	-	-	-	-	-	-	-
460940 Math & Science	(1,759)	(3,806)	704	821	134	1,600	-
460950 Hospitality & Service Industry	12,342	14,538	6,186	61,388	17,305	126,156	30,082
460960 Civil Engineering Review	7,460	172	-	(17,339)	846	172	838
460970 Human Resources Management	6,530	4,275	2,200	19,147	7,130	3,128	4,605
460980 Building & Construction Management	39,777	30,930	16,780	89,961	35,537	27,459	14,616
460990 Ed2Go	7,268	4,000	528	6,778	1,805	4,000	730
461000 Art, Media, & Design	(6,545)	-	-	-	-	-	-
461010 Global Ed Programs Standard	157,432	216,730	125,117	341,509	100,255	141,492	86,100
461020 Global Ed Programs Camps	-	-	8,306	(73)	-	-	-
461030 CPELI Camps	1,441	(3,862)	3,223	-	-	-	-
461040 CPELI Standard	2,637	48,309	103,111	299,251	228,606	65,919	103,726
461840 Summer Camps	36,228	62,347	1,204	148,762	113,739	70,300	49,961
461950 IT, Web & Social Media	-	-	-	-	-	-	-
462120 CEU CPP Aviation Hospitality	59,853	30,504	-	196,122	105,636	51,754	31,070
462660 CEU Marketing Research	-	-	-	-	-	-	-
462760 CEU ASP	25,017	51,100	8,154	(101,980)	(64,113)	52,576	26,788
Total College of Extended Univ Programs	517,438	403,877	137,497	1,186,574	449,208	532,787	86,511

**CONTINUING EDUCATION PROGRAMS
SURPLUS/(DEFICIT) BUDGET COMPARISON SUMMARY
FOR THE FISCAL YEAR**

DESCRIPTION	2017-18 Actual	2017-18 Forecast	2017-18 Approved Budget	Actual YTD 3/31/19	2018-19 Forecast	2018-19 Approved Budget	2019-20 Proposed Budget
<u>COLLEGE OF ENGINEERING</u>							
381500 Non-Credit Learning Admin	(7,849)	(7,849)	174	-	-	-	-
381675 Civil Engineering Review	(28,715)	(28,716)	4,966	-	-	-	-
Total College of Engineering	(36,564)	(36,565)	5,140	-	-	-	-
<u>COLLEGE OF SCIENCE</u>							
406440 Chemistry Agilent Project	-	6,595	2,383	-	-	2,383	5,895
Total College of Science	-	6,595	2,383	-	-	2,383	5,895
<u>COLLEGE OF LETTERS, ARTS, AND SOCIAL SCIENCES</u>							
362030 GIS Certificate Program	-	-	-	-	-	-	-
Total College of Letters, Arts, and Social Sciences	-	-	-	-	-	-	-
<u>COLLEGE OF ENVIRONMENTAL DESIGN</u>							
460200 CCLAWS CERTIFICATE L+RS	-	-	-	-	-	-	-
Total College of Environmental Design	-	-	-	-	-	-	-
GRAND TOTAL CONTINUING EDUCATION							
	480,874	373,907	145,020	1,186,574	449,208	535,170	92,406

**OPERATING BUDGETS
SUPPLEMENTAL PROGRAMS**



**COLLEGE OF THE
EXTENDED UNIVERISTY**

CAL POLY POMONA FOUNDATION, INC.

COLLEGE OF EXTENDED UNIVERSITY

2019-2020

BUSINESS PLAN

APRIL 2019

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Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation
COLLEGE OF THE EXTENDED UNIVERSITY
Consolidated Budget Comparison Summary
For the 2019-20 Fiscal Year**

	2018-19 Approved Budget	2018-19 Forecast	2019-20 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other	85,000	152,412	95,000	(57,412)
Sales	4,478,433	4,244,527	4,014,822	(229,705)
Total Revenues	4,563,433	4,396,939	4,109,822	(287,117)
Cost of Goods Sold				
Total Cost of Goods Sold				
Expenditures- Controllable				
Utilities	64,000	72,830	73,200	370
Insurance	5,603	5,480	4,638	(842)
Repairs & Maintenance	21,300	20,500	22,600	2,100
Meals & Refreshments	57,450	50,496	50,550	54
Postage & Freight	7,200	5,950	9,360	3,410
Advertising	109,584	111,605	102,802	(8,803)
Rent/Commissions	129,112	57,710	59,120	1,410
Services	417,086	300,868	265,622	(35,246)
Supplies	94,836	129,448	113,300	(16,148)
Telephone	3,430	2,790	4,630	1,840
Travel	140,100	117,367	116,200	(1,167)
Laundry		500		(500)
Other	305,792	231,573	202,150	(29,423)
Total Expenditures- Controllable	1,355,493	1,107,117	1,024,172	(82,945)
Expenditures- Non-Controllable				
Administrative Fees	201,534	190,637	180,446	(10,191)
Depreciation	49,388	21,601	27,204	5,603
Rent/Commissions	7,000	8,030	11,620	3,590
Bank Card Fees	46,256	30,749	31,513	764
Other	45,674	18,195	19,095	900
Total Expenditures- Non-Controllable	349,852	269,212	269,878	666
Labor Costs				
Salaries & Wages	1,846,192	2,104,175	2,065,519	(38,656)
Employee Benefits	479,109	467,227	663,742	196,515
Total Labor Costs	2,325,301	2,571,402	2,729,261	157,859
Total Expenses	4,030,646	3,947,731	4,023,311	75,580
Net Income	532,787	449,208	86,511	(362,697)

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

When looking at the approved budget, we realize that we were overly optimistic with our projections. Unfortunately, the current fiscal year has been significantly impacted due to the continued decline in international student enrollments. CEU estimates that for the current 2018-19 year, we will end the year with total revenue of approximately \$4,411,035 which is approximately 3% below our approved budget for the year and a forecasted net of approximately \$456,933. Due to global and political impacts, every CSU has experienced substantial declines in international enrollments and CEU was no exception. Goals of achieving a 7% net for each department area (Global Education Institute - GEI, Cal Poly English Language Institute - CPELI, and Program Development - PD), will be reached and/or exceeded and CEU will result in a combined net of approximately 10%. GEI has had a strong year and will reach this target due to the highly effective recruitment strategies of this team that brought in more groups and students into the GEI and AHP programs. However, CEU is aware that a repeat to this level of performance will be contingent upon China relations with the US gaining strength as majority of the GEI business is dependent on government funding from China and several other Asian countries. CPELI will result in approximately a 15% net of their revised revenue due to several strategies implemented this year, to improve financial efficiencies despite the continued decline in international enrollments. One impacting new strategy occurred earlier this year when the former position of Associate Director of CPELI was shifted over to the ASP budget to focus on growing that program through emerging into new markets in Europe. Although CPELI's revenue is projected to decline by approximately \$168,778, from the approved budget, their net will increase to almost \$229,520 which is about \$163,597 more than their approved budget. The Program Development programs, experienced sizable growth in several program projects due to new courses that were added and increased marketing strategies and efforts. Although the revenues for all PD programs are anticipated to come in about \$175,676 less than the approved budget which was \$969,833, their net will remain strong at about 35% or \$282,600 of their revised total revenue of \$794,157.

Explanation of Proposed Fiscal Year Budget:

To keep our projections better aligned to support continued uncertainty, CEU was more conservative in our projections for the 2019-2020 fiscal year. The proposed budget includes a decrease in revenues of approximately 6% or \$280,253 generating a net surplus of approximately 3% or \$124,563. This is due to reduced revenue, reduced cost recovery fees to support operational expenses, staff salary and benefit increases, adding a new position to Program Development, and the increase in minimum wage to \$13/per hour and increased

Changes in Programs and Services for Proposed Fiscal Year:

Our changes in services for the upcoming year will be focused on identifying the a new vendor and web-based software product that will best meet the business needs of CEU, provide students will enhanced access and information and provide our instructors with efficient communication and progression tools need to support quality instruction. With our existing contract with Jenzabar scheduled to expire in December 2019, it will be critical for CEU to identify the new vendor and set up the new software with adequate time for testing and implementation well before the current vendor contract expires. A smooth and seamless transition for staff, students and the instructors, will be our focus along with security and compliance.

In terms of changes to our programs, CEU is currently working with the campus college partners to research viable online and hybrid courses that should be developed based on market research. We will also be working to expand our footprint with Workforce Investment Board centers and local businesses for partnership and contract training opportunities.

Explanation of Proposed Fiscal Year Capital Requests:

Changes in Staffing:

CEU has included a new full-time position in 2019-20 in the Program Development department to provide the support needed to keep growing and expanding CEU's breadth of programs. This new position will also focus on building new Workforce Development relationships and new business partnerships. It will also provide CEU with the opportunity to realign the current workload amongst applicable staff so that we can increase our quality of work. CEU also plans to add additional staff to support program growth and support within the Business Operations department, however, that will be contingent upon the impacts of international enrollments in FY19-20 as well as the actual revenue levels of our domestic career and professional development programs. CEU will reassess our financial status throughout FY 2019-20 and submit our requests for additional positions based on our finances.

Outlook for Next 3 Years and 4 to 10 Years Beyond:

Major Projects and Business Goals for Proposed Fiscal Year

D

Action Steps	Person Responsible	Due Date
Plan, build, and host Counterparts 2018 Conference (website, registration, schedule, program track, etc.)	Dir Bus Ops and conference team	
Continue moving/handling/storage of sensitive data from hard copy to secured online storage system	All	
Foster staff development through group trainings with a focus on effective communication & teamwork	Dean, Dir Business Operations	
Diversification of clientele and programs under CPELI and Global Education Programs	Dean and Directors	
Coordinate a unified marketing strategy and plan for all international programs,	Dean, Directors, MBD	
Expand courses in existing, and launch new Career & Professional Development programs	Dean, Program Development (PD)	
Formalize mechanisms for monitoring and reporting progress relative to the CEU Strategic Plan	Dean, Dir Business Operations	
Continue to pursue CEU/CPELI space options	Dean, Dir Business Operations	
Develop new custom reports to automate and continue to support business needs	Dir Bus Ops and CEU IT	
Expand Academic Studies Program (ASP) and CPELI instruction	Dir CPELI, Dir GEI	
Establish new process for accurately monitoring financial status continuously throughout the year	Director of Business Operations	
Establish communication plan and tools for students and faculty impacted by semester conversion	Bus Ops team and PD team	
Develop and implement process for informing and involving instructors regularly	Bus Ops team and PD team	
Identify new online survey system with customized surveys for each program with reporting capabilities	Dir Bus Ops and CEU IT	
Research and Implement e-signature solution for processing of instructor contracts	Dir Bus Ops and CEU IT	

Mission/Vision Statement

The Mission and Vision of the College of the Extended University directly aligns with, and supports, the Mission and Vision of Cal Poly

Strengths and Challenges

Strengths

One of the key (and essential) strengths in CEU is the maturing of relationship building across campus. Business Operations, Program Development, and our international operations personnel have all established strong, positive relationships with key partners and collaborators; with other colleges, departments and faculty; with the Foundation and with other Divisions. Based on these relationships CEU purposefully constructs programs so as to increase business with other campus enterprises such as the Village, Bookstore, KW (hotel and food services), Farm Store, etc. This should continue to serve us well going into the future. Another area of strength is in personnel. One strength that CEU has is the the growing opportunity to partner and contract with local and global businesses and industry partners that align with the expertise that resides in the eight academic colleges on campus.

Challenges

Major challenges continuing into the coming year include retaining top personnel, maintaining balance in international operations while dealing with uncertain global economic and political developments, and finding appropriate space for CEUs ongoing growth. CEU will need to expand our staffing in Program Development and Business Operations to support overall CEU business needs as new programs continue to roll out. CEU is challenged by having limited classroom space. We currently struggle to provide classroom space for our existing programs and finding additional classroom space to support further growth will be a necessity. Finally, in addition to economic slowdowns in key countries such as China, Korea and Brazil, the stability of international political relationships is tenuous and depends on the directions established by the current U.S. leadership. Other challenges include the lack of progression pathways for all staff, and the struggle to keep our pricing competitive.

Employee Survey

CEU distributed an employee survey before the end of the 2017-18 fiscal year to help guide management in planning and maintenance to build CEU to be one of the best places to work on campus as well as in the industry. As a follow up to the survey the Dean requested volunteers from the staff in the various departments to form a CEU Improvement Committee. The committee reviewed the top issues that were identified through the survey and they were asked to come up with some ideas and suggestions that would help CEU leadership to address the issues. The committee indicated that they would like to have more opportunities to hear from and to voice their ideas, suggestions and/or concerns to the Dean. They would like a "Donuts with the Dean" or "Pizza with the Dean" event a couple times per year. The events would not be mandatory for staff to attend but they could RSVP via Eventbrite. Staff could submit questions before hand that would be addressed by the Dean and Directors. There would also be an open forum and time for in person questions about the direction and vision of CEU and its multiple divisions. They would also like an internal newsletter created each term highlighting staffing updates, special projects, new initiatives, upcoming events, accomplishments, staff spotlight, budget, etc. Also, they would like some type of staff retreat in the summer, if or when the budget can support it.

One item that surfaced from the survey last year, was that they would like more information about the CEU budget. Since that feedback was provided from the survey, the Director of Business Operations has provided a focused update on one or more of the various CEU budgets at each of the 2018-19 CEU - All College Meetings to explain how they are built, their planned purpose or what that budget needs to support and how they are managed, while also addressing any questions and to solicit staff suggestions or ideas pertaining to that budget or for additional budget information that they would find helpful to learn more about in future CEU meetings.

Customer Survey

CEU continues to use customized student surveys in our different departments and programs (IC, GEI, CPELI, PD) and the staff from each department reviews the surveys to assess if any changes may be needed to the curriculum, facilities or supporting resources, instruction, etc. based on the student feedback. Recent surveys in GEI have expressed how pleased they are with the overall quality of the programs, the GEI staff, instruction, and the CPP campus, as demonstrated by several students in the AHP program. Some of the CPELI students that have been with us a while, have noticed the improved student areas within the CPELI buildings, following the new carpet installation and painting that took place in the administration building last year, as well as the realignment of furniture in several classrooms to be more appealing to the eye and to provide improved interactive learning environments. This past year included adding windows to the main Administration building, fresh paint and some new lobby furniture for students in the reception area and the student areas. Our Program Development students consistently share their appreciation for our knowledgeable instructors with extensive experience and expertise in their fields as well as their suggestion that we need to offer more classes. Students that participate in our Study Abroad programs through the IC, also share their strong appreciation for the faculty, the opportunity to learn in another country and experience the culture, and that more destinations should be made available. Based on the diversity of the programs under CEU, we have not identified a single, unified student survey that will meet the needs of each program, however, we are currently researching different on-line survey options so that this information can be collected digitally rather than in a hard copy format as we move forward and then our staff can review the results in a more timely and comprehensive format via survey reports.

Keys to Success

Keys to Success Items	Rank in Importance 10 to 1
Implementation of compliant and data secure business processes across CEU	10
Develop and launch C&PD programs aligned with market needs & CPP competencies	10
Revise and maintain the new websites for CEU, IC, and CPELI sites with recent, accurate information timely.	10
Develop a strategy for staff retention, professional development, and building team skills	10
Plan and implement an effective first Winter Inter-Session for CPP and CEU in January 2020	10
Diversification of international programs for CPELI and Global Education Programs into new markets.	10
Provision of the highest quality programs, services, and instruction.	10
Research and Identify new vendor and software to support CEU Registrations and payment processing	10
Reconstruct the CEU marketing strategy to align with the new CPP campus branding strategy.	9
Enhance CEU relationship with our faculty through scheduled trainings, events, and interactive communications	9
Measuring the progress of the CEU Strategic Plan.	8
Increase capacity of facilities to meet growth needs.	8
Increase online document/record retention and update documented processes and business strategies	7
Develop a culture of competency in CEU	7

Corporate Culture

Customer/Client Perception	Unit Perception
CEU External Customer's Perception:	CEU's Perception:
CEU provides quality education and valued instruction that is priced competitively but they would appreciate the implementation of proactive communication strategies for notification of upcoming, new or additional course offerings in their area of study as well as automated notification of any course cancellations. (CEU will seek resources needed to support this need during the RFP process for a new software vendor)	Quality education provider with remarkable opportunities to expand into new markets and design new valued programs. However, recognizing that efficient, updated, documented and automated processes and resources will be vital to our continued success. Staff have also expressed frustration in workload levels due to CEU operating with a very lean staffing structure. (CEU management reviews the budgets regularly to determine when revenue and net levels can support adding a new position
CPP Internal Customer's Perception:	
CEU has the ability to provide extended course offerings for the colleges.	
The colleges would like to see standardization of processes along with more efficient communication channels. (The PD team will focus on improved communication and assist potential partners with understanding the appropriate time-frame that is needed to launch a new program from point of concept so that all parties maintain reasonable expectations)	

Business Controls and Vital Factors

H

With identity and data theft concerns continuing to rise, CEU has focused on expanding the scanning of level 1 documents securely into OnBase rather than having hard copy files stored when possible. In 2018-19, CEU continued to expand our scanning processes into CPELI, VA certifications and Accounting. Upon implementation to these three areas that we expect to be completed in the 2019-20 fiscal year, all CEU departments that work with sensitive student data should be following this revised file storage and paperless process so that we keep sensitive data securely stored while also working in a compliant environment. CEU would like to express our gratitude to the talented staff that have voluntarily taken on responsibilities tied to scanning. Our progress to date and as we continue forward,

Asset Protection/Risk Management

CEU's most valuable asset is our personnel. For 2018-19, CEU has focused on filling vacant positions that occurred due to turnover from both the last and current fiscal years. CEU Business Operations, experienced turnover with two full-time positions, one due to a retirement and one due to a promotion. Program Development will also plan to hire one new Program Manager and is planning to replace the Associate Director of Program Development following their departure in the Spring due to retirement. CEU is currently working to fill those positions in the current fiscal year so that we are fully staffed and ready to support 2019-2020. Training of new staff remains a top priority this year and will continue to be as CEU continues to add new members to our team. CEU will continue to review our business processes, position responsibilities, staff training opportunities, cross-training opportunities, and staff advancement opportunities so that CEU is positioned to retain talented staff especially in high-demand, skilled positions.

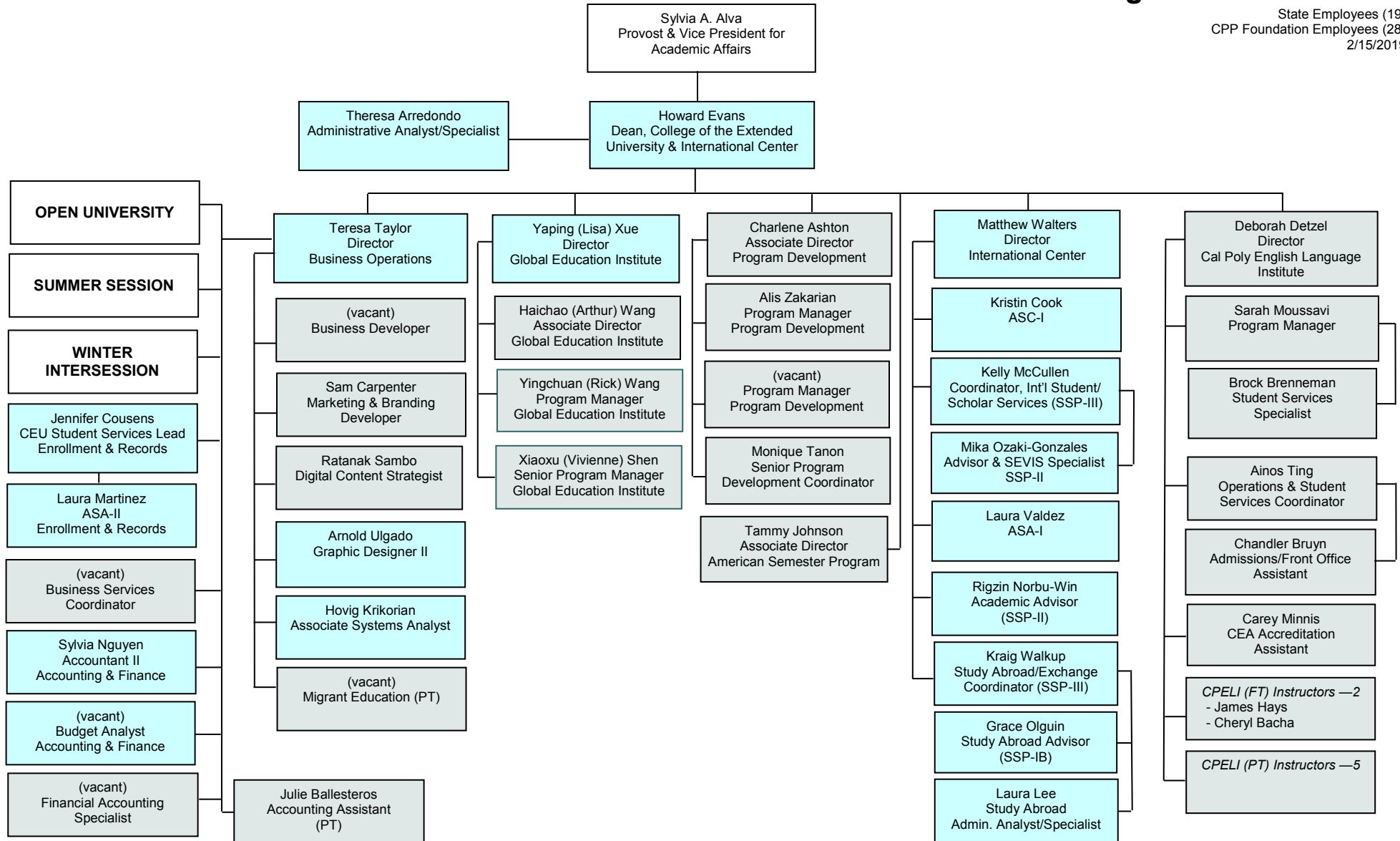
Organization Chart

I

College of the Extended University & International Center

Organizational Chart

State Employees (19)
 CPP Foundation Employees (28)
 2/15/2019



**OPERATING BUDGETS
SUPPLEMENTAL PROGRAMS**

COLLEGE OF SCIENCE

**Cal Poly Pomona Foundation
COLLEGE OF SCIENCE
Consolidated Budget Comparison Summary
For the 2019-20 Fiscal Year**

	2018-19 Approved Budget	2018-19 Forecast	2019-20 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Sales	14,602		14,602	14,602
Total Revenues	14,602		14,602	14,602
Expenditures- Controllable				
Meals & Refreshments	1,000		1,000	1,000
Advertising	100		100	100
Rent/Commissions	1,272		1,272	1,272
Total Expenditures- Controllable	2,372		2,372	2,372
Expenditures- Non-Controllable				
Administrative Fees	657		657	657
Depreciation	3,576			
Total Expenditures- Non-Controllable	4,233		657	657
Labor Costs				
Salaries & Wages	5,160		5,160	5,160
Employee Benefits	454		518	518
Total Labor Costs	5,614		5,678	5,678
Total Expenses	12,219		8,707	8,707
Net Income	2,383		5,895	5,895

AGILENT

406440

PROJECT SUMMARY FISCAL YEAR 2019-2020

SCHEDULE B

SUMMARY: The Chemistry Department [via foundation ownership] is in the tenth year of the agreement whereby Cal Poly Pomona administers and runs a West Coast training center for courses sponsored by Agilent Technologies. The current selections are software courses in support of Agilent equipment product lines in the chemical analysis area. The client source will be primarily comprised of small to large private companies and public agencies requiring training on newly purchased equipment. Quality course production and on-campus services for clients are essential for success. The current year is slow, no doubt due to the continuing corporate caution on spending. It should be noted that even when business is slow (such as this year when only two courses are planned), we can still generate a profit, since our overhead when we are not teaching courses is extremely low. We have completed the expansion of the training facility in Building 3, which can now accommodate up to 24 client-students. Future plans include the utilization of our software training facility for other (non-Agilent) software courses.

GOALS and OBJECTIVES: Since the contract was finalized [Jan 2000; PSA Revised in 2008] the project has moved forward with the following emphasis: a) create a solid business platform for the long term augmentation of resources and equipment acquisition for the Chemistry department and the College of Science, b) training Cal Poly personnel to be certified by Agilent Technologies to teach software and hardware courses, c) exploit higher revenue to expense ratios [r/e] for software courses, d) form constructive relationships with local Agilent sales and service people to assist in marketing and training of Cal Poly personnel, e) form constructive relationships with on-campus units to insure good communication that will support growth and quality, e.g., foundation financial offices and KW lodge/restaurant to host on-campus student clients, and f) develop business around the concept of consistent cash flow.

SHORTER TERM: Our goal for the coming fiscal year is to concentrate on teaching LC-MS (liquid chromatography-mass spectrometry) software courses. These courses have the largest enrollments as well as generating more revenue than our other (shorter) software courses. We have maintained the currency of our software instructor's training. We are also expanding the use of our own LC-MS so that our instructor maintains hands-on familiarity with the use and trouble-shooting of the LC-MS software interface.

LONGER TERM: In addition to building an income stream to help support equipment needs, we have always envisioned that the Agilent facility would also be available to teach specialized courses for students and faculty from the College of Science. On the financial side there are two major goals: a) marketing to existing owners, especially in the California market, and b) develop contacts with other industrial partners to teach other software courses. Our efforts to work with regional [Agilent] sales directors and service executives to improve marketing strategy are continuing. Agilent markets all courses and related products through their national educational division. Agilent has already given permission for KW to market and contact student-clients listed on class rosters, as information becomes available during the enrollment periods. Additionally, we are seeking to locate other companies that will utilize our software training facility and which will generate revenue when the facility is not being used for Agilent courses.

**OPERATING BUDGETS
SUPPLEMENTAL PROGRAMS**



**AGRICULTURAL AID TO
INSTRUCTION PROGRAM**

Cal Poly Pomona Foundation
AGR-AID-TO-INSTRUCTION
Consolidated Budget Comparison Summary
For the 2019-20 Fiscal Year

	2018-19 Approved Budget	2018-19 Forecast	2019-20 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other	62,600	25,696	41,255	15,559
Sales	3,594,700	3,591,371	3,929,638	338,267
Total Revenues	3,657,300	3,617,067	3,970,893	353,826
Cost of Goods Sold				
Cost of Goods Sold	690,060	682,050	719,080	37,030
Total Cost of Goods Sold	690,060	682,050	719,080	37,030
Expenditures- Controllable				
Utilities	82,798	74,404	87,625	13,221
Agr/RE Fees	381,150	341,019	359,575	18,556
Feed	93,000	34,558	63,808	29,250
Insurance	25,643	25,127	28,128	3,001
Repairs & Maintenance	47,650	53,782	62,647	8,865
Meals & Refreshments	38,930	14,107	31,970	17,863
Postage & Freight	4,571	4,360	3,967	(393)
Advertising	23,685	22,570	24,540	1,970
Rent/Commissions	20,740	29,727	17,004	(12,723)
Services	489,929	585,325	556,122	(29,203)
Supplies	204,516	209,036	223,458	14,422
Telephone	2,800	1,800	2,640	840
Travel	10,420	6,881	8,261	1,380
Laundry	1,350	1,700	1,500	(200)
Other	96,712	128,000	118,374	(9,626)
Total Expenditures- Controllable	1,523,894	1,532,396	1,589,619	57,223
Expenditures- Non-Controllable				
Administrative Fees	146,434	144,678	175,610	30,932
Depreciation	73,366	71,372	78,144	6,772
Rent/Commissions	1,809	1,809		(1,809)
Bank Card Fees	27,970	28,700	33,970	5,270
Other	9,500	14,360	14,800	440
Total Expenditures- Non-Controllable	259,079	260,919	302,524	41,605
Labor Costs				
Salaries & Wages	892,504	762,077	853,696	91,619
Employee Benefits	185,430	149,323	251,994	102,671
Total Labor Costs	1,077,934	911,400	1,105,690	194,290
Total Expenses	3,550,967	3,386,765	3,716,913	330,148
Net Income	106,333	230,302	253,980	23,678

**AGRICULTURE FUNDS
SURPLUS/(DEFICIT) BUDGET COMPARISON SUMMARY
FOR THE FISCAL YEAR**

DESCRIPTION	Actual YTD 3/31/18	2017-18 Actual	2017-18 Forecast Budget	2017-18 Approved Budget	Actual YTD 3/31/19	2018-19 Forecast Budget	2018-19 Approved Budget	2019-20 Proposed Budget
016200 Agronomy Farms	(337,860)	(490,470)	(429,507)	(508,546)	(202,639)	(226,366)	(397,830)	(206,541)
260200 Arabian Horse Show	(14,753)	(42,744)	(13,968)	(88,748)	(1,700)	-	-	-
020010 Beef Unit	(34,497)	(17,361)	661	8,618	14,075	27,651	2,614	85,976
022500 Beef Show Sale Project	-	-	-	-	-	-	-	-
027190 Consignment Sales	409	409	-	-	-	-	-	-
340010 Fruit Industry	12,127	5,039	2,764	11,548	(11,581)	(10,617)	221	(16,912)
300010 AVS Department Lab	(20,484)	(20,645)	(20,000)	550	-	-	-	-
320300 Ornamental Horticulture	6,641	42,419	5,209	5,530	16,463	34,291	7,043	14,885
193040 Pine Tree Ranch	8,781	(2,012)	120,326	13,130	(9,308)	85,668	59,766	(66,526)
420010 Llama and Sheep Unit	(4,507)	(9,540)	614	4,596	15,216	7,768	160	(10,191)
430010 Swine Unit	(6,202)	(4,373)	309	116	(3,880)	(5,334)	664	413
260220 Farm Store at Kellogg Ranch	89,119	85,488	1,480	19,627	34,590	2,195	29,809	1,148
460360 Petting Farm	(4,775)	3,808	(4,613)	-	17,592	5,904	(4,467)	1,188
350810 Truck and Trailer	57,939	59,580	57,360	-	(89)	-	-	-
350820 Pomona Organics St Project	-	-	-	-	(147)	-	-	-
428460 Vet Clinic	(12,795)	(12,501)	403	8,271	42,219	24,725	1,690	17,114
462300 Pumpkin Festival	49,738	42,969	56,007	86,182	28,020	19,197	56,745	25,355
462530 Westwind Ranch	201,271	66,638	171,660	326,398	168,585	245,363	339,626	402,302
462540 Wasmansdorff House-Pine Tree	(1,135)	(1,110)	(1,825)	11,149	(695)	(1,492)	(382)	156
462610 Agriscapes	21,373	(5,169)	6,323	(33,787)	31,964	21,349	10,674	5,613
Total	10,390	(299,575)	(46,797)	(135,366)	138,685	230,302	106,333	253,980

CAL POLY POMONA FOUNDATION, INC.

PLANT SCIENCE FARMING OPERATIONS

2019-2020

BUSINESS PLAN

APRIL 2019

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Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation
PLANT SCIENCES
Consolidated Budget Comparison Summary
For the 2019-20 Fiscal Year**

	2018-19 Approved Budget	2018-19 Forecast	2019-20 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other	41,600	23,896	25,000	1,104
Sales	2,762,800	2,629,372	2,871,680	242,308
Total Revenues	2,804,400	2,653,268	2,896,680	243,412
Cost of Goods Sold				
Cost of Goods Sold	616,920	596,000	643,140	47,140
Total Cost of Goods Sold	616,920	596,000	643,140	47,140
Expenditures- Controllable				
Utilities	81,298	72,769	84,114	11,345
Agr/RE Fees	368,930	315,450	334,685	19,235
Insurance	11,888	9,452	11,888	2,436
Repairs & Maintenance	39,150	40,045	48,190	8,145
Meals & Refreshments	15,200	4,060	5,650	1,590
Postage & Freight	3,996	4,000	3,492	(508)
Advertising	4,710	4,430	5,240	810
Rent/Commissions	6,000	17,877	6,000	(11,877)
Services	295,579	287,378	278,689	(8,689)
Supplies	128,146	113,674	116,808	3,134
Telephone	1,200	600	1,440	840
Travel	2,220	1,890	2,030	140
Laundry	1,200	1,500	1,200	(300)
Other	34,716	17,933	12,198	(5,735)
Total Expenditures- Controllable	994,233	891,058	911,624	20,566
Expenditures- Non-Controllable				
Administrative Fees	112,318	106,126	115,866	9,740
Depreciation	50,712	48,781	55,548	6,767
Bank Card Fees	25,200	25,200	25,200	
Other	9,500	14,360	14,800	440
Total Expenditures- Non-Controllable	197,730	194,467	211,414	16,947
Labor Costs				
Salaries & Wages	783,666	703,167	766,767	63,600
Employee Benefits	173,598	139,534	235,223	95,689
Total Labor Costs	957,264	842,701	1,001,990	159,289
Total Expenses	2,766,147	2,524,226	2,768,168	243,942
Net Income	38,253	129,042	128,512	(530)

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

During the past fiscal year, we completed a different model of budgeting and management for our farming operations, and from here forward, we should be able to adequately assess expenses at each unit. We shifted from an overall farm budget that includes all the various farming operations controlled by Plant Science to a model where we handle each operation as a specific enterprise. The budget this year reflects the individual enterprise model, making it possible to assign costs to the unit where they were incurred. This method of management increases our ability to manage and make decisions on each unit's budgets, improvements and opportunities for partnerships with growers and agribusiness and recoup costs from activities within the College of Agriculture. Although much of this shift was mostly accomplished last year, the process should be fully stabilized by next budget year when all income and expenses for each specific unit are attributed to that specific unit. Over the last two years, we have made significant changes to one of our major revenue generators, the Pumpkin Festival. Because this is now part of the AgriScapes budget, and because it is now generating a fair amount of revenue, it has changed the Plant Science operations budget as none of the revenue is reflected for Plant Science. It must be noted that although for bookkeeping purposes they are separate, the collective Plant Science budget should be considered together as in support of the educational mission. Specifically, WestWind Farm and Pine Tree are in place to support the on-campus farming operations.

Explanation of Proposed Fiscal Year Budget:

The proposed fiscal year budget includes the enterprise budgeting and accounting as described above. This will allow us to appropriately recoup costs from the various units that utilize crops and feed from our enterprises. However, it should be noted that the farming units should be considered together as supporting the educational mission.

The following changes will be implemented that will significantly increase our revenues for the Plant Science units below:

1. Increase the traffic and paying guest revenue for AgriScapes by increasing the opportunity for school visits, community based meetings, activities when on the farm and by making AgriScapes a better destination.
2. We recently completed a three-year transition to certified organic on 10 acres of land at Spadra Farm. This will allow us to instruct students in organic production methods, generate higher-value certified organic produce, and also to conduct research trials on organic production. However, because of the much higher labor requirement for organic production, the costs will be dependent on crops grown, and weed and pest pressure.
3. Pay labor costs from appropriate budgets for those activities instead of having the Agronomy Farm bear the costs of the labor, maintenance and equipment for other units. Much of this is reflected in the budget projections.. This includes labor and equipment for for maintenance of the landfill area, the vineyards, AgriScapes and pasture areas of both the Animal Science and Arabian Horse Center units.. This will greatly help to balance the budget for the Agronomy Farm.
4. Spadra Farm is the main educational unit for the Plant Science and Agricultural Science and as such not all activities generate funds nor should they be expected to, as we conduct research, and allow for student learning in addition to our production agriculture activities. We are working toward a better system to regularly provide on-campus units with fruits and vegetables we grow at Spadra and on campus, to help our students learn to grow to specific needs as well as generate more funds from our activities. This will also help the campus meet the needs of their "locally grown" requirements. The property at Spadra farm has greater potential to increase yield and revenue and also has more student labor available to maintain higher revenue crops. However, the on campus farming operations function to support our educational mission, and the additional units, (specifically Pine Tree and Westwind Farms) operate to support our educational mission and overall farming operations.
6. We are planning to complete Pine Tree Ranch renovation and establish a student presence to assist in management and utilization of the unit as an educational and research tool as well as a production operation, through donor funds.

Changes in Programs and Services for Proposed Fiscal Year:

The following changes will be implemented that will significantly increase our revenues for the Plant Science units below:

1. Complete implementation enterprise management and accounting, and recover costs for other units of the campus that have previously been borne by the Agronomy Farm.
- 2.. Continue to Increase the utilization of AgriScapes as a community visitor location that also generates revenue for the nursery and farm store. Hold numerous community meetings on various topics that are appropriate for southern California agriculture.
3. Upgrade irrigation and productivity at Westwind Farm in Chino by upgrading the irrigation system and utilizing GPS tractor
4. Increase the horticultural activities to add more seasonal crops (ie. poinsettias, hydrangeas, Tomatozania, Pepperzania) that generate traffic and revenue for the program.
5. Partner with OC Produce to generate additional funds and interaction with student activities.

Explanation of Proposed Fiscal Year Capital Requests:

We previously requested \$75000 from the Pine Tree Ranch Reserve to complete the renovation of that property. No new requests are being made this year. These funds will be used this year to complete the project.

Changes in Staffing:

1. We will continually hire student workers to assist on the farm and in other units. Because students are generally short term employees, we need to hire on a continuing basis. This will allow us to increase the production and revenue on the units closer to campus as labor has been in extremely short supply. Student labor is the least expensive option.
2. One full time field crew member has resigned and this position will not be rehired immediately. This should reduce Agronomy Farm expenditures by _____. In addition, the accounting services position (Shonnie Crane) is being split between Pine Tree and the Agronomy Farm, to facilitate her assistance with bookkeeping for that unit. This will also save funds for the Agronomy Farm.
2. No other increases in staffing.

Outlook for Next 3 Years and 4 to 10 Years Beyond:

We should see moderate improvements in the budget

Mission/Vision Statement

The Mission of the Plant Science Farming Operations is to provide appropriately-scaled agricultural operations in support of agricultural education and other student educational opportunities while collectively generating income to help offset the costs of operation.

Our vision is that the Plant Science Farming units will be recognized as a model for other institutions in providing innovative and highly effective instructional support and community outreach programs in a cost efficient manner.

Strengths and Challenges

Strengths

1. We are the only B.S. and M.S. degree-granting comprehensive College of Agriculture in southern California, where a very strong agricultural economy exists.
2. . Program numbers are growing steadily in Plant Science and Agricultural Science/Ag Business Management, (B.S.) and the M.S. option in Plant Science.
3. Job market is excellent and graduates generally have choice of jobs upon graduation.
4. Cal Poly Pomona students are highly regarded by the agricultural industry, and the alumni base is very strong.
5. Collaboration with other agencies, universities and programs is increasing rapidly.
6. Students in the program perform very well when compared to national competitive groups

Challenges

1. Aged buildings and infrastructure make it difficult to graduate students with cutting-edge knowledge.
2. Continuous pressure to increase productivity to cover expenses, though this may be counter to educational mission.
3. Increased costs associated with farming, including labor costs, equipment costs and regulatory costs.

Employee Survey

None available



Customer Survey

None available

Business Controls and Vital Factors

H

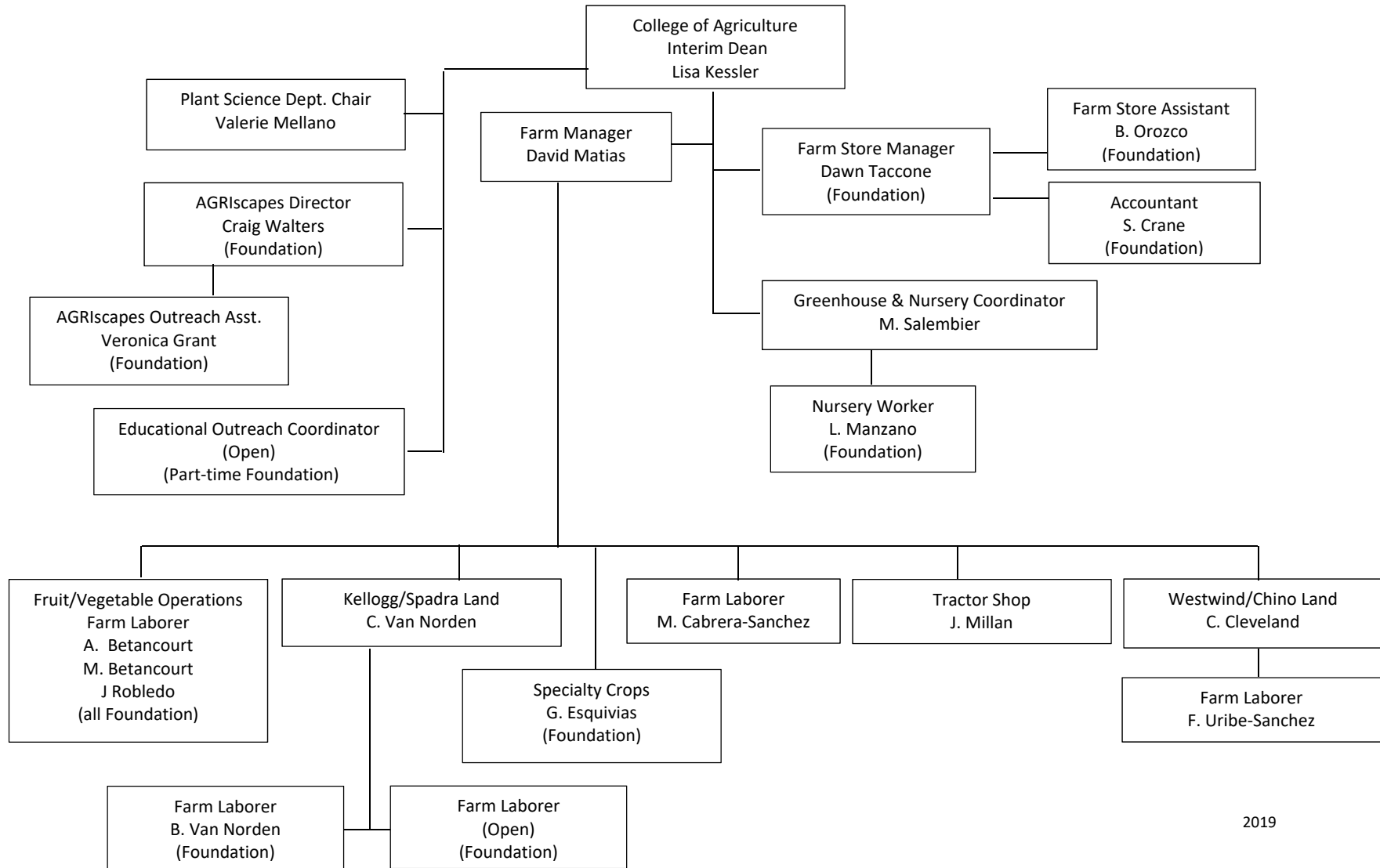
None

Asset Protection/Risk Management

Organization Chart

CAL POLY POMONA FOUNDATION, INC.
 "Quality Service Supporting Quality Education"

HUNTLEY COLLEGE OF AGRICULTURE – FARM UNITS



Continued - Overview of Current Fiscal Year:

Overall, the PLANT SCIENCE FARMING operations revenues for the current year are projected slightly higher than the original budget at \$1.66 million, while expenditures are expected slightly lower at \$1.63 million, resulting in a small net surplus of \$27,600 compared to a projected loss in the original budget.

The AGRONOMY FARM operations are expected to come in ahead of the original budget projection, revenues being upgraded from \$220,000 to \$252,000, and expenditures running lower than expectations at \$213,000 compared with \$256,000 in the original budget. The outcome is a reduction in the anticipated deficit from \$508,000 to \$430,000. ORNAMENTAL HORTICULTURE revenues are in line with original expectations at \$249,000, while expenditures are marginally higher at \$243,800, leading to a slight reduction in the budgeted surplus at \$5,200. PINE TREE RANCH projected revenues were increased significantly, from \$204,800 to \$293,400, while total expenditures are projected to be \$19,000 lower than originally budgeted at \$173,000. Consequently, the expected surplus is sharply up from \$13,100 to \$120,300. WASMANDORFF HOUSE revenues were revised down from \$14,400 to \$1,200 while expenditures were little changed at \$3,000. Consequently, the budgeted surplus of \$11,149 has been replaced by an expected deficit of \$1,800. FRUIT INDUSTRIES revenue projections are \$10,000 lower at \$160,000. Expenditures were revised marginally higher at \$167,200, giving a small net deficit at \$7,200 rather than a surplus. Although WESTWIND RANCH revenues were revised down from \$780,000 or \$700,000, a \$97,000 reduction in expenditures to \$359,000 is expected to produce a slightly larger net surplus than originally budgeted at \$340,700. AGRISCAPES revenues at \$109,800 are virtually unchanged, while expenditures were revised down from \$143,000 to \$103,500. The result is an expected surplus of \$6,300 compared with an originally budgeted loss of \$33,800. PUMPKIN FESTIVAL projected revenues were revised down from \$496,700 to \$377,000, while expenditure projections were cut by around \$90,000 to \$321,000. Consequently, the budgeted net surplus was reduced from \$86,200 to \$56,000. FARM STORE budgeted revenues were revised lower to \$1.02 million from \$1.08 million; with projected expenditures reduced from \$1.07 million to \$1.02 million. Consequently, the expected net surplus has fallen from \$19,600 to \$1,500.

Continued - Explanation of Proposed Fiscal Year Budget:

In aggregate, the PLANT SCIENCE FARMING revenues are projected at \$1.71 million for 2018/19, up 4% on the revised budget for 2017/18. Total expenditures are forecast at \$1.66 million, up 2%, and resulting in a projected net surplus of \$51,086, an increase of 84% on the current year's projection.

AGRONOMY FARM revenues and expenditure projections for 2018/19 are both down 8% on the current year budget at \$232,600 and \$630,400, respectively. However, the projected net deficit is also down 7% at \$397,800. ORNAMENTAL HORTICULTURE revenues are projected at \$261,000 in 2018/19, up 5%, while expenditures of \$254,000 are up 4%, resulting in a budgeted net surplus of \$7,000, an increase of 35% on the anticipated outcome for 2017/18. PINE TREE RANCH revenues are forecast 10% lower than the current year at \$264,200. At the same time expenditures are expected to rise 18% at \$204,400. Consequently, the expected net surplus is expected to halve at \$59,800. WASMANDORFF HOUSE revenues of \$4,000 are budgeted for 2018/19, with anticipated expenditures of \$4,400, resulting in a net deficit of \$400. FRUIT INDUSTRIES revenues are expected to rise 10% at \$176,500 in 2018/19, while expenditures are projected to be 20% lower at \$134,000. An overall net surplus of \$42,500 is budgeted, compared to a \$7,000 projected loss for the current year. WESTWIND RANCH revenues are budgeted at \$777,500, up 11% on the current year projection, while expenditures are expected to rise 22% to \$437,900. A net surplus of \$339,600 is expected, similar to the current year projection. Projected revenues for AGRISCAPES at \$117,200, are up 7%, while expenditures at \$106,500 are 3% higher compared to last year, with a net surplus at \$10,700, showing a 69% increase. PUMPKIN FESTIVAL revenues are expected to grow 6% to \$399,500, with expenditures rising slightly faster at 7% to \$342,800. An expected net surplus of \$56,700, is 1% higher compared to the current year projection. FARM STORE revenues are expected to increase 6% to \$1.09 million, while expenditures should rise more slowly at 4% to \$1.06 million. The budgeted net surplus of \$29,800 represents a twenty fold increase on the current year projection.

CAL POLY POMONA FOUNDATION, INC.

ANIMAL & VETERINARY SCIENCE FARM

2019-2020

BUSINESS PLAN

APRIL 2019

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Proposed Fiscal Year Budget

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Cal Poly Pomona Foundation ANIMAL VET SCIENCES Consolidated Budget Comparison Summary For the 2019-20 Fiscal Year

	2018-19 Approved Budget	2018-19 Forecast	2019-20 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other	2,000		4,755	4,755
Sales	252,200	284,689	370,658	85,969
Total Revenues	254,200	284,689	375,413	90,724
Expenditures- Controllable				
Utilities			1,211	1,211
Agr/RE Fees	11,920	23,219	22,790	(429)
Feed	90,000	29,858	59,008	29,150
Insurance	1,255	1,371	948	(423)
Repairs & Maintenance	7,400	11,837	10,457	(1,380)
Meals & Refreshments	3,850	3,417	3,120	(297)
Advertising	1,375			
Rent/Commissions	1,740	650	504	(146)
Services	19,550	57,247	60,733	3,486
Supplies	44,800	42,825	47,980	5,155
Telephone	1,150	1,200	1,200	
Travel	6,200	4,791	5,231	440
Other	17,546	21,732	18,356	(3,376)
Total Expenditures- Controllable	206,786	198,147	231,538	33,391
Expenditures- Non-Controllable				
Administrative Fees	10,168	11,388	31,792	20,404
Depreciation	11,662	12,031	12,036	5
Rent/Commissions	1,809	1,809		(1,809)
Total Expenditures- Non-Controllable	23,639	25,228	43,828	18,600
Labor Costs				
Salaries & Wages	18,026	6,000	6,000	
Employee Benefits	621	504	735	231
Total Labor Costs	18,647	6,504	6,735	231
Total Expenses	249,072	229,879	282,101	52,222
Net Income	5,128	54,810	93,312	38,502

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

Aggregate revenue projections for the combined AVS Farm operations at \$200,369 (at 6.5 months) are 88% of the budget for the whole year. An aggregate surplus of \$78,743 at the half year is also well ahead of projections. The revised annual forecast for AVS operations is now revenues of \$310,000 with a projected surplus of \$87,000. The Meat Lab (discontinued) and Truck & Trailer (completed) are excluded from these figures. Expenditures are at \$121,626 are running at 50% of the annual budget of \$246,671. We are again reducing herd size in sheep and beef to be better in-line with grazing resources. Our focus is on improved quality to maintain livestock sale figures. BEEF UNIT revenues are strong \$65,004 and are expected to reach \$100,000 annually. Total expenditures are on track and are expected to reach \$83,000. Within these, a sharp reduction in labor costs due to labor being moved to the state side, is offset by an increase in costs arising from livestock purchases and vehicle maintenance. The unit is expected to make a surplus of approx \$16,500. Program Fees are at 107% since they include boarding fees (\$10,565, should be under project code 5220). Program fee projections for labs can

Explanation of Proposed Fiscal Year Budget:

The AVS farming operations budget for 2019/20 projects revenues of \$254,200, and expenditures of \$249,070 and a net surplus of \$5,130. The figures are higher than respective comparisons (i.e., 11%, 10% and 158%) from 2018/19.

BEEF UNIT revenues are budgeted at \$90,100, and expenditures forecast at \$75,972, with a projected surplus of \$2,617. The surplus is greater than the \$661 forecast for 2018/19.

LLAMA & SHEEP UNIT revenues are budgeted at \$56,300, and expenditures at \$56,141, with a projected net surplus of \$159 which is comparable to the \$614 surplus from 2018/19.

SWINE UNIT revenues and expenditures were budgeted at \$44,300, and expenditures at \$43,636, with a projected surplus of \$664, which is about 50% greater than the surplus expected in 2018/19.

VET CLINIC revenues are budgeted at \$63,500, and expenditures at \$61,810, and a net surplus of \$1,690. The surplus is approximately a four-fold increase on the 2018/2019 budget, whereas the revenue and expenditure are approximately level with last year's revised budget.

Livestock markets in general continue to be depressed and feed costs continue to rise. If the proposed reallocation of beef pastures to horse pastures moves forward, it will have a negative effect on beef unit operations and budgets moving forward due to reduced grazing. Pastures are cheaper than buying feed.

Changes in Programs and Services for Proposed Fiscal Year:

No major changes.

Explanation of Proposed Fiscal Year Capital Requests:

Resurfacing of Swine Unit floors to enhance welfare of animals and safety of personnel.
Start a Poultry Unit to support teaching and research needs.
Procure equipment: gator for Swine Unit.

Changes in Staffing:

Dr. Broc Sandelin resigned and left for another institution. I took over from Dr. Sandelin in Spring Quarter 2018, as Interim Chair, and plan to continue providing leadership of AVS as Department Chair.

Outlook for Next 3 Years and 4 to 10 Years Beyond:

To be realistic, agriculture has many uncertainties that are affected by the vagaries of nature, economy, and political climate. The outlook for the next 3 years, including 4-10 years, is unknown due to a multiplicity of factors beyond the AVS program's control. Some of the factors include, future use of Spadra and Lanterman, rainfall, pasture availability, livestock and commodity prices, and our continued partnership with LA County with regards to participation in the LA annual County Fair. We will continue to strive for at minimum a break even budget across the remaining 4 AVS foundation farm accounts (i.e., Vet Clinic, Lamma and Sheep Unit (formerly Sheep Unit), Vet Clinic and Swine Units. Due to the popularity of the llama, we anticipate to get increased donations to the Lamma and Sheep Unit account.

Mission/Vision Statement

The mission of the Animal & Veterinary Science Farm units is to provide Agriculture Aid in instruction by assisting the Animal & Veterinary Science Department in teaching their hands-on laboratories in the Animal Science major (Pre-Veterinary & Animal Science general options) and Animal Health Science major.

Our vision is that the AVS Farm units will be recognized as a model for other institutions in providing innovative and highly effective instructional support and community outreach programs in a cost-efficient manner that supports California Agriculture and allied industries.

Strengths and Challenges

Strengths

We are the only 4 year college in Southern California that has a dedicated University Animal Science farm for use in teaching undergraduate and graduate students. The farm is also being increasingly used for research purposes with livestock and pastures. It will greatly benefit research by our MS students as we restarted a graduate program in Fall 2018

Our staff and faculty are knowledgeable, hardworking and dedicated.

Locally-raised, natural product (i.e., livestock) is a big selling point to consumers.

Challenges

Most of our facilities and infrastructure (buildings, fencing) are over 50 years old and in need of repair/replacement. Continued low level of state support for facilities and staff. Our faculty lines remain severely depleted and are not commensurate with increased numbers of students on the AVS and AHS Programs including students that are enrolling on the AVS minor, and the Equine Sciences minor programs that was started in Fall 2018.

Predation of livestock from coyotes is a continuing animal safety and personnel safety issue.

Continuing to find ways to generate additional revenue while controlling costs.

Employee Survey

N/A



Customer Survey

N/A

Business Controls and Vital Factors

H

N/A

Asset Protection/Risk Management

N/A

CAL POLY POMONA FOUNDATION, INC.

AGRISCAPES OUTREACH

2019 - 2020

BUSINESS PLAN

APRIL 2019

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Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation
AGRISCAPES
Consolidated Budget Comparison Summary
For the 2019-20 Fiscal Year**

	2018-19 Approved Budget	2018-19 Forecast	2019-20 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other	19,000	1,800	11,500	9,700
Sales	579,700	677,310	687,300	9,990
Total Revenues	598,700	679,110	698,800	19,690
Cost of Goods Sold				
Cost of Goods Sold	73,140	86,050	75,940	(10,110)
Total Cost of Goods Sold	73,140	86,050	75,940	(10,110)
Expenditures- Controllable				
Utilities	1,500	1,635	2,300	665
Agr/RE Fees	300	2,350	2,100	(250)
Feed	3,000	4,700	4,800	100
Insurance	12,500	14,304	15,292	988
Repairs & Maintenance	1,100	1,900	4,000	2,100
Meals & Refreshments	19,880	6,630	23,200	16,570
Postage & Freight	575	360	475	115
Advertising	17,600	18,140	19,300	1,160
Rent/Commissions	13,000	11,200	10,500	(700)
Services	174,800	240,700	216,700	(24,000)
Supplies	31,570	52,537	58,670	6,133
Telephone	450			
Travel	2,000	200	1,000	800
Laundry	150	200	300	100
Other	44,450	88,335	87,820	(515)
Total Expenditures- Controllable	322,875	443,191	446,457	3,266
Expenditures- Non-Controllable				
Administrative Fees	23,948	27,164	27,952	788
Depreciation	10,992	10,560	10,560	
Bank Card Fees	2,770	3,500	8,770	5,270
Total Expenditures- Non-Controllable	37,710	41,224	47,282	6,058
Labor Costs				
Salaries & Wages	90,812	52,910	80,929	28,019
Employee Benefits	11,211	9,285	16,036	6,751
Total Labor Costs	102,023	62,195	96,965	34,770
Total Expenses	535,748	632,660	666,644	33,984
Net Income	62,952	46,450	32,156	(14,294)

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

This is the first year for the AGRIScapes Outreach Division which includes the AGRIScapes Outreach Account #462610, Pumpkin Festival #462300 and the Petting Farm #460360. One additional component of the Outreach operation is the AGRIScapes Discovery Farm account which is a fund 8 and not part of this division for budgeting purposes. It is important to note that all operations under this division are self supporting from visitor fees and event proceeds, including all personnel costs. Operations also continue to provide significant employment opportunities for students.

AGRISCAPES OUTREACH:

Outreach activities and events continues in an expansion phase, adding new opportunities to connect with the greater community. Notably, in the current year we launched the Holidays on the Farm event which was well received in it's first year with more than 4,000 people attending. As outreach visitor attendance increases, there are positive spin-off effects for other operations at AGRIScapes, including the Farm Store, Nursery and Petting Farm.

We anticipate a continued increase in visitors to AGRIScapes in this fiscal year with the expansion of 'Spring on the Farm' Field Trips and Pick-Your-Own activities at Discovery Farm. The past year has also seen an increase in meetings and workshops held in the Visitor Center, including the 2nd annual California Coffee Summit. We again presented a nutrition program for school children at the LA County Fair in September based on the USDA MyPlate program.

Revenues for the current year are forecast at \$183,260 with a net surplus of \$23,290.

Explanation of Proposed Fiscal Year Budget:

AGRISCAPES OUTREACH:

The budget for '19 - '20 is \$186,600 in revenue with a surplus of \$8,100. Effort will focus on expanding outreach activities that connect the College to the greater community. We are uniquely sited to offer hands-on opportunities for visitors to interact with food production systems through tours, school field trips and pick-your-own events. Ongoing programs for expansion include:

- Spring field trips to the rebranded Discovery Farm
- Agricultural Education components in all of our programs including field trip curriculum
- Engagement through social media will continue to build connections with visitors and the community
- New Partnerships will enable the expansion of tours and workshops to both the campus and external audiences
- The new Holidays on the Farm winter event

Our students will continue to be a key piece of this operation through student work and service learning opportunities. AGRIScapes strives to play an active role in the dissemination of the knowledge of natural systems that underlie agricultural science.

PUMPKIN FESTIVAL:

We expect continued growth in both visitors and revenue in the coming year. The latter is projected to reach \$429,000 with a net surplus of more than \$25,000. We are continually improving the experience for visitors and opportunities for interaction. Working closely with campus departments, including public safety, the Festival is able to provide popular activities in a fun and safe environment.

Continued increases in revenues allow additional outreach potential for AGRIScapes to become a unique gateway and resource for the University. The Festival is fulfilling it's mission of providing outreach and exposure to the surrounding community by the Huntley College of Agriculture.

PETTING FARM:

We do not foresee any significant changes to the budget but do however hope to continue to increase revenue from increased activity in conjunction with AGRIScapes field trips and offering more opportunities for birthday parties with the animals. Revenues are projected at \$83,000 with a net surplus of \$1,400. We expect the open Petting Farm Manager position to be filled at some time during the upcoming fiscal year and expected surplus to be slightly above break even.

Changes in Programs and Services for Proposed Fiscal Year:

Activities continue to develop incrementally based on additional public demand. After 18 years, the AGRIsclapes original Master Plan is due for review and revision, we anticipate beginning the process to plan for the next phase of this unique property to meet demands on infrastructure.

The proposed budget reflects the completion of Discovery Farm which will offer many new opportunities for learning and exploration.

Explanation of Proposed Fiscal Year Capital Requests:

No capital requests are being made in this budget.

Changes in Staffing:

No staffing requests are being requested.

Outlook for Next 3 Years and 4 to 10 Years Beyond:

Increasing visitor demands will require improvements to infrastructure which the upcoming Master Plan review will highlight. As with all program activities, the goal is to create sustainable enterprises able to support their own growth and expansion.

The Pumpkin Festival and our Field Trip programs will continue to be a special opportunities for the Huntley College of Agriculture and it's students to engage with the broader community. There is a strong interest in family-friendly entertainment at a reasonable price and the AGRIsclapes urban farming environment is somewhat unique in the LA metro area. We see opportunities for continued growth for existing programs in the years ahead along with the ability to leverage this success to support expanding outreach activities year round with fiscal stability.

Mission/Vision Statement

The mission of AGRIsapes Outreach is to serve as the community connection for the Huntley College of Agriculture and Cal Poly Pomona, providing opportunities for young and old to experience agriculture in a fun and educational environment and to act as a gateway for future students

Strengths and Challenges

Strengths

There is a disconnect today between food production and the consumer. The Huntley College of Agriculture is uniquely suited to educate and train industry leaders and our location in the LA Metro area provides unlimited possibilities for growth. AGRIsapes is an integral part of this effort.

We are fortunate that the facilities at AGRIsapes are able to accommodate diverse programs and activities with room to grow.

Challenges

Our largest challenge relates to the dependence of student workers for ongoing operations which become more difficult during school breaks and Summer. We are slowly moving to add additional part-time personnel to provide additional consistent leadership.

Employee Survey

None available



Customer Survey

None available

Business Controls and Vital Factors

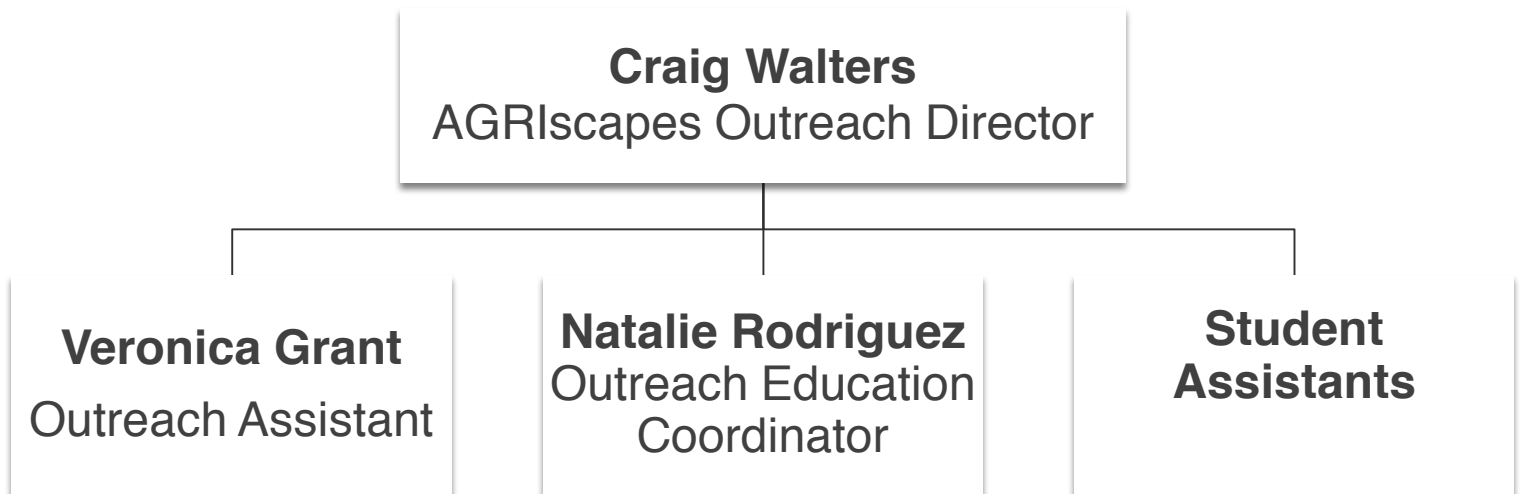
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None available

Asset Protection/Risk Management

None available

Organization Chart



Continued -Overview of Current Fiscal Year:

This year we have reassigned and filled an existing part-time position as AGRIsapes Education Coordinator. This person will focus on expanding outreach through field trips and tours with an emphasis on curriculum based education.

PUMPKIN FESTIVAL:

In it's 26th year, the Pumpkin Festival has grown from a small weekend gathering to what it is today. Now spanning the entire month of October, more than 120,000 people attended to find their perfect Pumpkin - still sold at only \$5 for any size. They also visited the Farm Store, Petting Farm and for many, had their first connection to Cal Poly Pomona.

The event has become more than self-supporting. All internal costs associated with producing the pumpkins, creating the corn maze, etc. are reimbursed - including funds to offset full-time staffing costs. The Festival also provides significant employment for students and opportunities for Agriculture student clubs to raise funds for their activities.

The current year's event saw an increase of approximately 15% in both attendance and revenues, the latter reaching \$420,300. Net earnings, at \$19,200, are now able to provide major support for the mission of AGRIsapes and the College of Agriculture to provide expanding educational experiences for the campus and broader community.

PETTING FARM:

Just prior to the start of the current fiscal year, administrative management of the Petting Farm was moved to the Director of AGRIsapes Outreach. This has served to more fully integrate the operations with other outreach activities at AGRIsapes. Supervision of animal health and care continues to fall under the AVS department.

The Petting Farm continues to increase in attendance from years past assisted by AGRIsapes field trips and aggressive marketing to local area schools and other venues. Revenues of \$75,500 with a net surplus of \$5,900 are forecast. We also have continued to make a stronger connection to education in the Petting Farm experience as field trips have grown to serve more than 12,000 children. A change in personnel this current year has led to a stronger dependence on student workers providing them with increased hands-on learning opportunities.

Continued -Explanation of Proposed Fiscal Year Budget:

CAL POLY POMONA FOUNDATION, INC.

OFFICE OF RESEARCH AND SPONSORED PROGRAMS (ORSP)

2019-2020

BUSINESS PLAN

APRIL 2019

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**Cal Poly Pomona Foundation
RESEARCH & SPONSORED PROGRAMS
Consolidated Budget Comparison Summary
For the 2019-20 Fiscal Year**

	2018-19 Approved Budget	2018-19 Forecast	2019-20 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Indirect Cost Recoveries	1,421,318	1,346,685	1,387,085	40,400
Total Revenues	1,421,318	1,346,685	1,387,085	40,400
Expenditures- Controllable				
Insurance	700	700	700	
Meals & Refreshments	9,300	8,857	9,300	443
Postage & Freight	300	300	300	
Advertising	400	595	400	(195)
Rent/Commissions	45,400	45,350	45,400	50
Services	158,480	157,037	158,480	1,443
Supplies	12,200	10,100	12,200	2,100
Travel	15,500	14,000	15,500	1,500
Other	362,839	410,551	318,136	(92,415)
Total Expenditures- Controllable	605,119	647,490	560,416	(87,074)
Expenditures- Non-Controllable				
Administrative Fees	595,935	571,493	588,638	17,145
Total Expenditures- Non-Controllable	595,935	571,493	588,638	17,145
Labor Costs				
Salaries & Wages	162,452	95,260	170,252	74,992
Employee Benefits	37,812	12,442	47,782	35,340
Total Labor Costs	200,264	107,702	218,034	110,332
Total Expenses	1,401,318	1,326,685	1,367,088	40,403
Net Income	20,000	20,000	19,997	(3)

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

The funds for this account and Business Plan are generated by grants and contracts awarded, when indirect costs (or "Facilities and Administrative costs") are received from the sponsor for each project. The current forecast for the account 190070, Office of Research and Sponsored Programs (ORSP) for 2016-2017 indicates that we will finish the fiscal year within budget: (A) The new Associate Vice President (AVP) for Research, Innovation and Economic Development, Dr. Sadiq Shah, was named in June, 2016. Dr. Shah brings an extensive experience in research combined with industry knowledge that would tremendously help our faculty and staff in their efforts to obtain external grant funding and build partnerships with regional and national businesses in support of their teaching, research, scholarship and creative activities. (B) Continued employment for an ORSP Associate and three (3) student assistants were sustained. Staff and student assistants are critical to the units for ensuring prompt campus services to faculty and staff engaged in externally funded research and in support of their human and animal care research protocol submissions. During the year there were staff changes, the Director position is now vacant, a search will start in the near future. One ORSP staff position remained vacant for an extended period due to disability leave, prior to active retirement. This staff position was recently filled. Additionally, the Administrative Assistant position in ORSP was also filled. Furthermore, instead of two student assistants in the Research Compliance Office a second position was created to maintain continuity. As students leave upon graduation it creates a gap in continuity. Thus a new full-time position on the state side was filled instead. (C) The Strategic Interdisciplinary Research Program (SIRG) is now in its fourth year of full implementation. Funding was budgeted at \$75,000 and another competition round will soon be scheduled. SIRG provides internal financial support to Faculty members who submit and win proposals for developing external grant/contracts. Five faculty teams (a total of 10 faculty members) have received funding under last year's program.

Explanation of Proposed Fiscal Year Budget:

The outlook reflects improving trends, with 2019-2020 projected revenues to be consistent with previous year's and continue to show improvements in the overall rates of indirect cost reimbursements on current awards. There appears to be indications of growth in grant expenditures which could be attributed to an increase in the number of active sponsored projects. There were several new and continued funding received from the U.S. Department of Education amounting to over \$6 million combined project costs; although little to no ICR recovery is allowed on these awards, per federal regulations. However, the McNair award will generate 8% ICR and two NSF awards for \$4.3 million and \$1 million were received and some of these will generate 46% ICR. During FY18 a total number of proposals submitted reached a record of 200 and 105 awards were received. Next year is expected to continue to show growth in the proposal volume. This year three large proposals for \$4 million are being developed. One is for the NSF Cyber Security Critical Infrastructure, the second for the NSF Improving Undergraduate Education at HSI institutions and the third for the ADVANCE program. There are several additional proposals under development targeted for NSF and other agencies. There is a potential that these proposals to various federal, state and other funding agencies would yield full ICR revenues.

Personnel changes (interim transitions and turnover) have not diminished the administrative support level in proposal development, grant processing, and contract negotiations. Preliminary data indicates that in the first six months the number of proposals submitted continues to be steady, over 100 proposals submitted so far.

Support of employment for student assistants will be reduced and Sponsored Programs Associate will be continued. Increases in employee fringe benefits costs reflect the expected increases in salary rates for 2019-20. Also, the two students in the OR Compliance Office are being replaced by a full-time Research Compliance Analyst on the state side. Two part-time student assistant will continue to be budgeted to assist with ORSP tasks. Student assistants in ORSP provide file processing, document routing, database input, and other vital help. This will ensure that we are able to complete documentation on all proposals submitted.

In summary, total revenues and grant expenditures indicate a stable trajectory from previous years.

Changes in Programs and Services for Proposed Fiscal Year:

In collaboration with the Cal Poly Pomona Foundation, Inc., the subscription to the online platform, Cayuse 424 system, has resulted in efficiencies in the approval processes.

The AVP for Research, Innovation and Economic Development has implemented several initiatives to promote and enhance competitive proposal development and submission. Majority of the proposals are being submitted to NSF, therefore, to enhance the competitiveness of the proposals, templates for the various sections of the NSF proposals have been developed and made available to faculty on the website based on Bronco Username and Passcode. Continue to promote the use of these templates. Continue to deliver Grant Writing retreat during the summer and workshops for Colleges of Letters, Arts and Social Sciences and Education and Integrative Studies during the academic year. For limited submissions, conduct internal competitions and provide feedback to all applicants. For large proposals formalize multi-disciplinary teams to maximize the chances for success.

Explanation of Proposed Fiscal Year Capital Requests:

None

Changes in Staffing:

Administrative Assistant left after six months for another job, and this position was filled again during the year. One ORSP staff retired and the position has now been filled on the state side. One new position was created on the state side for the Research Compliance Analyst to replace two part-time students. This allows for continuity and sustainability. The ORSP Director is no longer with the university and another search will be started shortly. It is also critical for ORSP staff to continuously receive training and professional development to enhance their knowledge base on CPP's grants/contracts policies and procedures, in ever- changing federal and sponsor regulations, fundamentals of research administration, and increasing complexities in regulatory requirements due to integration of many federal circulars into Uniform Guidance (UG). Staff training needs will continue to be assessed based on their experience level and knowledge gaps. Webinars are being used as a cost effective platform for training.

Outlook for Next 3 Years and 4 to 10 Years Beyond:

The potential for a significant growth in sponsored research activities for the next three years and beyond is promising if ORSP, Faculty and Staff receive adequate resources and grant seeking support to compete. Grant and contract activity on campus has significant potential considering new faculty hires over the next few years. We will continue to bring funding opportunities to the attention of faculty and form multi-disciplinary teams of faculty to go after large awards. It will be critical that we continue to provide training and tools for faculty to submit competitive proposals. The overall research environment is being "cultivated" to accommodate research-intensive new faculty through "Interdisciplinary Thematic Scholarly Communities" launched last year. We will continue to assess the staffing needs as the program grows.

Mission/Vision Statement

Mission/Vision Statement for the components of the Office of Research that are supported in any way by the Foundation funds being requested.

MISSION: The Office of Research advances learning and knowledge by providing leadership and support for Faculty, Staff and students in the pursuit of excellence in scholarly and service activities.

In pursuit of this mission, the following are the goals of the Office of Research:

- Provide leadership and support services to the University to increase grant and contract funding and to enhance Faculty, Staff and student participation in research and scholarly endeavors.
 - Facilitate the creation of external funding partnerships that benefit the University and its broader community.
 - Help Faculty, Staff and students comply with regulations governing research and sponsored programs, including the use of vertebrate animals and human subjects in research.
 - Support research involving animals through the Lab Animal Facility (Building 92).
 - Provide courteous, timely and professional service to Faculty, Staff and students.
- * Effective use of Cayuse424, the Web-based application/technology in proposal submission process that will enhance ORSP's service support level.

Strengths and Challenges

Strengths

Strengths:Continued interest by our faculty to develop proposals is strong and encouraging; the ORSP Staff exhibit exceptional teamwork but are frequently impacted by deadline stress and "rush" proposals; new OR initiatives bring fresh focus on external funding and related areas such as Tech Transfer, Undergrad Research, and Student Innovation; outstanding compliance continued on campus; a RSCA and SIRG programs were funded using both state and Foundation resources. Opportunities: the internal "SIRG" program offers strategic, interdisciplinary research support to faculty; major competitions for PUIs, STEM & HSIs continue to be opportunities; ORSP continues to promote Pivot, a web-based funding database; a new electronic proposal submission using Cayuse424 platform.

Challenges

There is vigorous national competition for external funds; improving but still tight state funding continues to be a significant challenge; ORSP continues to re-build and train the team; staff transition and turnover in ORSP, especially the Director position is critical; "rush" proposals stress ORSP staff; faculty concern for limited time to write proposals as a result of heavy teaching loads, especially vs. top research entities; the Lab Animal Facility continues to age but is being upgraded as funds allow. Despite these challenges, the future is promising at CPP: research-intensive new faculty, the number of applications for external funding is strong and increasing, the total dollars awarded are increasing; and CPP is winning significant grants with important benefits to our campus particularly our students.

Employee Survey

F

Due to personnel changes (interim transitions and turnover) employees survey was deferred.

Customer Survey

Due to personnel changes (interim transitions and turnover), these surveys will be conducted at a later date.

Business Controls and Vital Factors

Business controls are exercised keeping several vital factors in mind--

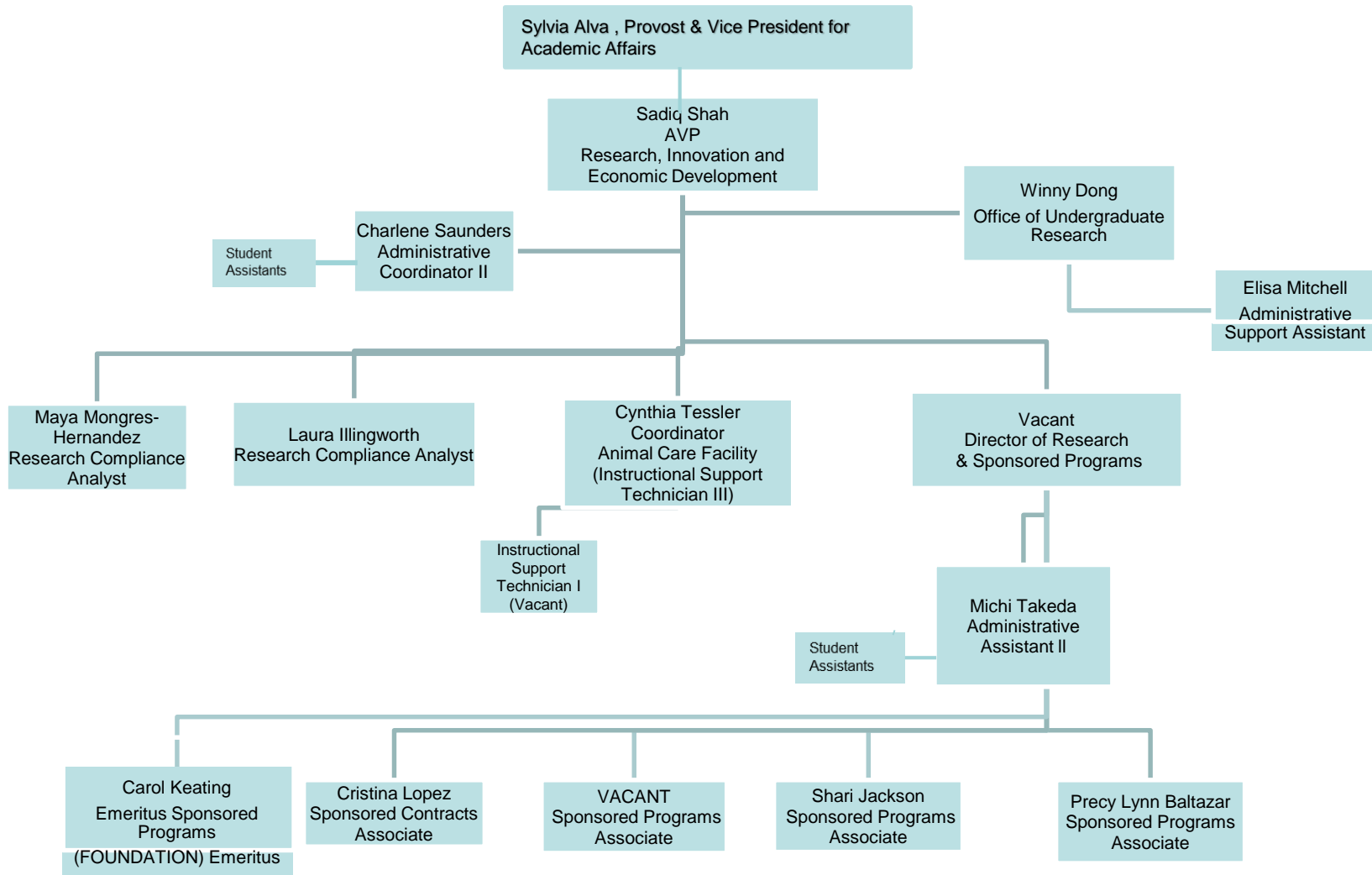
- Oversight of unit resources and budgets continues to be exercised through management and monitoring by the AVP Research and the AVP Research Administrative Budget assistant.
- Compliance is being maintained and wherever possible, strengthened by thorough protocol review and approval procedures. For example: multiple reviews and levels of approval by separate individuals (such as PI, Department Chair, Dean, Director of ORSP, AVP Research, Provost, CFO, and Foundation Manager and Executive Director) are incorporated into standard proposal approval processes.
- Specific sponsored program risks are further managed through supplemental approval requirements that vary according to "thresholds" determined by project-specific risk characteristics such as the project's dollar size, matching or other costs/impacts to campus.

Asset Protection/Risk Management

Organization Chart

I

Research, Innovation and Economic Development



Continued - Overview of Current Fiscal Year:

For the fiscal year ended June 30 2019, the projected grant/contract expenditure activity is estimated to be \$12,699,884. With an effective rate of 10.6%, the projected indirect cost recovery income is estimated to be \$1,346,685.

Continued - Explanation of Proposed Fiscal Year Budget:

For the fiscal year ended June 30 2020 the projected grant/contract expenditure activity is estimated to increase by 3 percent to \$13,080,847. With an effective rate of 10.6%, the projected indirect cost recovery income is estimated to be \$1,387,085.

OPERATING BUDGETS
UNRESTRICTED INVESTMENTS AND
FOUNDATION PROGRAMS

Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation
GENERAL INVESTMENTS
Consolidated Budget Comparison Summary
For the 2019-20 Fiscal Year**

	2018-19 Approved Budget	2018-19 Forecast	2019-20 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Investment Returns	1,991,383	550,300	799,476	249,176
Total Revenues	1,991,383	550,300	799,476	249,176
Expenditures- Non-Controllable				
Other	153,454	151,144	72,323	(78,821)
Total Expenditures- Non-Controllable	153,454	151,144	72,323	(78,821)
Total Expenses	153,454	151,144	72,323	(78,821)
Net Income	1,837,929	399,156	727,153	327,997

CAL POLY POMONA FOUNDATION, INC.
Proposed Fiscal Year - Project Summary - Schedule B

GENERAL INVESTMENT PORTFOLIO

Overview of Current Fiscal Year:

We are forecasting the general investment portfolio to generate a net surplus of \$400,000 and have a value of \$68.2 million by June 2019. The forecasted gain on equity for the remainder of the year is 3.9%; annual gain on alternatives is 4.2%; dividends is 1.69%; and fixed income yield is 3.48% or \$1,569,892. Distribution of the yield (interest) to the programs and scholarships is \$1,056,950. Total investment fees are forecasted to be 23 basis points (20 basis points to Graystone Consulting and the balance to third party account managers). The Foundation's administrative fee is 50 basis points off the yield (interest). We are forecasting the Private Equity in Commonfund to generate a net surplus of \$70,084

Explanation of Proposed Fiscal Year Budget:

At the beginning of July 2019, the portfolio value is proposed to be \$30.0 million as we expect to transfer about half of the portfolio to the Philanthropic Foundation. The transfer represents the restricted donations that will be administered by the Philanthropic Foundation. The proposed budget for the General Investment portfolio will generate a surplus of \$1.1 million and have a value of \$34.1 million in June 2020. The annual gain on equity is 3.9%; annual gain on alternatives is 4.2%; dividends is 1.69%; and fixed income yield is 3.48% or \$784,946. Additions to the portfolio include a total of \$2.0 million: \$1.0 million in September 2019 and \$1.0 million in February 2020. Distribution of the yield (interest) to the programs and scholarships is \$528,475. Total investment fees are forecasted to be 23 basis points (20 basis points to Graystone Consulting and the balance to third party account managers). The Foundation's administrative fee is 50 basis points off the yield (interest). The proposed budget for the Private Equity in Commonfund to generate a net surplus of \$70,080.

Changes in Programs and Services for Proposed Fiscal Year:

We will continue to monitor the short, mid and long term stratification of the program accounts to assist with the asset allocation of the portfolio.

Explanation of Proposed Fiscal Year Capital Requests:

None

Changes in Staffing:

None

Outlook for Next 3 Years and 4 to 10 Years Beyond:

Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation
UNRESTRICTED FDN PROGRAMS
Consolidated Budget Comparison Summary
For the 2019-20 Fiscal Year**

	2018-19 Approved Budget	2018-19 Forecast	2019-20 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Sales	630,174	868,010	868,008	(2)
Total Revenues	630,174	868,010	868,008	(2)
Expenditures- Controllable				
Services	614,504	846,426	846,420	(6)
Total Expenditures- Controllable	614,504	846,426	846,420	(6)
Expenditures- Non-Controllable				
Administrative Fees	15,672	21,584	21,588	4
Total Expenditures- Non-Controllable	15,672	21,584	21,588	4
Total Expenses	630,176	868,010	868,008	(2)
Net Income	(2)			

CAL POLY POMONA FOUNDATION, INC.
Proposed Fiscal Year - Project Summary - Schedule B

Unrestricted Foundation Programs

Overview of Current Fiscal Year:

The forecast includes the unrestricted Foundation programs (approximately 85 programs) that are not allowed to receive restricted donor funds. The forecasted revenues were forecasted by annualizing the year to date revenues. The administrative fee was forecasted by multiplying the annualized expenditures by 2.55% and the balance is the direct forecasted expenditures. The forecast is a break even so the expenditures were used and accounted for as services other in arriving at a break even forecast.

Explanation of Proposed Fiscal Year Budget:

The proposed budget includes the unrestricted Foundation programs (approximately 85 programs) that are not allowed to receive restricted donor funds. The proposed revenues were based upon the forecast. The administrative fee was budgeted by multiplying the annualized expenditures by 2.55% and the balance is the direct budgeted expenditures. The proposed budget is a break even so the expenditures were used and accounted for as services other in arriving at a break even proposed budget.

OPERATING BUDGETS
❧
**RESTRICTED INVESTMENTS AND
FOUNDATION PROGRAMS
(TO BE TRANSFERRED)**

Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation
ENDOWMENTS
Consolidated Budget Comparison Summary
For the 2019-20 Fiscal Year**

	2018-19 Approved Budget	2018-19 Forecast	2019-20 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Investment Returns	5,987,171	1,268,466		(1,268,466)
Other	812,004	3,272,114		(3,272,114)
Total Revenues	6,799,175	4,540,580		(4,540,580)
Expenditures- Controllable				
Other	4,283,177	4,235,018		(4,235,018)
Total Expenditures- Controllable	4,283,177	4,235,018		(4,235,018)
Expenditures- Non-Controllable				
Administrative Fees	487,212	529,547		(529,547)
Other	204,168	159,143		(159,143)
Total Expenditures- Non-Controllable	691,380	688,690		(688,690)
Total Expenses	4,974,557	4,923,708		(4,923,708)
Net Income	1,824,618	(383,128)		383,128

CAL POLY POMONA FOUNDATION, INC.
Proposed Fiscal Year - Project Summary - Schedule B

Endowment Activities

Overview of Current Fiscal Year:

The forecast is projected to generate a net deficit of \$383,128 due to market performance. The endowment portfolio's value is forecasted to be \$99.3 million as of June 2019. Working with our investment advisor at Graystone Consulting, a division of Morgan Stanley, we have forecasted a gain of 3.9% for the equity portion of the portfolio (excluding dividends) and a gain of 4.2% for alternatives for the remainder of the year. Annual dividends are forecasted to be 1.7% and fixed income yield to be 5.26%. Total investment fees are forecasted to be 20 basis points (10 basis points to Graystone Consulting and the balance to third party account managers). There are two internal fees charged per Policy # 133, a 5% fee on all donations and 0.75% fee for administration (excluding any terms specific to an endowment). Donations are forecasted to be \$2.4 million for the remainder of the fiscal year per the Division of Advancement. A distribution of \$4,235,018 was made in July 2018.

Explanation of Proposed Fiscal Year Budget:

The Endowment portfolio is expected to transfer to the Philanthropic Foundation and no budget is proposed.

Changes in Programs and Services for Proposed Fiscal Year:

Explanation of Proposed Fiscal Year Capital Requests:

No capital budget requested

Changes in Staffing:

Outlook for Next 3 Years and 4 to 10 Years Beyond:

Proposed Fiscal Year Budget

A

Cal Poly Pomona Foundation
RESTRICTED FDN PROGRAMS
Consolidated Budget Comparison Summary
For the 2019-20 Fiscal Year

	2018-19 Approved Budget	2018-19 Forecast	2019-20 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other	468,000	439,713		(439,713)
Sales	14,834,253	13,473,930		(13,473,930)
Total Revenues	15,302,253	13,913,643		(13,913,643)
Expenditures- Controllable				
Agr/RE Fees	48,000	43,000		(43,000)
Feed	75,000			
Insurance	1,500			
Repairs & Maintenance	8,244	14,000		(14,000)
Meals & Refreshments	6,000	6,000		(6,000)
Postage & Freight	2,400	2,400		(2,400)
Advertising	12,000	12,000		(12,000)
Rent/Commissions	3,048	1,000		(1,000)
Services	10,367,049	9,414,824		(9,414,824)
Supplies	49,962	49,962		(49,962)
Telephone	1,200	300		(300)
Travel	18,500	18,500		(18,500)
Other	78,650	106,060		(106,060)
Total Expenditures- Controllable	10,671,553	9,668,046		(9,668,046)
Expenditures- Non-Controllable				
Administrative Fees	272,566	249,844		(249,844)
Depreciation	11,796	14,196		(14,196)
Total Expenditures- Non-Controllable	284,362	264,040		(264,040)
Total Expenses	10,955,915	9,932,086		(9,932,086)
Net Income	4,346,338	3,981,557		(3,981,557)

CAL POLY POMONA FOUNDATION, INC.
Proposed Fiscal Year - Project Summary - Schedule B

Restricted Foundation Programs

Overview of Current Fiscal Year:

The forecast includes the restricted Foundation programs and scholarships (approximately 1100 programs that are allowed to receive restricted donor funds). The forecasted revenues of \$13.4 million were forecasted by starting with the year to date revenues and subtracting the endowment distribution and subtracting any new pledge that is material (this year the pledges are not material) arriving at net revenues without endowment distribution and new material pledges. The net revenues were then annualized and endowment distribution and new material pledges were added back arriving at total forecasted revenues. The administrative fee was forecasted by multiplying the annualized expenses by 2.55% assuming the direct forecasted expenditures will be 70% of the forecasted revenues. The forecast generates a surplus for the restricted programs.

Explanation of Proposed Fiscal Year Budget:

We are not preparing a proposed budget, as the restricted donor funds will be transferred to the Philanthropic Foundation in July 2019.

LONG TERM CASH PLAN/ RESERVES

LONG-TERM CASH PLAN/RESERVES – FISCAL YEARS 2021-30

The Cal Poly Pomona Foundation, Inc., 10-year Long-Term Cash Plan/Reserves focuses primarily on sources and uses of cash by incorporating the Foundation's various operations into the analysis. The plan was developed to proactively study the financial implications related to the Foundation's operations and programs, non-cash transactions, financing activities, capital projects, and reserves with special attention devoted to changes (improvement or deterioration) in financial conditions. As a result, the Long-Term Cash Plan/Reserves is a combination of forecasts by the various directors and managers.

The original plan was developed in 1997 and has been updated annually to include assumption in regards to new programs, operations, financing, capital projects, reserves and non-cash transactions. The plan was developed to provide the Foundation Board of Directors and management an opportunity to review the projected financial needs of the Foundation and the University in relationship to the financial condition of the Foundation. The plan forecasts the cash generated from excess surpluses, non-cash transactions, financing activities and reserve draw downs and cash used for current and projected capital projects, debt service for financing activities, designated gifts and fixed assets transferred for the benefit of the University and the funding of reserves as designed by Board approved policies.

The highlights of the Long-Term Cash Plan/Reserves for the ten fiscal years ended are as follows:

Sources of Cash:

- Total surpluses from operations - \$73.1 million
- Non-cash transactions – Depreciation - \$34.8 million
- Non-cash transactions – Post Retiree Medical Benefits – \$2.0 million
- Financing activities – Bond issuance for Dining Commons at Campus Market Place - \$10.0 million
- Reserve draw-downs - \$7.8 million
- **Total Sources of Cash - \$127.7 million**

Uses of Cash:

- Capital project requirements - \$34.7 million
- Financing activities – Principal loan payments - \$15.7 million
- Designated Gifts – 17.4 million
- Reserve contributions - \$19.2 million
- **Total Uses of Cash - \$86.9 million**

Net increase in Cash - \$40.8 million

Cash Available - \$64.6 million

The surpluses from operations for the ten years ended of \$73.1 million, net of depreciation and Post Retiree Medical Benefits, are generated from the following activities:

- Administration is projected to generate a deficit of \$16.2 million plus the withdrawal of funds from the VEBA Trust of \$4.3 million and depreciation of \$2.1 million will be used to pay for the capital projects of \$3.0 million.
- Real Estate (Innovation Village, Building Rentals & Faculty Housing) is projected to generate a surplus of \$13.3 million plus the non-cash depreciation of \$7.7 million to repay the capital request of \$1.5 million.
- Investments are projected to generate a surplus of \$9.6 million.
- Bookstores are projected to generate a surplus of \$4.0 million plus the non-cash depreciation of \$360 thousand to pay for the capital request of \$710 thousand.
- Dining Services are projected to generate a surplus of \$13.0 million plus the non-cash depreciation of \$6.8 million, financing of the dining commons of \$10.0 million and the capital reserve withdrawals of \$3.5 million to pay for the capital request of \$15.3 million (includes the dining commons of \$10.0 million), and pay the principal debt payments on the 2017A series bonds of \$4.3 million.
- Kellogg West is projected to generate a surplus of \$666 thousand plus the non-cash depreciation of \$320 thousand and the capital reserve withdrawals \$5.1 million to pay for the capital request of \$5.2 million.
- University Village is projected to generate \$42.4 million plus the non-cash depreciation of \$16.5 million used to pay the capital request of \$7.8 million and principal debt payments on the 2013 and 2014 series bonds of \$10.0 million.
- Supplemental Programs are projected to generate a surplus of \$6.4 million plus the non-cash depreciation of \$1.1 million to repay the balance on the CTTi's 2017 series bonds of \$1.3 million.

Non-cash transactions for the ten years ended of \$36.8 million include depreciation of \$34.8 million and post-medical retirement benefit accrual of \$2.0 million.

The surpluses from operations of \$73.1 million plus the non-cash transactions of \$36.8 million generate cash from operations of \$109.9 million for the ten years ended.

Financing activities from the issuance of bonds generates \$10.0 million to finance a portion of the construction costs for the dining commons at the Campus Market Place.

Reserve draw-downs generate \$7.8 from the capital reserve and Post Retiree Medical Benefit Trust for reimbursement for Medicare eligible retiree insurance premiums.

The majority of the capital project requirements of \$34.7 million are for the construction costs for the new dining commons and renovations and upgrades as follows:

- Administration will require \$3.0 million for upgrades to Building # 55, including executive conference room furniture and carpet replacement, Kronos Dimensions upgrades, Windows10 and desktop upgrades, analytics licensing and consulting services upgrades, financial system improvements-OneSolution upgrades, CDD to Cognos report conversion, Storage Workspace remodel, Mobile Device Management installation, Event and Space Management installation, Credit Card Monitoring Software upgrades, Kronos Upgrade to Workforce Ready, WinServer 2008/SQLServer 2008 Uplift, Migration to POD IAAS, Information Security Management Tools, and Ricoh DocumentMall Phase II installation;

- Real Estate will require \$1.5 million for HVAC replacement with chilled water system for building 66, building #97 reroof, and carpet replacement;
- Bookstores will require \$710,000 for HVAC replacement with chilled water system, Building 66 reroof, a van replacement, remodel of web order work area including storage fixtures, flooring, and interior paint, and replacement of store sound system;
- Dining Services will require \$15.3 million for the renovation of dining commons at building #97, cash register end-of-life replacement, POS/Micro market/Biometrics innovation initiatives;
- Kellogg West Conference Center and Hotel will require \$5.2 million for replacement of conference tables, renovation & upgrades to the main conference center hallways and public areas, replacement of 44 guestroom A/C & heating units in building 77, replacement of all present parking area, and Horse Hill Drive lighting with LED lights;
- University Village will require \$7.8 million for stairway railings Phase II, boiler tube bundles phase III, hot water storage tanks phase III, Wi-Fi upgrades, replacement of refrigerators, heating and cooling units in buildings, replacement of flooring for 15 apartments and recreation center, replacement of mattresses, water heaters, stoves, replacement of a maintenance truck, apartment 10-year refresh, and installation of anti-slip step covers for stairwells buildings;
- The financing activities of \$15.6 million represent principal payments per the debt amortization schedules as following:
 - Principal debt obligations for the CTTi 2017 series bonds of \$1.3 million;
 - Principal debt obligations of University Village Phase III 2013 and 2014 bond series of \$10.0 million; and
 - Principal debt obligations of Residential Dining Commons Facility 2017 bonds series of \$4.3 million.

The Designated Gifts on behalf of the University for the President's public relations, the Division of University Development and the Office of Research and Sponsored Programs are projected to increase 5% each year for a total of \$17.4 million.

The projected reserve drawdowns are \$7.8 million and contributions of \$19.2 million are as follows:

- Agriculture Program Reserve has a current balance of \$53,705 and there are forecasted contribution of \$54,795 and the withdrawal of \$33,500; there is no projected contribution or withdrawal, thus the projected balance is \$75,000, equal to the goal;
- Cafeteria State Share Reserve has a current balance of \$182,062 and there are no forecasted or projected contributions and withdrawal; thus the projected balance is \$182,062;
- Capital Reserve has a current balance of \$7.8 million and there are forecasted contributions of \$939,637 and withdrawals of \$3,132,835; and proposed contributions of \$333,039 and withdrawals of \$801,288; and projected annual increases of 3% for a total of \$3.9 million offset by \$3.5 million projected

withdrawals for capital requests; thus the projected balance is \$5.5 million versus a goal of \$6.0 million;

- Emergency Reserve has a current balance of \$120,037 and there are no forecasted or projected contributions or withdrawals; thus the projected balance is \$120,037;
- Indirect Cost Disallowance Reserve has a current balance of \$346,406 and there are no forecasted or projected contributions or withdrawals; thus the projected balance is \$346,406 equal to the goal;
- Innovation Village Demo Reserve has a current balance of \$94,572 and there are forecasted and proposed contributions of \$11,942 and \$12,313 and projected annual contributions of \$349,000 and no withdrawals; thus the projected balance is \$467,827;
- Insurance Reserve has a current balance of \$66,745 and there are forecasted and proposed contributions of \$51,201 and \$55,267 and no forecasted withdrawals; thus the projected balance is \$173,213;
- Pine Tree Ranch Reserve has a current balance of \$90,886 and there is forecasted contributions of \$42,834 offset by \$75,000 proposed withdrawals; thus the projected balance is \$58,720;
- Post Retiree Medical Benefit Reserve is a current net OPEB (GASB) liability of \$6,529,718, plan assets of \$7.3 million versus an actuarial accrued liability for benefits obligation of \$13.9 million; contributions to the Voluntary Employee Beneficiary Association (VEBA) are forecasted and proposed to be \$2.0 million, projected to be \$2.5 million and withdrawals are projected to be \$4.3 million; the net assets are projected to be \$16.3 million at June 2030 equal to the goal;
- CalPERS Pension Plan has the additional forecasted contribution \$896,007 to the 2%@55 Plan, and forecasted contributions of \$82,634 to the 2%@60 Plan and \$107,487 to the 2%@62 Plan; and projected 4.7 million contribution for the 2%@55 Plan.
- Research and Sponsored Program reserve has a current balance of \$49,252 and the forecast and proposed budgeted contributions of \$40,000 with no withdrawals and no projected contributions or withdrawals; thus the projected balance is \$89,252;
- PARS 457(b) Deferred Compensation Plan offers cash incentives to full time employees hired on or after March 1, 2009, for the purpose of encouraging employment longevity. These cash incentives would be contributed directly in to the PARS 457(b) Deferred Compensation Plan and start in 2019 and the projected payments for the ten years is \$1,207,000;
- Residential Board Meal Program Surplus Reserve has a current balance of \$3,108,107, the forecast budgeted contributions is \$261,950, there is no projected contribution; the forecasted and proposed withdrawals are \$1,034,170 and \$775,830; projected annual increases of 3% for a total of \$2.9 million and no withdrawals, thus the projected balance is \$4.4 million;
- Venture Capital/Real Estate Reserve has a current balance of \$2,049,446 there are forecasted contributions of \$536,936 and withdrawals of \$500,000; and proposed contributions of \$564,710 and withdrawals of \$500,000, and projected annual increases of 1% for a total of \$3.5 million and no withdrawal; thus the projected balance is \$5.7 million versus a goal of \$6 million.

The assumptions, estimates, forecasts and judgment by the management and directors of the Foundation are subject to risks and uncertainties over which there may not be control that could cause actual results to differ materially.

Factors that might cause such a difference include; unfavorable economic conditions, including ramifications of additional terrorist attacks and war, increased operating costs, shortages of qualified personnel, strikes, costly compliance to new regulations, risks associated with providing services to international markets, risks associated with expansion and renovations, competition (on and off- campus), decline in enrollment and use of campus facilities, unpredictability of completion of construction projects, employment and liability claims against the Foundation, proposals which are not awarded for grants and contracts and environmental liability and regulations.

Cal Poly Pomona Foundation, Inc.
 Long Term Cash Plan/Reserve
 (000's)

	18-19 19-20															Reserve	Reserve Goal	
	Actual	Actual	Actual	Forecast	Budget	Projections										Balances		
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2021-30		2030
SOURCES OF CASH																		
Excess of Revenue over Expenses																		
Administration				946	(1,622)	(1,622)	(1,622)	(1,622)	(1,622)	(1,622)	(1,622)	(1,622)	(1,622)	(1,622)	(1,622)	(16,220)		
Real Estate				505	620	739	995	1,000	1,323	1,342	1,348	1,352	1,708	1,736	1,756	13,299		
Investments				399	727	763	802	842	884	928	974	1,023	1,074	1,128	1,184	9,601		
Bookstores				64	223	400	400	400	400	400	400	400	400	400	400	4,000		
Dining Services				437	(432)	1,131	1165	1200	1236	1273	1311	1351	1391	1433	1476	12,967		
Kellogg West - Hotel & Conference				6	19	75	18	8	70	75	80	80	85	85	90	666		
University Village				3,291	3,506	3,700	3,900	4,000	4,100	4,200	4,300	4,400	4,500	4,600	4,700	42,400		
Supplemental Programs				700	366	570	584	598	613	628	642	658	674	691	707	6,365		
Unrestricted Campus Programs				-	-	-	-	-	-	-	-	-	-	-	-	-		
Total Surplus (Deficit) - Operations	737	6,873	3,381	6,348	3,407	5,756	6,242	6,426	7,004	7,224	7,433	7,642	8,210	8,451	8,691	73,078		
Non-cash transactions																		
Administration				165	210	210	210	210	210	210	210	210	210	210	210	2,100		
Real Estate				770	769	769	769	769	769	769	769	769	769	769	769	7,690		
Bookstores				80	36	36	36	36	36	36	36	36	36	36	36	360		
Dining Services				399	679	679	679	679	679	679	679	679	679	679	679	6,790		
Kellogg West				38	32	32	32	32	32	32	32	32	32	32	32	320		
University Village				1,720	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	16,500		
Supplemental Programs				107	105	105	105	105	105	105	105	105	105	105	1,050			
Depreciation	4,011	3,782	3,541	3,279	3,481	3,481	3,481	3,481	3,481	3,481	3,481	3,481	3,481	3,481	3,481	34,810		
CalPERS Unfunded Accrued Liability Adjustment				(1,690)		-	-	-	-	-	-	-	-	-	-	-		
GASB 68 - CalPERS Pension Expense			2,418															
GASB 45 - Post Retiree Medical Benefits	785	732	613	558	740	446	357	286	229	183	146	117	94	75	60	1,992		
Total Non-cash transactions	4,796	4,514	6,572	2,147	4,221	3,927	3,838	3,767	3,710	3,664	3,627	3,598	3,575	3,556	3,541	36,802		
TOTAL CASH GENERATED FROM OPERATIONS	5,533	11,387	9,953	8,495	7,628	9,684	10,080	10,192	10,713	10,888	11,061	11,240	11,785	12,007	12,232	109,881		
Financing Activities																		
Liquidity of Access Line			7,000															
Dining Commons - Bond Financing													10,000			10,000		
Total Financing Activities	-	7,000	-	-	-	-	-	-	-	-	-	-	-	10,000	10,000	10,000		
Reserve Draw Downs																		
Capital Reserve	1,469	733	-	3,133	801	309	318	327	337	347	358	369	380	391	403	3,539		
Venture Capital Real Estate Reserve	500	500	500	500	500											-		
Pine Tree Ranch Reserve				-	75											-		
Agriculture State Share Reserve				-	34											-		
Residential Board Meal Program Surplus Reserve			248	1,034	776											-		
Withdrawal of funds from Post Retiree Medical Benefit Trust	393	473	487	-	-	-	-	485	500	515	530	546	562	579	596	4,313		
Total Reserve Activities	2,362	1,706	1,235	4,701	2,152	309	318	812	837	862	888	914	942	970	999	7,852		
TOTAL SOURCES OF CASH	7,895	13,093	18,188	13,196	9,780	9,992	10,398	11,005	11,550	11,750	11,948	12,154	12,727	22,977	13,231	127,732		

Cal Poly Pomona Foundation, Inc.
 Long Term Cash Plan/Reserve
 (000's)

	18-19															19-20		Reserve	Reserve Goal
	Actual	Actual	Actual	Forecast	Budget	Projections										Balances			
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2021-30	2030		
USES OF CASH																			
Administration				207	259	270	375	424	250	258	244	315	289	285	240	2,950			
Real Estate				208	821	40	189	680	78	75	75	75	75	75	135	1,497			
Bookstores				263	1,279	20	20	295	20	45	45	55	20	145	45	710			
Dining Services				4,462	2,040	80	461	2,083	49	2,076	87	119	100	10,207	58	15,320			
Kellogg West				298	200	350	750	700	400	400	400	200	750	750	475	5,175			
University Village				274	738	850	767	747	820	880	621	756	738	813	795	7,787			
Supplemental Programs				129	110											-			
Prior Year Capital Budget Carryover					1,271											1,271			
Capital Project Requirements	5,628	498	2,236	5,841	6,718	1,610	2,562	4,929	1,617	3,734	1,472	1,520	1,972	12,275	1,748	34,710			
Principal - Village Phase III Bonds 2005																			
Principal - CTTi Bonds 2007	205	215														-			
Principal - Village Phase III Bonds 2013 & 2014	625	660	695	725	765	805	845	890	935	985	1030	1085	1095	1145	1205	10,020			
Principal - CTTi Bonds 2017 A & B			190	215	225	235	255	265	275	290						1,320			
Principal - Dining Commons Bonds 2017A						340	360	375	395	415	435	460	485	510	535	4,310			
Financing Activities	830	875	885	940	990	1,380	1,460	1,530	1,605	1,690	1,465	1,545	1,580	1,655	1,740	15,650			
Designated Gifts	1,209	1,050	1,198	1,692	1,317	1,383	1,452	1,525	1,601	1,681	1,765	1,853	1,946	2,043	2,145	17,393			
Other Changes- see note																			
Agriculture Program Reserve			-	55	-											-	75	75	
Cafeteria State Share Reserve																-	182		
CalPERS UAL 10-yr Amortization Model				1,086	705	781	724	650	608	626	645	664				4,698	6,489		
Capital Reserve	858	1,978	1,094	940	333	343	353	364	375	386	398	410	422	434	448	3,932	5,459	6,000	
Emergency Reserve																-	120		
Indirect Cost Disallowances Reserve																-	346	346	
Innovation Village Demo Reserve	7	11	12	12	12	30	32	33	34	35	35	36	37	38	39	349	468		
Insurance Reserve	44	-	-	51	55											-	173		
Pine Tree Ranch Reserve				43	-											-	59	75	
Post Retiree Medical Benefits Trust	1,000	1,000	1,000	1,000	1,000	1,000	1,000	515		-						2,515	16,317	16,317	
Foundation Longevity Pay Plan/PARS 457 Plan						2	12	33	57	87	116	162	211	247	280	1,207			
Research & Sponsored Programs Reserve	20	20	20	20	20											89	180		
Residential Board Meal Program Surplus Reserve	31	851	356	262	-	250	258	265	273	281	290	299	307	317	326	2,866	4,426		
Venture Capital/Real Estate Reserve	490	559	625	537	565	571	576	582	588	594	600					3,511	5,662	6,000	
Reserve Contributions	2,450	4,419	3,107	4,006	2,690	2,977	2,955	2,442	1,935	2,009	2,083	1,570	977	1,036	1,093	19,167	40,064	28,813	
Total Uses of Cash	10,117	6,842	7,426	12,479	11,715	7,350	8,429	10,426	6,758	9,114	6,785	6,488	6,475	17,009	6,726	86,920			
Net Change in Cash	(2,222)	6,251	10,762	717	(1,935)	2,643	1,968	579	4,792	2,636	5,163	5,666	6,252	5,968	6,505	40,812			
Cash Available	7,975	14,226	24,988	25,705	23,770	26,413	28,381	28,960	33,752	36,388	41,551	47,217	53,469	59,436	65,942	64,582			

Minimum Two Month Working Capital Reserve Required

7,799 8,230