

**CAL POLY POMONA FOUNDATION, INC.
CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA**

FINANCE COMMITTEE

**Wednesday November 19, 2014
11:00 am – 12:30 pm
Building #55 – Executive Conference Room**

AGENDA

CONSENSUS ACTION ITEMS

PAGE

Consensus Action Items: Items in this section are considered to be routine and acted on by the committee in one motion. Each item of the Consent agenda approved by the committee shall be deemed to have been considered in full and adopted as recommended. Any committee member may request that a consent item be removed from the consent agenda to be considered as a separate action item. If no additional information is requested, the approval vote will be taken without discussion.

- | | | | |
|----|---|---------------|-------|
| 1. | Minutes September 8, 2014
ACTION: Approval | Steven Garcia | 1 - 3 |
|----|---|---------------|-------|

ACTION ITEMS

- | | | | |
|-----|--|-------------------------------|---------|
| 2. | Annual Healthcare Renewal
ACTION: Approval | Paul Storey/
Dennis Miller | 4 - 6 |
| 3. | Covered Spousal Eligibility for 2015
ACTION: Approval | Paul Storey/
Dennis Miller | 7 - 8 |
| 4. | Flex Dollars Amendment
ACTION: Approval | Paul Storey/
Dennis Miller | 9 - 10 |
| 5. | Vacation Conversion Plan for 2015
ACTION: Approval | Paul Storey/
Dennis Miller | 11 |
| 6. | Withdrawal of VEBA Trust Funds
ACTION: Approval | David Prenovost | 12 - 25 |
| 7. | Salary Scale Revision
ACTION: Approval | Dennis Miller | 26 - 27 |
| 8. | Holiday Time Off at Year End
ACTION: Approval | Dennis Miller | 28 |
| 9. | Capital Budget Request-Sheep Unit
ACTION: Approval | David Prenovost | 29 - 30 |
| 10. | Capital Budget Request-Innovation Brew Works
ACTION: Approval | Paul Storey | 31 - 32 |
| 11. | Designated Fund-2015 Homecoming Event Request
ACTION: Approval | Paul Storey | 33 - 34 |
| 12. | 2014-2015 Budget Amendment for Village Housing
ACTION: Approval | Paul Storey | 35 |

DISCUSSION ITEMS

INFORMATION ITEMS

The following items provide information and reports by management staff to the committee. Staff and committee may engage in discussion on any item if requested by committee member or staff member.

13.	Financial Highlights 1st Quarter 2014-15	David Prenovost	36 - 47
14.	Annual Risk Management/Insurance Report	Dennis Miller/ David Prenovost	48 - 76
15.	Status of Capital Projects	Paul Storey	77 - 79
16.	Executive Director's Report	Paul Storey	

OPEN FORUM

CAL POLY POMONA FOUNDATION, INC.
Finance Committee Meeting Minutes
Sept 8, 2014

Present: James Cox, Marten denBoer, Rachel Dominguez, Steven Garcia, Darwin Labordo, John McGuthry, David Speak and Michelle Stoddard

Absent: Rebecca Gutierrez-Keeton, Jack Kulp, Oliver Santos, and Mickey Segal

Visitors: Sandy Vaughan-Acton, Anne McLoughlin, Dennis Miller, David Prenovost, and Paul Storey

CALL TO ORDER

Dr. Garcia called the meeting to order at 11:00am and asked everyone to introduce themselves.

1. Approval of Minutes for May 8, 2014

The minutes for May 8, 2014 were approved by consent.

ACTION ITEMS

2. Innovation Village Phase V

Paul Storey shared a Marketing video with the Committee that outlines the concept and history of Innovation Village. Innovation Village is currently 50% completed and approximately 15 years ago the Board of Trustees approved the concept for mixed use multiple building complex to be constructed with public/private funds. In addition, the Board of Trustees required that every new project must to be presented to the Board of Trustees for approval.

The Cal Poly Pomona Foundation, Inc. has received approval from the University to enter into the third long-term ground lease agreement with the Southern California Edison Company to develop Phase V at Innovation Village. The project is a 123,000 square foot commercial office and research building on approximately 7 acres located across Innovation Way and oriented toward Kellogg Drive.

The project, pending CSU Board of Trustees approval, will be entirely financed by Southern California Edison, who will have sole responsibility for the cost of construction and any ancillary costs associated with its development within Innovation Village. No state or Trustees financing will be required and the project will not incur debt of any kind and will not be reflected on the CSU's financial statements.

This project is the fifth development within the approved 65 acre site of Innovation Village and consists of a 123,000 square foot commercial office and research building, as well as landscape and site improvements to accommodate 446 parking stalls on approximately 6.94 acres. Phase V, located across Innovation Way and oriented toward Kellogg Drive, is on a fast track with Southern California Edison looking to begin construction in early 2015. Trammell Crow will manage the development process on behalf of Southern California Edison under a separate agreement along with their general contractor. CSU will enter into a ground lease with the Cal Poly Pomona Foundation, Inc., a recognized auxiliary organization. The Foundation will then sub-lease the land to Southern California Edison Company.

A motion was made by Marten denBoer to accept the development of the Commercial Office and Research Facility Phase V of Innovation Village and recommends the resolution be forwarded to the Board of Directors for approval. The motion was seconded by Darwin Labordo and approved 8-Ayes, 0-Nays and 0-Abstentions.

3. KW Capital Budget Amendment-Collins College Expansion

Paul Storey explained a 2014-15 FY Capital Budget request for \$150,000 to assist Kellogg West Conference Center and Hotel (KW) with mitigation issues related to the Collins College (CC) Expansion Project.

KW is faced with a severe loss of parking spaces as a result of the construction project. Prior to construction the KW Parking lot had 325 spaces as part of the property identified in the Kellogg West ground lease. A

reduction of 135 spaces or 42%, related to the construction, now allows only 190 spaces for KW guests. All funding for the parking lot is generated solely by event revenues from KW guests.

The \$150,000 will be used to expand the current on-site lot by taking some of the South West landscaped area adjacent to the parking lot and converting it into temporary parking with lighting. This will add approximately 30-50 spaces. At the end of the construction project this area will be redesigned and developed into permanent parking spaces and joined with the main parking lot. Funds will also be used during the construction period to provide for expenses related to the relocation of guest parking to lot M via shuttle service, signage and lot attendants for guest assistance. The Foundation is also currently reviewing options for a daily conference/hotel parking permit system to allow for tighter control and restrictions on space use.

A motion was made by David Speak to approve a capital budget request of \$150,000 for parking mitigation support for the Kellogg West Conference Center and Hotel during the Collins College Expansion Project and be presented to the Board for review and approval. The motion was seconded by John McGuthry and approved 8-Ayes, 0-Nays and 0-Abstentions.

DISCUSSION ITEMS

None

INFORMATION ITEMS

4. Financial Highlights Fiscal Year 2013-14

David Prenovost summarized the fiscal year 2013-14 financial highlights.

5. Wells Fargo P-Card Account Review

David Prenovost summarized the highlights of the on-going Wells Fargo P-Card program.

6. Kikka Replacement

Paul Storey explained In June the Foundation decided to end our 12-year business agreement with Kikka Sushi in the Bronco Student Center. The choice was made due to growing concerns with the health and food safety of the operations. Dining Services explored several dining options, looking for venue that would fit well with the Cal Poly Pomona community and meet the Dining Service Master Plan requirements. In late June of this year, Panda Express management suggested that a Panda brand under development might be appropriate for the vacant Kikka space. It includes sushi, Asian wraps, and a very nice tea bar.

Dining Services has been in discussions with Panda Restaurant Group; however, the in-line version of this concept will not be available until February 2015. To compensate for fall quarter, Dining Services has created an in-house Asian-inspired brand to keep this space operational. A variety of noodle bowls, rice bowls, teriyaki, and katsu will be served.

7. Executive Director's Report

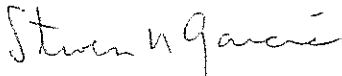
1. The Foundation is proposing a 5% distribution for endowments which is approximately \$4.3 million for scholarships, programs and the Kellogg Legacy program.
2. The current indirect cost rate has been extended through June 30, 2015. A full indirect cost study based on fiscal year ending June 30, 2015 is due by December 15, 2015.
3. The CSU System has refinanced the University Village Bonds to a lower interest rate which will save approximately \$1.7 million.
4. The Bookstore experienced a textbook theft in the spring of 2014. An internal audit was conducted and recommendations from the audit have been implemented. An insurance claim was filed and we were able to recover \$14,000 of the \$18,000 loss.

5. The Innovation Brew Works opening has been delayed due to the State Fire Marshall's concerns with the sprinkler system. The issues are expected to be corrected in the near future.
6. The Foundation accepted a gift of property in Fresno with a fair market value of approximately \$825,000 through efforts of the Advancement Division.
7. The CSU BOT compensation policy allows for 10% of the future president's salary to come from the Foundation. This may be a future action item for the Foundation.

OPEN FORUM

Meeting was adjourned at 12:02pm

Respectfully submitted,



Dr. Steven N. Garcia
Finance Committee, Chair

Memorandum



Date: November 18, 2014
To: Finance Committee
Cal Poly Pomona Foundation, Inc.
From: G. Paul Storey *G. Paul Storey*
Executive Director

Subject: 2015 ANNUAL EMPLOYEE BENEFITS RENEWAL

Foundation management recommends its monthly contribution toward the 2015 health plan premiums for each employee or annuitant based on the below table. These contributions are based on the 5% annual increase cap previously approved by the Board of Directors.

New for 2015 is the addition of one additional benefit Tier. The purpose of this additional Tier (which is between Tier 2 and 3) is to separate the cost of an employee with a spouse, and an employee with dependents, thereby removing “spouse” from the definition of “dependent” for healthcare premium purposes. Also, “family” will now be defined as employee plus spouse plus dependents.

Employee (or Annuitant) Only	\$399
Employee (or Annuitant) + Spouse	\$756
Employee (or Annuitant) + Dependents	\$756
Employee (or Annuitant) + Spouse + Dependents	\$966

For 2015, Foundation will re-introduce the “hi-lo” model for Kaiser where there will be two Kaiser plans available for employees and early retirees to consider. The existing plan will have its existing co-pays and deductibles where the new plan will have several higher co-pays and higher deductibles, resulting in lower premiums for the new plan when compared to the existing plan. This will result in having 3 medical plan options for our employees and early retirees, two Kaiser plans and the EPO plan.

PROPOSED ACTION:

The following resolution is recommended for approval:

RESOLVED, that the Finance Committee of the Board of Directors approves the Foundation’s monthly contribution to the 2015 health plan premiums up to \$399 for employee or annuitant, up to \$756 for an employee or annuitant enrolled for self and either spouse or dependents, and up to \$966 for an employee or annuitant enrolled for self and dependents with spouse, and the addition of a 4th Tier.

BE IT FURTHER RESOLVED, that upon approval of this resolution by the Board of Directors at their next scheduled meeting, the Executive Director of the Cal Poly Pomona Foundation is authorized and directed to take any and all action as may be necessary to effectuate this Resolution.

PASSED AND ADOPTED THIS 19th DAY OF NOVEMBER 2014.



Dr. Steven N. Garcia
Finance Committee

HEALTH PREMIUM RATES

January 1, 2014 through December 31, 2014

HEALTH PREMIUM RATES

January 1, 2015 through December 31, 2015

HEALTH PREMIUM RATES January 1, 2014 through December 31, 2014					HEALTH PREMIUM RATES January 1, 2015 through December 31, 2015						
Medical Plans	Coverage Code	Monthly Premium	Foundation's Contribution	Employee's Cost	Medical Plans	Coverage Code	Monthly Premium	Foundation's Contribution	Employee's Cost	CalPERS for LA	CalPERS for Other
Foundation EPO	(1)	\$481.50	\$380.00	\$101.50	Foundation EPO	(1)	\$530.00	\$399.00	\$131.00	\$ 585.18	\$ 594.40
	(2)	\$965.14	\$720.00	\$245.14		(2)	\$1,076.00	\$756.00	\$320.00	\$ 1,170.36	\$ 1,188.80
	(3)	\$1,350.34	\$920.00	\$430.34		(3)	\$1,035.00	\$756.00	\$279.00		
					(4)	\$1,490.00	\$966.00	\$524.00	\$ 1,521.47	\$ 1,545.44	
Kaiser - HMO 227585	(1)	\$461.56	\$380.00	\$81.56	Kaiser - HMO 227585	(1)	\$503.94	\$399.00	\$104.94	\$ 521.18	\$ 579.80
	(2)	\$923.11	\$720.00	\$203.11		(2)	\$1,017.96	\$756.00	\$261.96	\$ 1,042.36	\$ 1,159.60
	(3)	\$1,292.35	\$920.00	\$372.35		(3)	\$972.60	\$756.00	\$216.60		
					(4)	\$1,411.03	\$966.00	\$445.03	\$ 1,355.07	\$ 1,507.48	
					Kaiser - Deductible 6125	(1)	\$449.96	\$399.00	\$50.96		
						(2)	\$908.92	\$756.00	\$152.92		
						(3)	\$868.42	\$756.00	\$112.42		
						(4)	\$1,259.88	\$966.00	\$293.88		
Dental Plans					Dental Plans						
Foundation PPO	(1)	\$50.00	\$50.00		Foundation PPO	(1)	\$50.00	\$50.00			
	(2)	\$100.00	\$100.00			(2)	\$100.00	\$100.00			
	(3)	\$150.00	\$150.00			(3)	\$150.00	\$150.00			
Cigna DMHO	(1)	\$19.72	\$19.72		Cigna DMHO	(1)	\$21.13	\$21.13			
	(2)	\$32.02	\$32.02			(2)	\$34.30	\$34.30			
	(3)	\$44.39	\$44.39			(3)	\$47.56	\$47.56			
Vision					Vision						
	(1)	\$4.00	\$4.00			(1)	\$4.00	\$4.00			
	(2)	\$8.00	\$8.00			(2)	\$8.00	\$8.00			
	(3)	\$12.00	\$12.00			(3)	\$12.00	\$12.00			

Memorandum



Date: November 18, 2014
To: Finance Committee
Cal Poly Pomona Foundation, Inc.
From: G. Paul Storey
Executive Director

Subject: "COVERED" SPOUSAL ELIGIBILITY FOR HEALTHCARE BENEFITS

Foundation has an ongoing obligation to help ensure its benefits programs remain sustainable. To help meet that requirement Foundation is proposing the removal of "covered" spouses from eligibility for Foundation healthcare benefits. For this purpose, a "covered" spouse is a person who is the legal spouse (which includes registered domestic partners) of a current Foundation employee, and who can obtain healthcare coverage through their own employer.

This policy would apply to newly hired employees starting on January 1, 2015, and would apply to existing benefited employees starting on January 1, 2016.

The Affordable Care Act requires Foundation to provide affordable coverage, and we believe a spouse should be covered by their own employer – just as Foundation has a responsibility to offer coverage to its employees. However, Foundation will continue to offer healthcare benefits to spouses who do not have healthcare coverage available through their own employer.

The Personnel Committee reviewed and discussed this proposal and revised and agreed to forward the following recommendation to the Board of Directors for review:

The Foundation will provide, if requested at enrollment, secondary healthcare coverage for a "covered" spouse, effective January 1, 2016, the "covered" spouse of an employee hired before January 1, 2015 is eligible for the Foundation's healthcare benefit if the spouse can provide proof of primary healthcare coverage from the "covered" spouse's employer. In this case the employee will be primary and the "covered" spouse will be secondary under the Foundation's healthcare plan.

In addition, for employees hired after December 31, 2014, effective January 1, 2015, the "covered" spouse of an employee is not eligible for the Foundation's healthcare benefits, assuming the spouse is employed and the spouse is eligible for healthcare benefits with their employer. Accordingly, if the spouse is not employed or the spouse is not eligible for healthcare benefits with their employer; then the spouse is eligible for the Foundation's healthcare benefit and the "covered" spouse will be primary under the Foundation's healthcare plan.

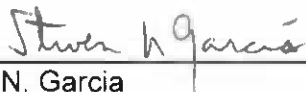
PROPOSED ACTION:

The following resolution is recommended for approval:

RESOLVED, that the Finance Committee of the Board of Directors approves the removal of covered spouses from the list of eligible members for its healthcare programs for newly hired employees starting on January 1, 2015, and would apply to existing benefited employees starting on January 1, 2016.

BE IT FURTHER RESOLVED, that upon approval of this resolution by the Board of Directors at their next scheduled meeting, the Executive Director of the Cal Poly Pomona Foundation is authorized and directed to take any and all action as may be necessary to effectuate this Resolution.

PASSED AND ADOPTED THIS 19th DAY OF NOVEMBER 2014.

A handwritten signature in cursive script that reads "Steven N. Garcia". The signature is written in black ink and is positioned above a horizontal line.

Dr. Steven N. Garcia
Finance Committee

Memorandum



Date: November 18, 2014
To: Finance Committee
Cal Poly Pomona Foundation, Inc.

From: Dennis Miller, Chief Employment Officer
Cal Poly Pomona Foundation, Inc.

Subject: **Amendment to “Flex Dollars Program”**

In February 2013, the Foundation received approval from the Board of Directors to implement a “Flex Dollars Program”. The Flex Dollars Program was designed to be a quasi-replacement program to the Cash for Benefits Program.

The Cash for Benefits Program was a program designed to provide an incentive for employees to “opt out” of Foundation healthcare benefits, and employees were paid up to \$195 per month as an incentive to avoid enrolling in our benefits programs.

The phasing out of the Cash for Benefits Program commenced in 2013 and continues, while the Flex Dollars Program was adopted to offer a less expensive and more flexible incentive for employees to use. Existing participants in the Cash for Benefit Program continue to receive the incentives for opting out of health insurance although newly hired employees are not eligible for that incentive.

In 2012 there were about 45 employees in the Cash for Benefits Program and currently there are 24. Conversely, all full time benefited employees participate in the Flex Dollars Program.

The Flex Dollars Program provides eligible employees (full time benefited employees) a \$55 credit per month to be applied against the expense of any of the three available options: healthcare premiums, parking fees, or to tuition reimbursement. The Flex Dollar funds can only be used in the year awarded and cannot be cashed in or rolled over from year to year. If an employee does not use funds in a given year they are not carried forward to future years.

About 80% of employees use Flex Dollars to offset their monthly healthcare premiums, 18% apply their dollars to parking, and 2% apply Flex Dollars toward enhancing their tuition reimbursement amounts.

We are requesting to increase the monthly Flex Dollars amount from \$55 to \$62.50, which is an increase of \$90 per year for each eligible employee. This increase will help

offset increases in healthcare premiums and increases to parking fees for those employees who apply their flex dollars to one of those options.

The total maximum annual cost of the Flex Dollars Program for 2014 will be approximately \$108,900. Increasing the monthly amount from \$55 to \$62.50 will increase the annual expense by about \$15,000, to a maximum annual amount of approximately \$123,800.

In 2012, the annual expense for the Cash for Benefits Program was approximately \$120,000 although in 2014 it will be about \$55,000 due to employees leaving that program. The \$65,000 saved from the Cash for Benefit Program essentially helps to fund the Flex Dollars Program, which benefits virtually all full time benefited employees and not just a small percentage.

PROPOSED ACTION:

The following resolution is recommended for approval:

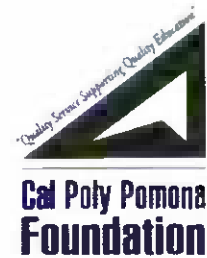
RESOLVED, that the Finance Committee of the Board of Directors approves an increase in the Flex Dollars Program from a \$55 credit per month per eligible employee to a \$62.50 credit per month per eligible employee.

BE IT FURTHER RESOLVED that upon approval of this resolution by the Board of Directors at their next scheduled meeting, the Executive Director of the Cal Poly Pomona Foundation is authorized and directed to take any and all action as may be necessary to effectuate this Resolution.

PASSED AND ADOPTED THIS 19th DAY OF NOVEMBER 2014.



Dr. Steven N. Garcia, Chair
Finance Committee



Memorandum

Date: November 18, 2014

To: Finance Committee
Cal Poly Pomona Foundation, Inc.

From: *G. Paul Storey*
G. Paul Storey
Executive Director

Subject: VACATION CONVERSION PLAN FOR HEALTHCARE PREMIUMS.

During the past 10 years healthcare premiums have doubled. Foundation has taken many steps during that time to mitigate the impact of these increases for its employees and retirees. Foundation will take additional steps to mitigate the impact of the increases including offering employees the option to convert a portion of their earned and unused vacation time to apply toward their individual healthcare premium starting in the benefit plan year January 1, 2015.

Employees would be permitted to make this annual election during open enrollment to accommodate the benefits plan year which starts on January 1st. Several conditions of the plan include the following:

1. Employees may convert any number of vacation hours but must retain at least 80 hours of available vacation after converting vacation time.
2. Employees may convert up to the maximum amount of their portion of the premium for their specific level of healthcare insurance and cannot exceed that amount.
3. Employees who elect to participate in this plan and end their employment prior to using up the amount converted to healthcare premiums will receive any unused vacation time upon their departure.

PROPOSED ACTION:

The following resolution is recommended for approval:

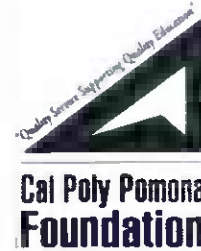
RESOLVED, that the Finance Committee of the Board of Directors approves the Vacation Conversion Plan for Healthcare Premiums to apply toward the January 1, 2015, benefit plan year.

BE IT FURTHER RESOLVED, that upon approval of this resolution by the Board of Directors at their next scheduled meeting, the Executive Director of the Cal Poly Pomona Foundation is authorized and directed to take any and all action as may be necessary to effectuate this Resolution.

PASSED AND ADOPTED THIS 19th DAY OF NOVEMBER 2014.

Steven N. Garcia

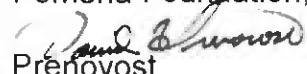
Dr. Steven N. Garcia
Finance Committee



Memorandum

Date: October 29, 2014

To: Finance Committee
Cal Poly Pomona Foundation, Inc.

From: 
David F. Preno
Senior Managing Director/CFO

Subject: WITHDRAW VEBA FUNDS FOR MEDICARE ELIGIBLE RETIREE PREMIUMS

Foundation management is proposing an annual withdrawal (currently \$275,000) from the Auxiliaries Multiple Employer VEBA (Voluntary Employees' Beneficiary Association) to reimburse the Foundation for insurance premiums paid for Medicare eligible retirees and their dependents for health and welfare benefits.

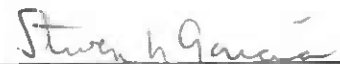
As you may recall, the Foundation contributes \$1.0 million to the Auxiliaries Multiple Employer VEBA (since the fall of 2010) in an effort to reduce the interest costs associated with the Foundation's obligation. The Foundation's Net OPEB (Other Post-Employment Benefits) obligation is \$335,469 and the AAL (Actuarially Accrued Liability) is \$10,941,806 at June 2014. The Foundation has funded 52% or \$5.7 million of the AAL as of September 2014, please see attached statement.

Foundation management believes we should continue to contribute \$1.0 million annually to the Auxiliaries Multiple Employer VEBA until such time as the invested assets of the Trust are actuarially sufficient to offset the AAL, please see the actuarial stochastic modeling for further details.

Whereas: Foundation management recommends an annual withdrawal from the Auxiliary Multiple Employer VEBA to reimburse the Foundation for insurance premiums paid for Medicare eligible retirees and their dependents for health and welfare benefits be presented to the Board of Directors at the next regularly scheduled meeting.

Recommended Action: The members of the Finance Committee approve the recommendation for an annual withdrawal from the Auxiliary Multiple Employer VEBA to reimburse the Foundation for insurance premiums paid for Medicare eligible retirees and their dependents for health and welfare benefits be presented to the Board of Directors at the next regularly scheduled meeting.

PASSED AND ADOPTED THIS 19th DAY OF NOVEMBER 2014.

By: 
Steven N. Garcia, Chair
Finance Committee

CAL POLY POMONA FOUNDATION CSU AUXILIARIES VEBA

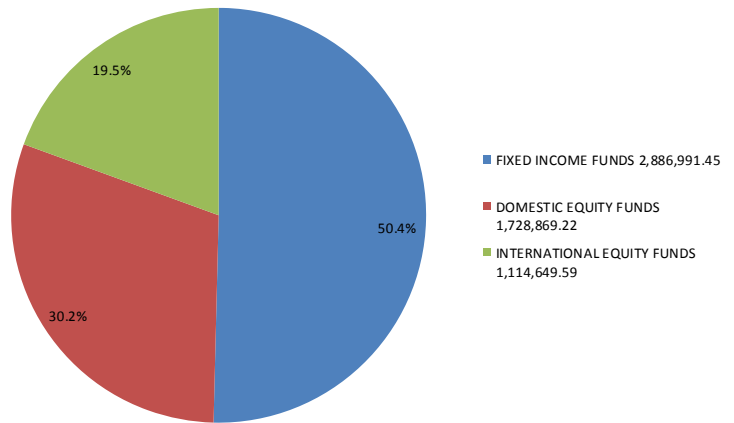
September 30, 2014

Change In Portfolio

Portfolio Value on 06-30-14	4,846,253.82
Contributions	1,000,000.00
Withdrawals	0.00
Change in Market Value	-135,643.73
Income Received	29,296.49
Portfolio Fees	-9,396.32
Portfolio Value on 09-30-14	<u>5,730,510.26</u> 5,730,510.26

Asset Allocation

**PORTFOLIO SUMMARY
September 30, 2014**



Time Weighted Return - Gross of Fees

	<u>Quarter To Date</u>	<u>Year To Date</u>	<u>Latest 1 Year</u>	<u>Annualized Latest 3 Year</u>	<u>Annualized Latest 5 Year</u>	<u>Annualized Inception To Date</u>
Account	-1.77	3.95	7.57	9.92	-	7.47
Barclays Aggregate	0.16	4.09	3.95	2.44	4.13	3.34
S&P 500 Adj for Divs	1.12	8.33	19.73	22.99	15.69	16.78
Barclays Global Agg Bd Unhedged	-3.12	1.66	1.20	1.14	2.67	2.63
MSCI EAFE	-5.88	-1.38	4.25	13.65	6.56	8.13
ACWI 40/ Bar Aggr 60	-0.82	4.02	6.94	8.09	6.77	6.44
CPI+3%	0.59	4.37	4.64	4.59	4.92	5.21

Time Weighted Return - Net of Fees

	<u>Quarter To Date</u>	<u>Year To Date</u>	<u>Latest 1 Year</u>	<u>Annualized Latest 3 Year</u>	<u>Annualized Latest 5 Year</u>	<u>Annualized Inception To Date</u>
Account	-1.93	3.44	6.91	9.09	-	6.60
Barclays Aggregate	0.16	4.09	3.95	2.44	4.13	3.34
S&P 500 Adj for Divs	1.12	8.33	19.73	22.99	15.69	16.78
Barclays Global Agg Bd Unhedged	-3.12	1.66	1.20	1.14	2.67	2.63
MSCI EAFE	-5.88	-1.38	4.25	13.65	6.56	8.13
ACWI 40/ Bar Aggr 60	-0.82	4.02	6.94	8.09	6.77	6.44
CPI+3%	0.59	4.37	4.64	4.59	4.92	5.21

PORTFOLIO APPRAISAL

September 30, 2014

Quantity	Security	Security Symbol	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Cur. Yield	
FIXED INC MUTUAL FUNDS									
Taxable Funds									
44,781.114	DELAWARE DIVERSIFIED INC INSTL	DPFF.X	9.29	415,800.98	9.04	404,821.27	7.1	4.1	
37,008.272	HARTFORD WORLD BOND I	HWDLX	10.68	395,360.06	10.76	398,209.01	6.9	1.5	
20,860.594	LEGG MASON BW GLOBAL OPPTS BD IS	GOBS.X	11.16	232,772.97	11.21	233,847.26	4.1	3.3	
37,319.772	METROPOLITAN WEST TOTAL RETURN BOND I	MWTLX	10.72	400,051.52	10.81	403,426.74	7.0	2.4	
32,419.186	PRUDENTIAL TOTAL RETURN BOND Z	PDBZ.X	14.22	461,003.22	14.30	463,594.36	8.1	3.7	
39,068.859	TEMPLETON GLOBAL BOND ADV	TGBA.X	13.20	515,622.40	13.22	516,490.32	9.0	3.4	
40,363.538	WESTERN ASSET CORE PLUS BOND INSTL	WACP.X	11.30	456,226.51	11.56	466,602.50	8.1	3.5	
						2,876,837.68	2,886,991.45	50.4	3.1
						2,876,837.68	2,886,991.45	50.4	3.1
DOMESTIC EQUITY FUNDS									
Large Cap Funds									
9,277.408	BLACKROCK EQUITY DIVIDEND INSTL	MADV.X	20.06	186,104.15	25.27	234,440.10	4.1	1.9	
5,397.418	HARTFORD CAPITAL APPRECIATION Y	HCAI.X	39.10	211,025.55	53.39	288,168.15	5.0	0.6	
11,321.538	JHANCOCK CLASSIC VALUE I	JCVLX	19.57	221,561.59	25.66	290,510.67	5.1	1.0	
4,531.026	NUVEEN TRADEWINDS VALUE OPPORTUNITIES I	NVOR.X	33.61	152,290.82	37.64	170,547.82	3.0	1.2	
						770,982.11	983,666.73	17.2	1.1
Mid Cap Funds									
11,991.116	COHEN & STEERS REALTY INCOME I	CSDLX	15.35	184,079.09	15.17	181,905.23	3.2	2.3	
5,704.904	HARTFORD MIDCAP Y	HMDY.X	25.81	147,217.14	30.06	171,489.41	3.0	0.0	
						331,296.23	353,394.64	6.2	1.2
Small Cap Funds									
6,787.232	ROYCE SPECIAL EQUITY INSTL	RSELX	23.03	156,337.93	23.18	157,328.04	2.7	0.2	
						1,258,616.27	1,494,389.41	26.1	1.1
INTERNATIONAL FUNDS									
International									
2,960.600	AMERICAN FUNDS NEW PERSPECTIVE F2	ANWF.X	38.43	113,774.95	38.11	112,828.47	2.0	1.0	
1,416.381	AMERICAN FUNDS NEW WORLD F-2	NFFF.X	59.98	84,953.29	58.77	83,240.71	1.5	1.3	
9,084.827	BRANDES EMERGING MARKETS I	BEMLX	9.63	87,531.88	9.58	87,032.64	1.5	1.2	

PORTFOLIO APPRAISAL

September 30, 2014

Quantity	Security	Security Symbol	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Cur. Yield
13,245.620	BRANDES INSTL INTERNATIONAL EQUITY	BIIE.X	14.83	196,486.16	16.62	220,142.20	3.8	2.2
7,510.058	PRUDENTIAL GLOBAL REAL ESTATE Z	PURZ.X	22.10	165,949.13	23.34	175,284.75	3.1	1.1
15,973.118	ROYCE GLOBAL VALUE INVMT	RGVLX	13.30	212,462.06	13.63	217,713.60	3.8	1.1
7,177.365	THORNBURG INTERNATIONAL VALUE I	TGVLX	28.63	205,484.59	30.43	218,407.22	3.8	1.3
				<u>1,066,642.06</u>		<u>1,114,649.59</u>	<u>19.5</u>	<u>1.4</u>
				1,066,642.06		1,114,649.59	19.5	1.4
BALANCED EQUITY FUNDS								
Balanced Funds								
10,890.841	THORNBURG INVESTMENT INCOME BUILDER I	TIBLX	19.98	217,629.97	21.53	234,479.81	4.1	4.9
				<u>217,629.97</u>		<u>234,479.81</u>	<u>4.1</u>	<u>4.9</u>
TOTAL PORTFOLIO				5,419,725.98		5,730,510.26	100.0	2.3



January 30, 2014

Mr. David Prenovost
Chief Financial Officer
Cal Poly Pomona Foundation, Inc.
3801 West Temple Avenue, Building 55
Pomona, CA 91768-4038

Dear David:

Re: Cal Poly Pomona Retiree Medical Benefits Trust

We are pleased to enclose our final report describing the results to date of our cash flow projections with respect to the above Trust. The projections are based on stochastic modeling using Monte Carlo simulation. This analysis follows our proposal dated May 24, 2013, except that it was decided to base this study on our recently completed July 1, 2013 valuation instead of our July 1, 2011 valuation.

Background

The Foundation provides lifetime postretirement medical coverage to employees who were hired prior to March 1, 2009 and retire from the Foundation at age 50 or older with at least 10 years of service. Benefits vary based on years of service at retirement. The Foundation has begun prefunding this obligation, makes \$1,000,000 annual contributions to a Trust and will continue to do so for several more years. No withdrawals have occurred. However, at a future date (we assumed the year 2020 for this study) the Foundation intends to begin withdrawing funds from the Trust to pay retiree benefits.

The Foundation made the decision to utilize stochastic modeling to obtain long range Fund projections based on the current benefit. A goal of the modeling is to determine the likelihood that the postretirement benefit will be fully funded at the end of different projection periods. A key variable will be the number of years that \$1,000,000 contributions may be required to achieve such a result.



Project Steps

The key steps of the engagement have been:

1. We used our July 1, 2013 actuarial valuation results as input to this project. This included a 75 year projection of benefit payouts. We did **not** include the implicit subsidy in our benefit projection. At the end of the 75 years, we projected that there will be very little or no remaining benefits to be paid.
2. We assumed that in late July of each year, for the next few years, the Foundation will contribute \$1,000,000 to the Trust, and that benefits will begin to be paid from the Trust in the year 2020. We looked at several different \$1,000,000 payment periods, ranging from two to six years.
3. We developed a stochastic model that utilizes a Monte Carlo algorithm and a random number generator to simulate 10,000 75-year fund balance projections.
4. We ran the 10,000 simulations.
5. We prepared several charts and tables to summarize the results.
6. We prepared a draft report and this final report.

Assumptions

We used the actuarial assumptions described in our report on our July 1, 2013 Actuarial Valuation, dated September 20, 2013.

We assumed that Trust assets will earn an average compound return of 6% per year, net of expenses. We also assumed that investment returns will have an expected standard deviation in returns of 7.41% (provided by the investment advisor.) We assumed that asset returns will have a probability distribution similar to a log-normal distribution.

As mentioned above, we did not include the "implicit subsidy" in the benefits assumed to be paid from the Trust. If desired, however, the "subsidy amounts" could be paid from the Trust in addition to the "pay-as-you-go" benefits. This would require some additional contributions to the Trust beyond those shown in this report. We can model this if desired and prepare a new set of charts.



Some Key Findings

Before running the 10,000 variable ("stochastic") simulations, we ran the model assuming a **fixed** 6% asset return (net of expenses) in each of the 75 years. It turned out that it would take an estimated 5.5 remaining years of \$1 million each (\$500,000 final contribution July 2019), starting late July, 2014, to fully fund the Plan, i.e. zero assets and liabilities as of July 1, 2088. The results of this projection are shown graphically in attached Charts 1 and 2.

There is a possible drawback to concentrating the Trust funding in a very few years. This is that more investment risk is created than would exist if contributions were spread out over a longer period of time.

As mentioned above, the expected remaining "\$1 million funding period" would be 5.5 years **if** investment returns are exactly 6% per year net of expenses over the 75 year estimated life of the program.

But referring to the stochastic analysis, there is a 7% probability that only **two** more years of \$1 million funding could result in excess assets remaining at the end of the 75 years. At three more years, there is a 16% probability of this occurring, and at four more years of \$1 million funding the probability jumps to 28% of having remaining assets.

However, we understand from discussion with Foundation management that surplus assets at the end may not be a big problem, in that the Trust Agreement provides that any surplus assets at the end of the Plan will be able to be used to pay medical premiums for active employees. Nevertheless, if overfunding is viewed as a "bad thing", we would suggest that no more than a two or possibly three year commitment be made at this time as to the number of additional \$1 million contributions to the Trust. The next GASB 45 valuation will probably be performed as of July 1, 2015. At that time, this study could be updated and the funding strategy adjusted.

Other, Non-Investment, Risks

The scope of this study has been limited to investment risk only. In other words, we are assuming that the projected retiree benefits will not vary from the projections developed in our July 1, 2013 valuation. Only investment returns are assumed to vary.

Many retiree medical programs have significant liability risk as well as investment risk (if they are funded.) This arises primarily in programs which have no upper limit on benefits, regardless of how fast future medical costs in this country grow. This risk is minimal, however, in the case of Calpoly's Plan because there is an upper limit of 5% per year on the amount of increase in retiree benefits. We understand from Calpoly management that this limit will not be increased in the future.

The other "liability" risk is that future retirements might, on average, occur earlier than expected, i.e. earlier than our assumptions. Earlier retirements would result in higher lifetime medical benefits being paid. Of course, the reverse would occur if average retirement ages are older than expected.

Attached Exhibits

The following Charts appear at the end of this report.

Charts 1 and 2. These charts show a 75 year projection, assuming Trust returns of 6% per year, net of expenses. Estimated contributions, benefit payouts and Trust balances are shown for the estimated 75 year life of the Plan. Five remaining years of \$1 million contributions (starting July, 2014) plus a sixth contribution of about \$500,000 are sufficient to fully fund the Plan in this fixed scenario.

Chart 3. This chart indicates the wide range of Trust balance outcomes over the next 25 years assuming 5-1/2 more \$1 million contributions starting in July, 2014. As discussed above, 5-1/2 years is number of contributions needed to fully fund the Plan if the Trust earns fixed annual returns of 6% net of expenses.

Chart 4a. This chart is a 10 year projection to the year 2023. Assuming \$1 million contributions for the next 3, 4, 5 and 6 years respectively, the four graphs show Trust assets compared to the liability for then retirees,



first assuming fixed 6% net returns, and assuming negative scenarios at worst 20%, 10% and 5%.

For example, the first graph assumes 3 more \$1 million contributions (starting July, 2014), and that there is a 10% probability that Trust assets in 2023 will be only about \$7.4 million compared to retiree liabilities of \$9.13 million. Notice that the red bars (liabilities) are constant. This because we have assumed no variation in liabilities, as discussed earlier.

Chart 4b. This chart is the same as 4a above, except that it is a 20 year projection to 2033 instead of 2023.

Chart 5. This chart is actually a table. It focuses on the year the Trust is projected to run out of money under various scenarios. For example, if only two more \$1 million contributions are made to the Trust, there is a 20% probability that the Trust will run out of money in 2034 or earlier. In the right hand column, we show a "best 20%" scenario." In this scenario, with only four more \$1 million deposits, the Trust never runs out of money.

* * * * *

We have enjoyed working with you on this interesting project and look forward to discussing this report with you soon. We will also be happy to prepare any additional information that may be useful to you.

Sincerely,

Nicolay Consulting Group

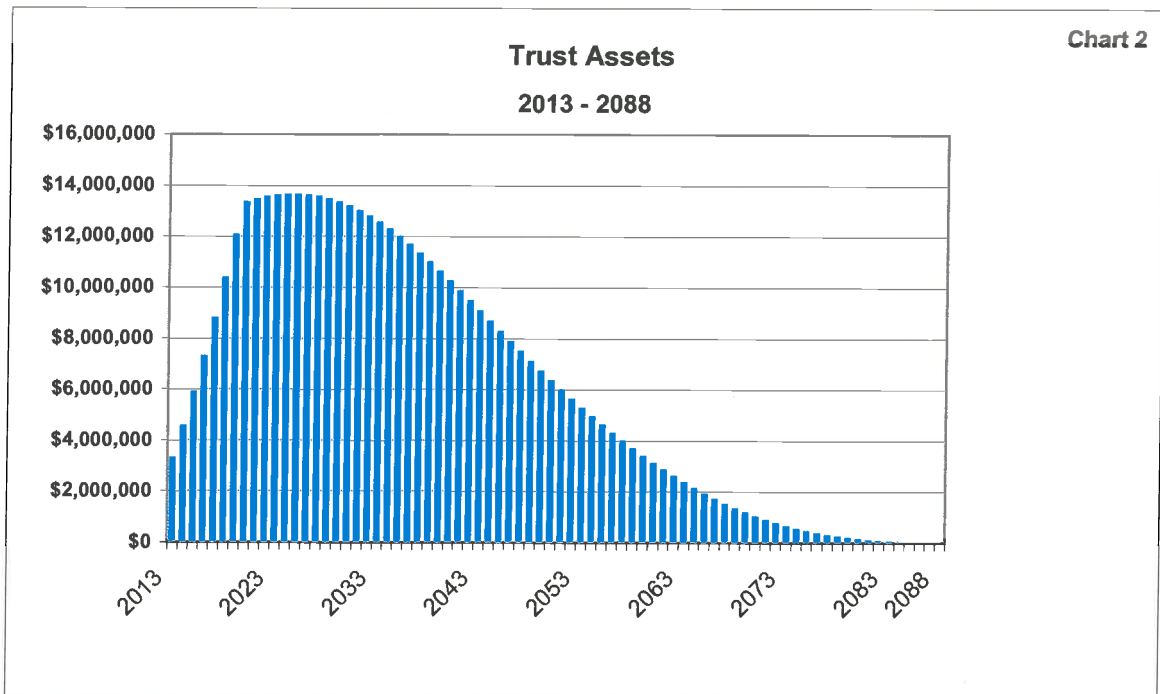
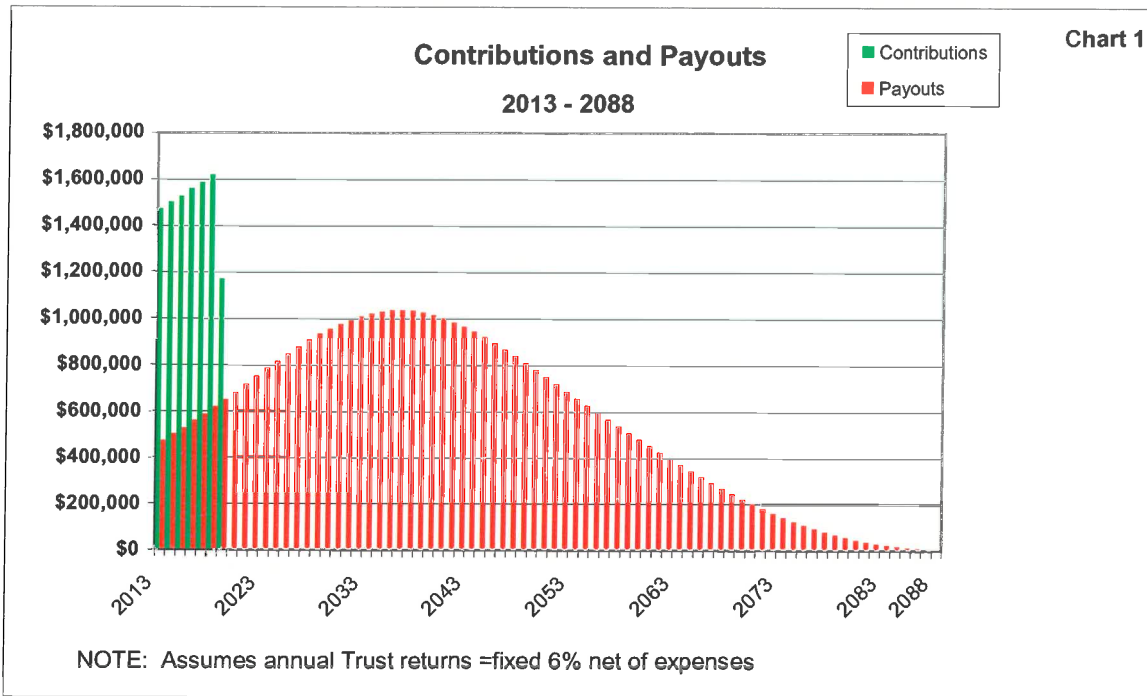
A handwritten signature in cursive script that reads "Douglas R. Tokerud".

Douglas R. Tokerud, F.S.A., M.A.A.A.

Healthcare Practice Leader

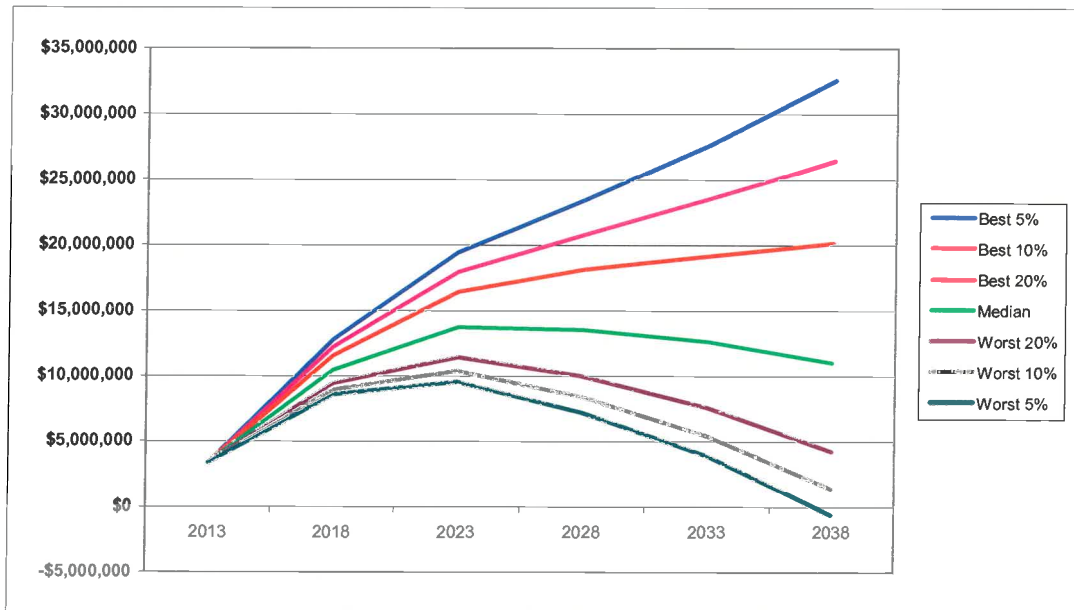
cc. Dennis Daugherty

75 Years of Projected Contributions, Payouts and Trust Balances
Assuming Fixed Asset Returns of 6% per Year net of Expenses



Projected Trust Assets
 Assuming 5.5 Additional \$1 Million Contributions*

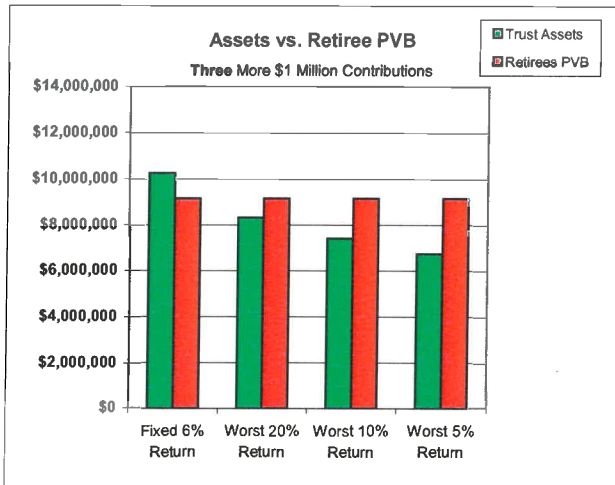
25 Years (2013 - 2038)



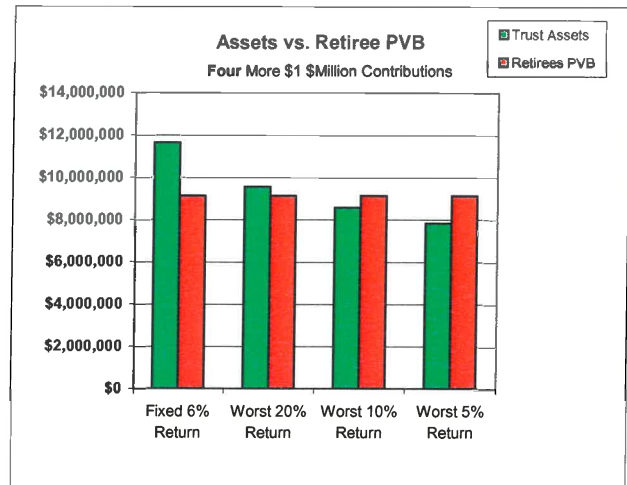
*5 and 1/2 years is the number of additional years remaining to fully fund the Plan if the Trust were to earn a fixed annual return of 6% net of expenses. Notice the wide range of possible outcomes from worst cases to best cases.

Assets vs. Retiree Present Value of Benefits

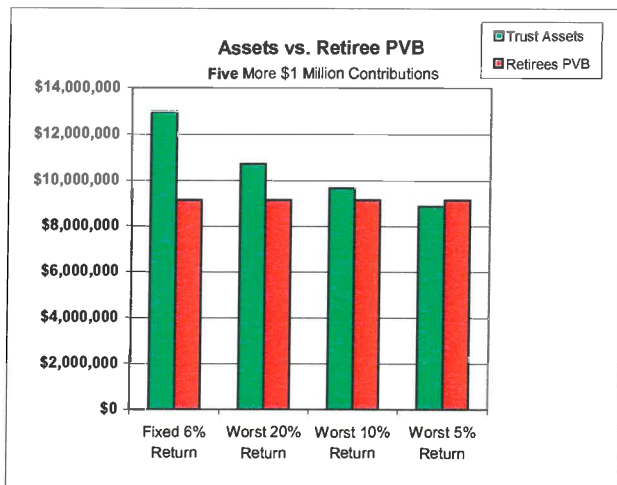
Trust Assets in 10 Years - Stochastic Returns



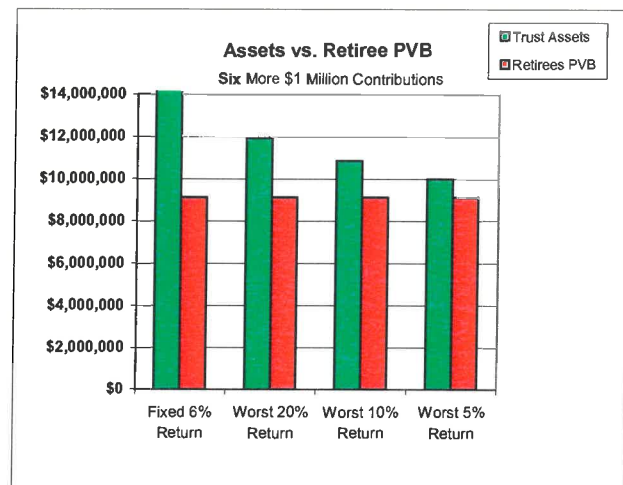
	Trust Assets	Retirees PVB
Fixed 6% Return	10,226,961	9,134,023
Worst 20% Return	8,303,442	9,134,023
Worst 10% Return	7,400,628	9,134,023
Worst 5% Return	6,732,096	9,134,023



	Trust Assets	Retirees PVB
Fixed 6% Return	11,638,789	9,134,023
Worst 20% Return	9,551,069	9,134,023
Worst 10% Return	8,562,190	9,134,023
Worst 5% Return	7,825,635	9,134,023



	Trust Assets	Retirees PVB
Fixed 6% Return	12,970,702	9,134,023
Worst 20% Return	10,701,030	9,134,023
Worst 10% Return	9,652,130	9,134,023
Worst 5% Return	8,858,616	9,134,023



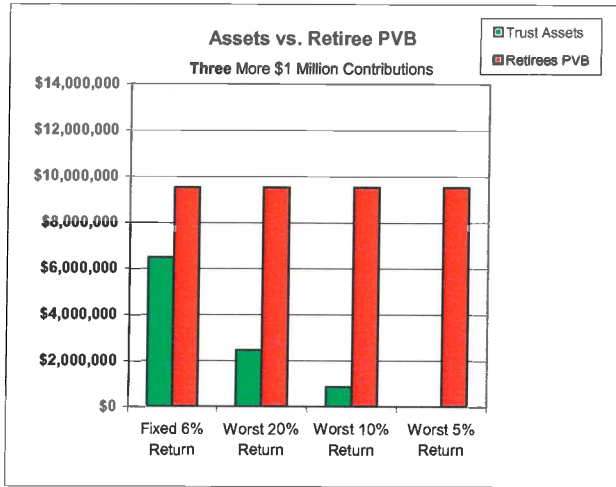
	Trust Assets	Retirees PVB
Fixed 6% Return	14,227,224	9,134,023
Worst 20% Return	11,922,661	9,134,023
Worst 10% Return	10,847,867	9,134,023
Worst 5% Return	9,995,958	9,134,023

NOTES:

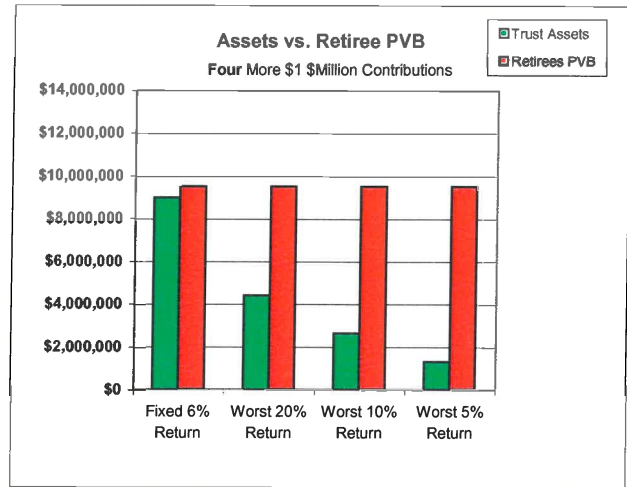
Benefits assumed to be paid from Trust starting 7/1/20

Assets vs. Retiree Present Value of Benefits

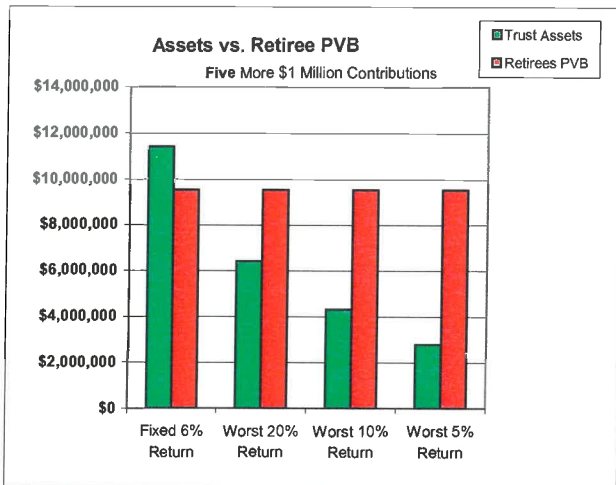
Trust Assets in 20 Years - Stochastic Returns



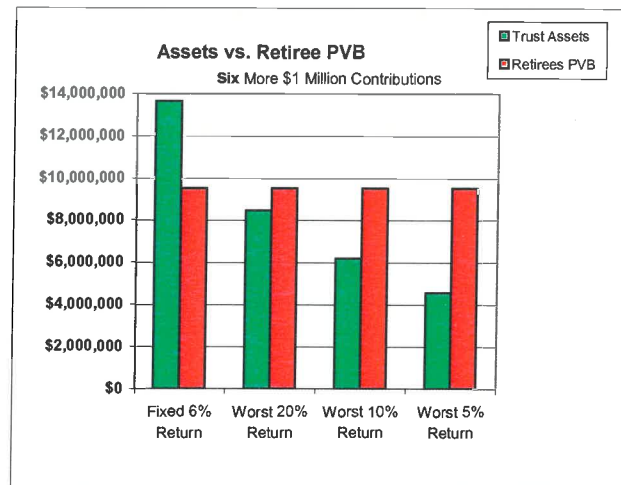
	Trust Assets	Retirees PVB
Fixed 6% Return	6,481,903	9,521,147
Worst 20% Return	2,447,907	9,521,147
Worst 10% Return	842,905	9,521,147
Worst 5% Return	-377,208	9,521,147



	Trust Assets	Retirees PVB
Fixed 6% Return	9,010,272	9,521,147
Worst 20% Return	4,405,648	9,521,147
Worst 10% Return	2,640,986	9,521,147
Worst 5% Return	1,301,883	9,521,147



	Trust Assets	Retirees PVB
Fixed 6% Return	11,395,526	9,521,147
Worst 20% Return	6,406,671	9,521,147
Worst 10% Return	4,304,017	9,521,147
Worst 5% Return	2,786,914	9,521,147



	Trust Assets	Retirees PVB
Fixed 6% Return	13,645,765	9,521,147
Worst 20% Return	8,461,911	9,521,147
Worst 10% Return	6,184,659	9,521,147
Worst 5% Return	4,556,358	9,521,147

NOTES:
Benefits assumed to be paid from Trust starting 7/1/20

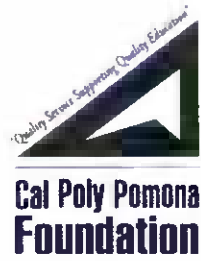
Year that Trust Runs Out of Money

Assuming 2 - 6 Years Additional Funding

Future Years of \$1 Million Contributions*	Fixed 6% Returns	Variable (i.e. Stochastic) Returns			Some "Excel- lent" Results Best 20%
		Worst 20%	Worst 10%	Worst 5%	
2	2038	2034	2032	2031	2045
3	2042	2036	2034	2033	2056
4	2047	2039	2036	2035	Never
5	2056	2042	2039	2037	Never
6	Never	2045	2041	2039	Never

*Starting July, 2014

Memorandum



Date: November 18, 2014
To: Finance Committee
Cal Poly Pomona Foundation, Inc.
From: Dennis Miller, Chief Employment Officer *D. Miller*
Cal Poly Pomona Foundation, Inc.
Enclosure: Salary Grades for 2015
Subject: **Annual Update to Salary Grades**

Each year Foundation reviews its compensation policies and practices. A key tool used in compensation administration is a current, relevant, and accurate salary scale. This year Foundation is updating its salary scale by increasing the minimum and maximum limits by 4.5% for Grades 1 through 10 and by 3.5% for Grades 11 through 16.

PROPOSED ACTION:
The following resolution is recommended for approval:

RESOLVED, that the Finance Committee of the Board of Directors approves the Salary Grades as illustrated in Enclosure (1) to be effective January 1, 2015.

BE IT FURTHER RESOLVED that upon approval of this resolution by the Board of Directors at their next scheduled meeting, the Executive Director of the Cal Poly Pomona Foundation is authorized and directed to take any and all action as may be necessary to effectuate this Resolution.

PASSED AND ADOPTED THIS 19th DAY OF NOVEMBER 2014.

Steven N. Garcia

Dr. Steven N. Garcia, Chair
Finance Committee

Cal Poly Pomona Foundation, Inc.
Salary Grades - Effective January 1, 2015

Variable Grade Spread

GRADE #	POINT SPREAD		URLY RANGE SPREAD			Bi-Weekly Period			ANNUAL RANGE SPREAD			GRADE #
	MIN	MAX	MIN	MID	MAX	MIN	MID	MAX	MIN	MID	MAX	
16	2,400					\$4,741	\$6,520	\$8,298	\$123,278	\$169,507	\$215,736	16
15	2,200	2,399				\$3,403	\$4,734	\$6,065	\$88,481	\$123,087	\$157,693	15
14	2,000	2,199	"Grades 1 thru 7"			\$2,884	\$3,894	\$4,904	\$74,984	\$101,242	\$127,500	14
13	1,800	1,999	Are			\$2,196	\$3,009	\$3,821	\$57,095	\$78,222	\$99,350	13
12	1,600	1,799	NONEXEMPT Only			\$1,961	\$2,686	\$3,412	\$50,989	\$69,847	\$88,704	12
11	1,400	1,599	Status			\$1,727	\$2,365	\$3,002	\$44,909	\$61,486	\$78,063	11
10	1,200	1,399	\$20.99	\$27.31	\$33.62	\$1,679	\$2,184	\$2,690	\$43,659	\$56,794	\$69,930	10
9	1,100	1,199	\$18.77	\$24.32	\$29.86	\$1,502	\$1,945	\$2,389	\$39,042	\$50,575	\$62,109	9
8	1,000	1,099	\$18.04	\$22.69	\$27.33	\$1,443	\$1,815	\$2,186	\$37,523	\$47,185	\$56,846	8
7	900	999	\$14.55	\$18.85	\$23.15	\$1,164	\$1,508	\$1,852	\$30,264	\$39,208	\$48,152	7
6	800	899	\$13.22	\$17.11	\$20.99	\$1,058	\$1,368	\$1,679	\$27,498	\$35,578	\$43,659	6
5	750	799	\$12.53	\$15.27	\$18.01	\$1,002	\$1,222	\$1,441	\$26,062	\$31,762	\$37,461	5
4	700	749	\$12.29	\$14.15	\$16.01	\$983	\$1,132	\$1,281	\$25,563	\$29,432	\$33,301	4
3	675	699	\$11.43	\$13.14	\$14.85	\$914	\$1,051	\$1,188	\$23,774	\$27,331	\$30,888	3
2	646	674	\$10.28	\$11.80	\$13.32	\$822	\$944	\$1,066	\$21,382	\$24,544	\$27,706	2
1	600	645	\$9.41	\$10.50	\$12.47	\$753	\$875	\$998	\$19,573	\$22,755	\$25,938	1

Notes:

1. All full time positions begin at Grade 2
2. Grades 1 through 7 cannot be classified as exempt positions.
3. Salary levels for all corporate officers, (Executive Director and CFO) are determined by the Board of Directors and published in the minutes of the Board meeting.
4. All full time positions (including the corporate officer positions), are subject to the merit pool limits for annual increases.

Memorandum



Date: November 18, 2014

To: Finance Committee
Cal Poly Pomona Foundation, Inc.

From: Dennis Miller, Chief Employment Officer *D. Miller*
Cal Poly Pomona Foundation, Inc.

Subject: **Holiday Schedule for 2014 Year End**

Each year between Christmas and New Year's Day the University and Foundation are closed for business. Often, the governor will issue a "last minute" notice directing state employees to take 4 hours of paid time off the day before Christmas, December 24th. Even though Foundation is not a "state" employer, when the governor communicates this directive the Foundation will follow that time off schedule. The cost to Foundation when the governor adds those 4 hours is about \$11,800 (2014 cost), and to add the additional 4 hours will cost an additional \$11,800, for a total cost of about \$23,600 for one paid holiday for 2014.

This year the University will be closed starting on Thursday, December 25th and return to work Monday, January 5th. Due to the general lack of productive work during the week of Christmas, Foundation plans to be closed on Monday, Tuesday, and Wednesday prior to Christmas. Foundation will require employees to use vacation time or unpaid time off on December 22nd and December 23rd and will add December 24th as a paid Foundation Holiday for 2014.

PROPOSED ACTION:

The following resolution is recommended for approval:

RESOLVED, that the Finance Committee of the Board of Directors approves the time off plan above for 2014, which includes adding one paid Foundation Holiday on December 24, 2014.

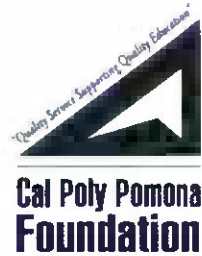
BE IT FURTHER RESOLVED that upon approval of this resolution by the Board of Directors at their next scheduled meeting, the Executive Director of the Cal Poly Pomona Foundation is authorized and directed to take any and all action as may be necessary to effectuate this Resolution.

PASSED AND ADOPTED THIS 19th DAY OF NOVEMBER 2014.

Steven N. Garcia

Dr. Steven N. Garcia, Chair
Finance Committee

Memorandum



Date: November 14, 2014

To: Finance Committee
Cal Poly Pomona Foundation, Inc.

From: 
G. Paul Storey
Executive Director

Subject: Agricultural Aid-to-Instruction - Capital Budget Request

We have received a capital budget request from Dr. Broc Sandelin, Chair, Animal and Veterinary Science, please see the attached memo approved by Dr. Mary Holz Clause, Dean of the College of Agriculture. A portion of the funding for this project may come from the Agriculture State Share Program Reserve which has a current balance of \$53,705.

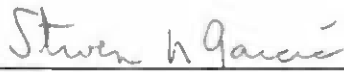
The 2014-2015 capital improvement budget approved by the Board included \$3,297,400 for new capital improvement requests, and \$1,066,636 in capital improvement carry forward from prior years. If approved, the capital improvement budget will be amended to include this amount.

The following resolution is recommended for approval:

NOW, THEREFORE, the Finance Committee recommends that the capital budget request for emergency replacement of asphalt alley and working area at the sheep unit (BDG 38) for \$44,377 be submitted to the Board for review and approval at its next regularly scheduled meeting.

RESOLVED, the Finance Committee approves a capital budget request of \$44,377 for emergency replacement of asphalt alley and working area at the sheep unit (BDG 38) to support the Agricultural units as part of the Foundation operations in Agricultural Aid-to-Instruction.

PASSED AND ADOPTED THIS 19th DAY OF November 2014

By: 

Dr. Steven N. Garcia, Chair
Finance Committee



Animal & Veterinary Sciences
College of Agriculture

MEMORANDUM

November 10, 2014

Executive Director
Foundation Services

TO: Mr. Paul Storey
Executive Director Cal Poly Pomona Foundation

NOV 12 2014

FROM: Dr. Broc Sandelin
Chair, Animal and Veterinary Science

Cal Poly Pomona
Foundation Inc.

VIA: Dr. Mary Holz Clause
Dean, College of Agriculture

Re: Sheep unit concrete replacement-Capital Request

This memo is to request emergency replacement of the asphalt alley and working area at the sheep unit (BDG 38). These areas have numerous holes, cracks, and uneven areas that have been patched and re-patched over last several decades, are unsafe and are simply at the end of their useful life. The contractor has also determined that several support posts have rotted out and are a serious hazard and will need to be replaced for obvious safety reasons.

During the recent inspection from CPP ACUC (Animal Care and Use Committee) and upon recommendation from USDA Veterinary Medical Officer we have obtained a quotation to replace the current asphalt alley and working area with concrete to have a much safer working environment for employees and a safer teaching environment for faculty. This will also allow us to safely move animals from different locations in a safe manner and allow us to maintain higher levels of sanitation in this area. Total cost of this project is estimated at \$44,377. Breakdown of costs is as follows:

- Removal of old material and replacement with concrete \$21,950
- Engineer drawing for post replacement \$2,300
- Replacing old posts-\$14,087

If you have any questions regarding this immediate need please let me know and I will be happy to discuss further.

Memorandum



Date: November 10, 2014

To: Finance Committee
Cal Poly Pomona Foundation, Inc.

From: G. Paul Storey *G. Paul Storey*
Executive Director

Subject: **2014-2015 Budget Amendment Foundation Dining Services – Brewery Laboratory**

The Cal Poly Pomona Foundation's Dining Services is requesting an additional capital budget amount of \$95,000 for Brewery Laboratory at the Center for Training. Unfortunately, the Office of the State Fire Marshall (OSFM) took a position in requiring fire sprinklers throughout Building A to address the 2013 edition NFPA 13 which is part of the 2013 California Building Code. This requirement included sprinklers in the roof open canopy areas.

The 2014-2015 capital improvement budget approved by the Board included \$3,297,400 for new capital improvement requests, and \$1,066,636 in capital improvement carry forward from prior years. If approved, the capital improvement budget will be amended to include this amount.

The expectation is that the Brewery Laboratory will be producing and selling Cal Poly Pomona Beer by the end of the Fall Quarter.

The following resolution is recommended for approval:

RESOLVED, the Finance Committee approves a capital budget amendment request of \$95,000 for the expanded fire sprinklers requirements at the Brewery Laboratory at CTTi

NOW, THEREFORE, the Finance Committee recommends that the capital budget request for \$95,000 be forwarded to the Board for review and approval at its next regularly scheduled meeting.

PASSED AND ADOPTED THIS 19th DAY OF NOVEMBER 2014.

By: *Steven N. Garcia*
Dr. Steven N. Garcia, Chair
Finance Committee

Aaron P. Neilson
Director, Foundation Dining Services



November 14, 2014

G. Paul Storey
Executive Director
Cal Poly Pomona Foundation, Inc.

Re: 2014-2015 Increase in Capital Outlay for Innovation Brew Works

Dear Paul:

Last May, our educational brewery design team submitted plans to the State Fire Marshal's office in Sacramento. Included in this submittal was a fire protection plan (attached) that showed our intent to install fire sprinklers within the brewery. On May 15, the Fire Marshal stamped and signed these plans indicating his approval to install sprinklers in the brewery area of the building only.

In September, the team submitted the detailed fire protection plan to the Fire Marshal. He responded by requesting either:

1. A 2 hour fire separation between the brewery and all other areas of the building, OR
2. Install sprinklers in the entire building, including all exterior walkways, upstairs offices of the CEU, the café patio, and outside the main entrance to the café.

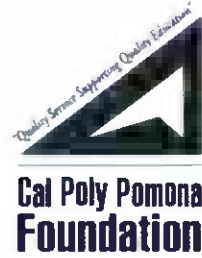
Option 1 would have been feasible prior to construction, but would have hidden the brewery from our café customers behind a fire door. Bruyn Bevans, along with the rest of the design team, then offered a variety of compromises that complied with the fire code to no avail. After discussion with the design team, it was determined that the only option would be to install sprinklers throughout the building. Therefore, we are requesting an additional \$95,000 in excess of our approved \$605,000 in order to complete this sprinkler project and begin operating the brewery.

Please contact me directly if you have any questions or comments.

Sincerely,

Aaron Neilson
Interim Director, Foundation Dining Services

Memorandum



Date: November 10, 2014
To: Finance Committee
Cal Poly Pomona Foundation, Inc.
From: G. Paul Storey *G. Paul Storey*
Executive Director
Subject: **2014-2015 Request Designated Funds – Homecoming**

Cal Poly Pomona is requesting a one-time gift of \$40,000 for the 2014-15 Homecoming and Family Weekend. The \$40,000 will assist in supporting the cost for publicity, food/lodging, merchandise and other logistics for the event. The event is scheduled for Saturday, February 21, 2015.

The 2014-2015 designated funds budget approved by the Board was \$1,777,109. If approved, the designated funds budget will be amended to include this amount.

The following resolution is recommended for approval:

RESOLVED, the Finance Committee approves the one-time Designated Funds Request for \$40,000 to support the 2014-15 Homecoming and Family Weekend event.

NOW, THEREFORE, the Finance Committee recommends that the Designated Funds Request for \$40,000 be forwarded to the Board for review and approval at its next regularly scheduled meeting.

PASSED AND ADOPTED THIS 19th DAY OF NOVEMBER 2014.

By: *Steven N. Garcia*
Dr. Steven N. Garcia, Chair
Finance Committee



Memorandum


Date: October 20, 2014

Executive Director
Foundation Services

OCT 24 2014

To: J. Michael Ortiz, University President

Cal Poly Pomona
Foundation Inc.

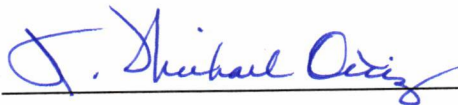
From: Dr. Rebecca Gutierrez Keeton 
Acting Vice President for Student Affairs

Subject: One-Time Special Request Gift for Homecoming 2014-2015

I am writing to formally request a one-time gift from the Cal Poly Pomona Foundation for the 2014-2015 Homecoming and Family Weekend. This request for \$40,000 is to help support the costs for publicity, food/lodging, merchandise, and other logistics for the event scheduled for Saturday, February 21, 2015.

We appreciate the Cal Poly Pomona Foundation's support for continuing a campus-wide tradition to increase engagement, spirit, and pride of current students, and to continue to encourage our alumni, families of students, community partners and campus friends to support Cal Poly Pomona.

Approved



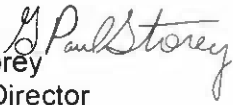
J. Michael Ortiz, University President



Memorandum

Date: November 10, 2014

To: Finance Committee
Cal Poly Pomona Foundation, Inc.

From: G. Paul Storey 
Executive Director

Subject: **2014-2015 Budget Amendment for Foundation Housing**

The Cal Poly Pomona Foundation's University Village is requesting an additional capital budget amount of \$400,000. This will allow the University Village to complete all capital projects and provided additional funds for the renovations to the interior court yards/walk ways in all Phase III building. Unfortunately, the walk ways have not held up well over the last 10 years because of design and construction concerns. Much of the prep work for the project has been completed but the additional funds are needed to finish the project. Most if not all of the project can be completed over the winter and Spring Breaks.


The 2014-2015 capital improvement budget approved by the Board included \$3,297,400 for new capital improvement requests, and \$1,066,636 in capital improvement carry forward from prior years. If approved, the capital improvement budget will be amended to include this amount.

The following resolution is recommended for approval:

RESOLVED, the Finance Committee approves a 2014-15 capital budget amendment request of \$400,000 for the University Village.

NOW, THEREFORE, the Finance Committee recommends that the capital budget request for \$400,000 be forwarded to the Board for review and approval at its next regularly scheduled meeting.

PASSED AND ADOPTED THIS 19th DAY OF NOVEMBER 2014.

By: 

Dr. Steven N. Garcia, Chair
Finance Committee

Memorandum



Date: October 31, 2014

To: Finance Committee
Cal Poly Pomona Foundation, Inc.

From: *David F. Prenovost*
David F. Prenovost,
Senior Managing Director/CFO

Subject: FINANCIAL HIGHLIGHTS – SEPTEMBER 2014

Following are the year-to-date financial statement Surplus/(Deficit) amounts that have been reviewed in detail by the Finance Committee:

	Budget	Actual	Variance
General Activities	\$ 151,560	\$ (606,297)	\$ (757,857)
Enterprise Activities	(1,443,791)	(1,599,965)	(156,174)
Use of Designated Funds	(400,558)	(246,711)	153,847
Other Activities	(164,043)	166,313	330,356
Restricted Activities & Transfer of Assets	9,833,274	3,001,213	(6,832,061)
Total Surplus (Deficit)	\$ 7,976,442	\$ 714,553	\$ (7,261,889)

For the fiscal quarter ended September 2014 revenues of \$23.4 million are 95.8% or \$1.0 million short of budget mainly due to Investments and University Village. Expenditures of \$22.7 million exceed budget by \$6.2 million or 37.8% mainly due to the distribution of endowment earnings that was budgeted in October 2014 generating a surplus than budgeted. The variance is explained in the following analysis of each activity.

GENERAL ACTIVITIES

	Budget	Actual	Variance
Administration	\$ (498,313)	\$ (487,780)	\$ 10,533
Real Estate Development	278,392	315,763	37,371
Investments	344,145	(450,466)	(794,611)
Building Rental	27,336	16,186	(11,150)
Total General Fund	\$ 151,560	\$ (606,297)	\$ (757,857)

General activities deficit versus a budgeted surplus is mainly due to the unrealized losses in equities.

ENTERPRISES ACTIVITIES

	Budget	Actual	Variance
Surplus/(Deficit)	\$ (1,443,791)	\$ (1,599,965)	\$ (156,174)

Enterprise revenues of \$6.1million exceed budget by 6% or \$342,144 mainly due to dining activities; expenditures of \$7.7 million exceed budget by 7% or \$498,318 resulting in a deficit greater than budget. Following is the summary of each Enterprise Activities:

BOOKSTORES

	Budget	Actual	Variance
Surplus/(Deficit)	\$ 97,612	\$ 78,454	\$ (19,158)

Bookstore revenues are 43% of Enterprise Activities and exceeds budget by 5% or \$121,668 mainly due to new and used textbook sales and rental followed by sales of supplies due to an increase in enrollment. Cost of goods is 74% versus 72%; expenditures are 23% versus 23% of budget generating a surplus of 2% versus 3% budgeted. We continue to focus on used and rental books as well as digital textbook options to reduce the increasing costs for textbooks. The Presidential Order also continues to support the sales in the bookstore.

DINING SERVICES

	Budget	Actual	Variance
Surplus/(Deficit)	\$ (681,994)	\$ (565,479)	\$ 116,515

Dining Service revenues are 38% of Enterprise Activities and exceeds budget by 27% or \$486,853 due to a majority of our venues including Qdoba, Poly Fresh, Subway, Roundtable and Starbucks, cost of goods is 33% versus 32% of budget and payroll and expenditures are 92% versus 106% of budget.

Retail Operations - This reporting unit includes the retail units at Campus Center Marketplace and Bronco Student Center, convenient stores, vending, Kellogg West Catering/Conference Foods and commission vending. Revenues exceed budget by 34% or \$377,348 due to catering/conference activities and venues in the Bronco Student Center; cost of goods is 31% versus 32% of budget and payroll and expenditures are 85% versus 108% of budget generating a deficit of \$246,568 versus a budgeted deficit of \$451,590.

Board Operations - This reporting unit includes the Board Operations at Los Olivos, Denny's Diner and Vista Cafe. Revenues exceed budget by 16% or \$109,505; costs goods are 37% versus 32% of budget, payroll and expenditures are 103% versus 102% of budget generating a deficit of \$318,764 versus \$229,490 budgeted.

KELLOGG WEST

	Budget	Actual	Variance
Surplus/(Deficit)	\$ 4,868	\$ 42,890	\$ 38,022

Kellogg West Conference Center & Lodge This unit includes room and conference center activities. Kellogg West revenues are 7% of Enterprise Activities and exceed budget by 32% or \$115,263; payroll and expenditures are 91% versus 98% of budget generating a surplus greater than budgeted.

UNIVERSITY VILLAGE

	Budget	Actual	Variance
Surplus/(Deficit)	\$ (864,277)	\$ (1,155,830)	\$ (291,553)

University Village - Revenues are 12% of Enterprise Activities and are 65% or \$381,642 short of budget due to the high vacancy over the Summer as a result of planned upgrades to phases I & II. As we begin the academic year occupancy is at 97% versus 95% budgeted. We continue to increase our outreach to area colleges and universities as well. Payroll and expenditures are 267% versus 180% budgeted resulting in a deficit greater than budget.

DESIGNATED FUND

	Budget	Actual	Variance
Surplus/(Deficit)	\$ (400,558)	\$ (246,711)	\$ 153,847

Designated fund expenditures include development, alumni affairs, public relations, publications, athletics and other and generated a deficit less with budgeted.

OTHER ACTIVITIES

	Budget	Actual	Variance
Sponsored Research	11,250	16,288	5,038
Agriculture-Aid-to-Instruction	(126,013)	(137,205)	(11,192)
Continuing Education	(49,280)	271,166	320,446
Campus Programs-Unrestricted	-	16,064	16,064
Total Other Activities	\$ (164,043)	\$ 166,313	\$ 330,356

Sponsored Research has generated a surplus of \$16,288 versus a budgeted surplus of \$11,250; indirect revenues exceed budget by 4.9% or \$15,622 and direct grant expenditures exceed budget by 10.13% or \$278,872 generating an effective rate of 10.96% versus the budgeted rate of 11.5%.

Agriculture-Aid-to-Instruction revenues exceed budget by 9% or \$53,841, cost of goods are 22% versus 21% of budget and payroll and expenditures are 98% versus 99% of budget generating a deficit of \$137,205 versus a budgeted deficit of \$126,013.

Continuing Education revenues exceed budget by 19% or \$194,448; payroll and expenditures are 78% versus 105% of budget generating a surplus of \$271,166 versus a budgeted deficit of \$49,280.

Foundation Programs-Unrestricted includes the activities that are not third party donor imposed stipulations. Revenues were 75% or \$48,840 less than budgeted due to an indirect cost recovery allocation between unrestricted and restricted programs; expenditures (excluding Transfers to the University # 7344) are 67% or \$64,904 short of budget and exceed prior year by 5% or \$6,953 generating a surplus of \$16,064 versus a zero budget.

Endowment/Investment revenues are 50% or \$4.7 million short of budget mainly due to unrealized investment losses; expenditures exceed budget by \$4.2 million due to the annual endowment distribution reported in September and budgeted in October, all other expenditures are in line generating a surplus of \$2.9 million versus a budgeted surplus of \$9.2 million.

Foundation Programs-Restricted revenues exceed budget by 140% or \$3.1 million due to the annual endowment distribution was recorded in September and revenues in these programs were evenly budgeted over the fiscal year; expenditures exceed budget by 54% or \$856,159 generating a surplus of \$144,211 versus a budgeted surplus of \$620,325.



CAL POLY POMONA FOUNDATION, INC.
Statement of Activities
 For period ending September 30, 2014 and 2013

Description	REVENUES			EXPENSES			SURPLUS(DEFICIT)			FY 13-14 Actual	FY 14-15 Budget	YTD Budget (Not) Realized
	FY 13-14	FY 14-15 YTD		FY 13-14	FY 14-15 YTD		FY 13-14	FY 14-15 YTD				
	YTD Actual	Budget	Actual	YTD Actual	Budget	Actual	YTD Actual	Budget	Actual			
General Activities:												
Administration	892,726	852,836	876,781	1,348,508	1,351,149	1,364,561	(455,782)	(498,313)	(487,780)	(875,482)	(848,169)	360,389
Real Estate	711,680	703,075	841,160	440,481	424,683	525,397	271,199	278,392	315,763	264,624	295,709	20,054
Investments	694,561	363,524	(429,100)	12,168	19,379	21,366	682,393	344,145	(450,466)	2,388,690	1,147,691	(1,598,157)
Building Rentals	194,928	196,767	196,767	174,574	169,431	180,581	20,354	27,336	16,186	136,567	107,678	(91,492)
TOTAL GENERAL	2,493,895	2,116,202	1,485,608	1,975,731	1,964,642	2,091,905	518,164	151,560	(606,297)	1,914,399	702,909	(1,309,206)
Enterprises:												
Bookstores	2,423,050	2,512,070	2,633,738	2,272,620	2,414,458	2,555,284	150,430	97,612	78,454	422,971	285,881	(207,427)
Carl's/ Salad Bar/Taco Bell	18,642	19,721	30,563	45,592	48,283	52,090	(26,950)	(28,562)	(21,527)	110,239	95,866	(117,393)
Panda Express	(2,928)	2,674	(1,813)	38	267	(26)	(2,966)	2,407	(1,787)	110,803	107,151	(108,938)
C-Store's <small>incl. Starbucks, coe, Einstein, cba, poly, brotze</small>	290,822	311,834	362,302	386,626	430,599	466,332	(95,804)	(118,765)	(104,030)	489,085	473,616	(577,646)
Vending & Carts	15,848	43,009	20,189	8,830	40,521	17,569	7,018	2,488	2,620	16,812	27,610	(24,990)
Los Olivos	575,208	569,211	699,670	737,305	736,828	897,731	(162,097)	(167,617)	(198,061)	800,800	495,184	(693,245)
Vista Café	64,452	69,272	49,573	88,186	103,851	100,249	(23,734)	(34,579)	(50,676)	90,672	68,870	(119,546)
Denny's	32,126	37,789	36,535	91,428	65,083	106,530	(59,302)	(27,294)	(69,995)	(54,776)	28,352	(98,347)
Geneva Café	0	0	0	0	0	0	0	0	0	0	0	0
Bronco Student Center	252,872	255,697	388,451	247,670	264,932	363,574	5,202	(9,235)	24,877	358,715	287,150	(262,273)
FS Mgt/Overhead	0	0	0	233,094	294,243	262,664	(233,094)	(294,243)	(262,664)	(860,241)	(1,029,141)	766,477
<i>Total Dining Services</i>	<i>1,247,042</i>	<i>1,309,207</i>	<i>1,585,470</i>	<i>1,838,769</i>	<i>1,984,607</i>	<i>2,266,713</i>	<i>(591,727)</i>	<i>(675,400)</i>	<i>(681,243)</i>	<i>1,062,109</i>	<i>554,658</i>	<i>(1,235,901)</i>
Catering/Conference Foods	500,781	483,702	694,294	449,993	490,296	578,530	50,788	(6,594)	115,764	212,803	(50,039)	165,803
K.W Conference Cntr.	304,339	360,675	475,938	347,821	355,807	433,048	(43,482)	4,868	42,890	(36,586)	23,949	18,941
University Village	575,833	1,075,193	693,551	1,612,402	1,939,470	1,849,381	(1,036,569)	(864,277)	(1,155,830)	1,149,823	1,581,600	(2,737,430)
TOTAL ENTERPRISE	5,051,045	5,740,847	6,082,991	6,521,605	7,184,638	7,682,956	(1,470,560)	(1,443,791)	(1,599,965)	2,811,120	2,396,049	(3,996,014)
TOTAL GEN & ENTERPRISE	7,544,940	7,857,049	7,568,599	8,497,336	9,149,280	9,774,861	(952,396)	(1,292,231)	(2,206,262)	4,725,519	3,098,958	(5,305,220)
Uses of Designated Funds:												
Development	0	0	0	6,022	18,000	21,013	(6,022)	(18,000)	(21,013)	(52,846)		
Alumni Affairs	0	0	0	11,585	11,499	13,258	(11,585)	(11,499)	(13,258)	(64,346)		
Public Relations	803	0	475	89,386	167,282	157,639	(88,583)	(167,282)	(157,164)	(326,538)		
Publications	0	0	0	(4,788)	45,573	(3,410)	4,788	(45,573)	3,410	(164,579)		
Athletics	0	0	0	4,372	18,750	2,086	(4,372)	(18,750)	(2,086)	(55,000)		
Other	2,082	0	5,923	(9,860)	139,454	62,523	11,942	(139,454)	(56,600)	(732,759)		
TOTAL DESIGNATED USES	2,885	0	6,398	96,717	400,558	253,109	(93,832)	(400,558)	(246,711)	(1,396,068)	(1,777,109)	1,530,398
Other Activities:												
Research Office	346,001	316,743	332,365	339,712	305,493	316,077	6,289	11,250	16,288	45,153	45,004	(28,716)
Agriculture	618,293	599,512	653,353	717,398	725,525	790,558	(99,105)	(126,013)	(137,205)	24,551	61,992	(199,197)
Continuing Education	1,137,449	1,043,111	1,237,559	757,434	1,092,391	966,393	380,015	(49,280)	271,166	1,348,332	478,555	(207,389)
Fdn. Program-Unrestricted	345,238	198,714	149,874	126,857	198,714	133,810	218,381	-	16,064	1,061,065	-	16,064
TOTAL OTHER	2,446,981	2,158,080	2,373,151	1,941,401	2,322,123	2,206,838	505,580	(164,043)	166,313	2,479,101	585,551	(419,238)
TOTAL SURPLUS(DEFICIT)	9,994,806	10,015,129	9,948,148	10,535,454	11,871,961	12,234,808	(540,648)	(1,856,832)	(2,286,660)	5,808,552	1,907,400	(4,194,060)



CAL POLY POMONA FOUNDATION, INC.
 Statement of Activities
 For period ending September 30,2014 and 2013

Description	REVENUES			EXPENSES			SURPLUS(DEFICIT)			FY 13-14 Actual	FY 14-15 Budget	YTD Budget (Not) Realized
	FY 13-14	FY 14-15 YTD		FY 13-14	FY 14-15 YTD		FY 13-14	FY 14-15 YTD				
	YTD Actual	Budget	Actual	YTD Actual	Budget	Actual	YTD Actual	Budget	Actual			
Restricted:												
Endowments/Investments	11,359,317	9,469,189	4,788,165	1,935,057	256,240	4,456,632	9,424,260	9,212,949	331,533	17,698,769	9,371,727	9,040,194
Foundation Programs	3,275,657	2,198,559	5,270,046	1,593,704	1,578,234	2,413,044	1,681,953	620,325	2,857,002	4,715,282	2,481,300	(375,702)
TOTAL RESTRICTED	14,634,974	11,667,748	10,058,211	3,528,761	1,834,474	6,869,676	11,106,213	9,833,274	3,188,535	22,414,051	11,853,027	8,664,492
Grants and Contracts	3,238,228	2,754,288	3,398,648	3,238,228	2,754,288	3,398,648	0	0	0	0	0	0
Transfers to the University	0	0	0	160,588	0	187,322	(160,588)	0	(187,322)	(2,596,332)	0	0
TOTAL FOUNDATION NET	27,868,008	24,437,165	23,405,007 #	17,463,031	16,460,723	22,690,454	10,404,977	7,976,442	714,553	25,626,271	13,760,427	4,470,432



CAL POLY POMONA FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

for period ended September 30, 2014

	Unrestricted					Restricted				Current Year Total	June 30, 2014 Total
	General Fund	Designated Fund	Foundation Programs Fund	Auxiliary Activities Fund	Total Unrestricted	Sponsored Programs Fund	Foundation Programs Fund	Endowment Fund	Total Restricted		
CURRENT ASSETS:											
Cash:											
On hand and in commercial accounts	(309,633)	1,400	1,400	90,274	(216,559)	0	7,925	0	7,925	(208,634)	(105,305)
Due to/(from)	(82,221,079)	20,567,984	2,651,567	23,703,322	(35,298,206)	2,932,029	31,615,010	751,168	35,298,207	1	0
Investments	38,434,495	182,062	0	0	38,616,557	0	370,382	2,537,763	2,908,145	41,524,702	41,801,607
Marketable securities	9,726,440	0	0	0	9,726,440	0	1,369,602	84,983,210	86,352,812	96,079,252	95,521,015
Total cash and cash equivalent	(34,369,777)	20,751,446	2,652,967	23,793,596	12,828,232	2,932,029	33,362,919	88,272,141	124,567,089	137,395,321	137,217,317
Receivables:											
Accounts and notes receivable	2,326,154	5,000	(41,744)	3,159,710	5,449,120	713,541	7,109,338	5,228	7,828,107	13,277,227	13,537,396
Interfund loans (net)	2,033,104	0	0	0	2,033,104	0	52,500	0	52,500	2,085,604	2,391,892
Less-Allowance for doubtful accounts	4,359,258	5,000	(41,744)	3,159,710	7,482,224	713,541	7,161,838	5,228	7,880,607	15,362,831	15,929,288
	0	0	0	(130,796)	(130,796)	0	(68,343)	0	(68,343)	(199,139)	(187,790)
Total receivables	4,359,258	5,000	(41,744)	3,028,914	7,351,428	713,541	7,093,495	5,228	7,812,264	15,163,692	15,741,498
Inventories	250,000	0	0	1,934,906	2,184,906	0	2,047,299	0	2,047,299	4,232,205	1,992,746
Prepaid expenses and deferred charges	274,262	8,525	0	143,116	425,903	0	0	0	0	425,903	161,339
Total current assets	(29,486,257)	20,764,971	2,611,223	28,900,532	22,790,469	3,645,570	42,503,713	88,277,369	134,426,652	157,217,121	155,112,900
FIXED ASSETS											
Land	14,520,418	1,700	822,700	212,000	15,556,818	0	325,383	0	325,383	15,882,201	15,882,201
Buildings and improvements	15,607,355	0	532,412	52,108,096	68,247,863	0	357,044	0	357,044	68,604,907	68,295,105
Equipment, furniture and fixtures	2,135,108	0	27,408	11,760,354	13,922,870	0	397,362	0	397,362	14,320,232	14,169,161
Orchards	0	0	0	131,863	131,863	0	0	0	0	131,863	131,863
Construction in progress	336,727	0	0	1,208,888	1,545,615	0	1,194,343	0	1,194,343	2,739,958	1,541,801
Less-Accumulated depreciation	32,599,608	1,700	1,382,520	65,421,201	99,405,029	0	2,274,132	0	2,274,132	101,679,161	100,020,131
	(10,647,764)	0	(357,948)	(35,490,396)	(46,496,108)	0	(566,591)	0	(566,591)	(47,062,699)	(46,138,009)
Total fixed assets	21,951,844	1,700	1,024,572	29,930,805	52,908,921	0	1,707,541	0	1,707,541	54,616,462	53,882,122
Restricted - Grant Funds	0	0	0	0	0	168,010	500,325	0	668,335	668,335	167,997
Total assets	(7,534,413)	20,766,671	3,635,795	58,831,337	75,699,390	3,813,580	44,711,579	88,277,369	136,802,528	212,501,918	209,163,019
DEFERRED OUTFLOWS OF RESOURCES:											
Advance refunding 2013A-Univ Village				485,563	485,563					485,563	485,563



CAL POLY POMONA FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

for period ended September 30, 2014

LIABILITIES:

	Unrestricted					Restricted				Current Year Total	June 30, 2014 Total
	General Fund	Designated Fund	Foundation Programs Fund	Auxiliary Activities Fund	Total Unrestricted	Sponsored Programs Fund	Foundation Programs Fund	Endowment Fund	Total Restricted		
Accounts payable	229,315	116,155	11,967	1,542,399	1,899,836	240,828	759,142	0	999,970	2,899,806	2,309,134
Accrued liabilities	1,426,704	(766,487)	711	699,603	1,360,531	131,678	11,061	752,611	895,350	2,255,881	1,577,301
Receipts in excess of expenditures on specific sponsored programs	0	0	0	0	0	3,441,074	0	0	3,441,074	3,441,074	2,231,257
Deferred income	991,677	0	0	1,119,096	2,110,773	0	8,636	0	8,636	2,119,409	1,204,437
Deposits held in custody for others	0	0	0	0	0	0	651,806	0	651,806	651,806	654,002
Inter-fund loans	2,033,104	0	0	0	2,033,104	0	52,500	0	52,500	2,085,604	2,391,892
Total current liabilities	4,680,800	(650,332)	12,678	3,361,098	7,404,244	3,813,580	1,483,145	752,611	6,049,336	13,453,580	10,368,023
Long-term liabilities:											
Notes and contracts payable	0	0	0	0	0	0	397,466	0	397,466	397,466	0
Unitrust liability	0	0	0	0	0	0	878,284	0	878,284	878,284	878,284
Lease obligations	2,730,324	0	0	25,144,622	27,874,946	0	0	0	0	27,874,946	28,733,626
Total long-term liabilities	2,730,324	0	0	25,144,622	27,874,946	0	1,275,750	0	1,275,750	29,150,696	29,611,910
Total liabilities	7,411,124	(650,332)	12,678	28,505,720	35,279,190	3,813,580	2,758,895	752,611	7,325,086	42,604,276	39,979,933
Net Assets Beginning	(12,603,663)	19,878,254	3,608,072	32,310,782	43,193,445	0	39,281,979	87,193,226	126,475,205	169,668,650	144,042,381
<i>change in net Assets</i>	(2,341,873)	1,538,748	15,047	(1,499,603)	(2,287,681)	0	2,670,701	331,533	3,002,234	714,553	25,626,271
Total liabilities and Net Assets	(7,534,412)	20,766,670	3,635,797	59,316,899	76,184,954	3,813,580	44,711,575	88,277,370	136,802,525	212,987,479	209,648,585

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

DESCRIPTION	2012-13	2012-13	2012-13	2013-14	2013-14	2013-14	2014-15 YTD	2014-15 YTD
	Actual	Forecast	Approved Budget	Actual	Forecast	Approved Budget	Actual 9/30/14	Approved Budget
REAL ESTATE DEVELOPMENT								
220080 Center for Training Technology & Incubation	(219,595)	(220,172)	(140,204)	(117,114)	(188,284)	(112,799)	149,275	131,372
220010 Innovation Village - see Note 1	437,156	433,079	418,789	378,650	388,246	454,211	141,281	132,122
220050 Innovation Village/American Red Cross	630	-	-	(3,926)	-	-	12,698	-
220052 Innovation Village/Tramel Crow	(134)	-	-	(769)	-	-	3,130	-
220070 Innovation Village Common Areas	-	1	6	-	-	4	(27,100)	-
220250 Trammel Crow/I.V. Phase IV	(1,346)	-	-	9,723	-	-	2,038	-
459540 Spadra Solar Farm	-	-	-	(65,291)	-	-	-	(150)
460760 Real Estate Campus Improvement	-	-	-	-	-	-	(5,852)	-
461890 Innovation Village Phase V	-	-	-	-	-	-	-	-
461900 Innovation Village Phase VI	-	-	-	-	-	-	-	-
Total Real Estate Development	216,711	212,908	278,591	201,273	199,962	341,416	275,470	263,344
RENTAL Buildings								
200660 Building # 66 - Classrooms & Offices	127,157	111,384	110,359	121,124	107,804	108,356	16,049	24,724
190970 Building # 97 - Offices	134,982	126,446	113,316	128,034	127,718	121,002	26,879	32,031
200220 CTTi Building # 220A - College of ENV Studio	(107,311)	(101,308)	(96,199)	(112,592)	(109,510)	(102,476)	(26,744)	(29,419)
190330 Downtown Pomona Building	-	-	-	-	-	-	-	-
Total Rental Buildings	154,828	136,522	127,476	136,566	126,012	126,882	16,184	27,336
FACULTY/STAFF HOUSING								
Fund 11 Faculty/Staff Housing	(41,149)	(78,196)	(100,079)	63,351	(8,030)	(77,085)	40,293	15,048
Total Faculty/Staff Housing	(41,149)	(78,196)	(100,079)	63,351	(8,030)	(77,085)	40,293	15,048
GRAND TOTAL REAL ESTATE	330,390	271,234	305,988	401,190	317,944	391,213	331,947	305,728

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

DESCRIPTION	2012-13			2013-14			2014-15	2014-15
	Actual	Forecast	Approved Budget	Actual	Forecast	Approved Budget	YTD Actual 9/30/14	YTD Approved Budget
016200 Agronomy Farms	630	10,034	62,691	2,230	70,148	27,706	(15,383)	(21,064)
260200 Arabian Horse Show	(94,200)	21,770	2,170	(125,415)	(2,930)	7,742	(37,276)	(76,243)
020010 Beef Unit	4,258	4,086	(1,206)	16,007	13,155	6,692	(33,543)	4,633
022500 Beef Show Sale Project	-	-	-	-	-	-	-	-
027190 Consignment Sales	-	-	-	-	-	-	-	-
340010 Fruit Industry	(5,248)	500	4,036	18,563	1,244	1,800	9,206	(3,025)
300010 Meat Lab	10,451	5,590	2,734	(1,027)	(500)	2,722	(530)	1,874
320300 Ornamental Horticulture	10,453	4,611	6,449	15,770	3,406	2,212	(7,948)	(2,757)
193040 Pine Tree Ranch	107,116	16,772	6,073	85,138	33,504	19,214	(2,537)	(7,643)
420010 Sheep Unit	(2,313)	(1,636)	(4,888)	(4,631)	8,598	(3,024)	(5,948)	(3,758)
430010 Swine Unit	(4,433)	(7,691)	(2,980)	(6,147)	(4,185)	(5,324)	(1,105)	2,010
260220 Farm Store at Kellogg Ranch	(12,933)	6,402	28,953	27,669	11,426	15,081	(49,253)	(20,344)
460360 Danny's Farm	6,394	-	-	(2,825)	-	-	(6,814)	-
350810 Truck and Trailer	(4,000)	-	-	(3,000)	-	-	-	-
428460 Vet Clinic	-	-	-	2,218	7,068	727	13,927	304
350820 Pomona Organics St Project	145	-	-	-	-	-	-	-
Total	16,320	60,438	104,032	24,550	140,934	75,548	(137,204)	(126,013)


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

DESCRIPTION	2012-13	2012-13	2012-13	2013-14	2013-14	2013-14	2014-15	2014-15
	Actual	Forecast	Approved Budget	Actual	Forecast	Approved Budget	YTD Actual 9/30/14	YTD Approved Budget
COLLEGE OF EXTENDED UNIVERSITY - Programs								
283500 Administration	65,206	(21,700)	4,344	582,097	120,093	327,553	(63,299)	47,753
283071 Computer Programs	-	-	-	-	-	-	-	-
283072 Certificate Programs	33,699	5,383	23,106	(3,801)	-	-	(35)	-
283080 English Language Inst.	801,940	526,911	268,294	48	-	-	421	-
283600 CEU International Training	66,456	99,824	70,500	-	-	-	-	-
283610 Int'l Workshop and Training	-	-	-	-	-	-	-	-
283620 Six Sigma Program	19,888	35,865	36,486	3,616	(179)	35,886	4,499	291
283630 Professional Project Management Program	10,954	8,564	8,886	5,318	10,776	10,836	7,492	2,479
283790 On Site Training Programs	19,198	18,101	18,310	12,607	5,331	8,480	(953)	983
283060 Start-Up Programs	(850)	209	3,501	-	-	-	-	-
283076 Technical Programs	11,780	4,657	-	9,991	23,971	9,228	14,971	15,180
283073 Test Prep Programs	8,013	3,133	4,586	18,012	21,572	3,646	11,467	82
460280 SUMMER SUPPORT @ CEU	(852)	-	-	(1,604)	(2,514)	-	(4,741)	(13,038)
460920 Business Comm & Grant Writing	-	-	286	(278)	-	286	(3,162)	-
460930 Accounting & Finance	-	-	223	-	-	223	-	(513)
460940 Math & Science	1,313	-	-	3,536	(2,976)	1,685	(980)	(1,828)
460950 Hospitality & Service Industry	1,418	-	-	5,904	9,513	2,480	5,928	2,237
460960 Supply Chain Management	-	-	-	157	1,197	612	358	2,725
460970 Human Resources Management	1,527	-	-	8,760	(4,834)	3,540	4,351	1,254
460980 Building & Construction Management	372	-	-	14,667	(1,522)	9,216	23,214	3,913
460990 Ed2Go	-	-	-	(26,691)	(244,108)	(90,440)	(58,510)	(66,141)
461000 Art, Media, & Design	-	-	-	-	-	2,236	3,533	-
461010 Global Ed Programs Standard	(471)	-	-	(122,777)	(54,460)	11,783	88,974	9,917
461020 Global Ed Programs Camps	-	-	-	14,791	-	-	-	-
461030 CPELI Camps	(3,311)	-	-	98,815	84,798	119,503	114,426	141,059
461040 CPELI Standard	(2,628)	-	-	905,194	487,834	436,292	106,175	(191,906)
461820 Program Development	-	-	-	(212,112)	-	-	15,566	-
461840 Summer Camps	-	-	-	-	-	-	(5,300)	-
Total College of Extended Univ Programs	1,033,652	680,947	438,522	1,316,250	454,492	893,045	264,395	(45,553)

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

DESCRIPTION	2012-13	2012-13	2012-13	2013-14	2013-14	2013-14	2014-15	2014-15
	Actual	Forecast	Approved Budget	Actual	Forecast	Approved Budget	YTD Actual 9/30/14	YTD Approved Budget
COLLEGE OF ENGINEERING								
381500 Non-Credit Learning Admin	678	48	(5,150)	1,182	30	48	-	(158)
381675 Civil Engineering Review	4,533	4,333	2,217	5,088	4,446	4,333	7,261	-
381673 Land Surveyor Review	-	-	-	-	-	-	-	-
Total College of Engineering	5,211	4,381	(2,933)	6,270	4,476	4,381	7,261	(158)
COLLEGE OF SCIENCE								
406440 Chemistry Agilent Project	(2,415)	4,624	16,596	(2,032)	4,624	16,333	(492)	(4,569)
Total College of Science	(2,415)	4,624	16,596	(2,032)	4,624	16,333	(492)	(4,569)
COLLEGE OF LETTERS, ARTS, AND SOCIAL SCIENCES								
362030 GIS Certificate Program	(5,132)	-	-	10,841	-	-	-	-
Total College of Letters, Arts, and Social Sciences	(5,132)	-	-	10,841	-	-	-	-
COLLEGE OF ENVIRONMENTAL DESIGN								
460200 CCLAWS CERTIFICATE L+RS	(300)	-	-	(4,077)	-	-	-	-
Total College of Environmental Design	(300)	-	-	(4,077)	-	-	-	-
GRAND TOTAL CONTINUING EDUCATION	1,031,016	689,952	452,185	1,327,252	463,592	913,759	271,164	(50,280)

Memorandum

Date: November 18, 2014
To: Finance Committee
Cal Poly Pomona Foundation, Inc.
From: 
Dennis Miller, Chief Employment Officer



Subject: **STATUS OF WORKERS COMPENSATION & EMPLOYMENT RISK MANAGEMENT ISSUES**

Foundation takes an active role toward reducing the risk of injury and illness in the workplace. The key program in place to facilitate positive outcomes regarding safety is the Injury & Illness Prevention Program. The Safety Committee is the committee which initiates ideas and action steps toward reducing the risk of workplace injuries and illnesses. The Safety Committee is led by a Safety Officer, and also chairs the Safety Committee. The Safety Committee has representatives from all major workplace units and meets at least once per quarter to review and discuss historical safety events within Foundation, and also receives updates from external resources on various techniques they can apply in their respective units to enhance safety and reduce workplace injuries.

Below is the status of employment based claims for 2013/2014.

Annual Overview of Workers Compensation Insurance:

Fiscal Year	Premium	Claims Opened	Closed	Pending
2013/14	\$273,920	24	20	1
2014/15	\$310,660	20	17	1

Annual Overview of Employment Practices Liability:

Fiscal Year	Premium	Claims Opened	Closed	Pending
2013/2014	\$10,552	0	0	0
2014/2015	\$11,591	0	0	0

Memorandum



Date: October 30, 2014

To: Finance Committee
Cal Poly Pomona Foundation

From: David F. Prenovost 
Senior Managing Director/CFO

Subject: Status of Property & Liability Risk Management Issues

Below is a status of risk management issues regarding property and liability.

1. Property Losses – There were no property losses in fiscal year 2013-14
2. General Liability Losses (excluding employment practices) – There were seven losses in fiscal year 2013-14: (1) Slip and fall – 2 claims; (2) Claimant's vehicle damaged; (3) Personal injury; (4) Claimant's property stolen; and (5) Auto accident – 2 claims;


We will continue to keep you apprised in these areas of risk management at the next regularly scheduled meetings.

Memorandum



Date: October 30, 2014

To: Finance Committee
Cal Poly Pomona Foundation, Inc.

From: 
David F. Prenovost,
Senior Managing Director/Chief Financial Officer

Subject: **2014-15 Insurance Coverage**

As you may know, the Foundation participates in the Auxiliary Organization Risk Management Alliance (AORMA) offered through Alliant Insurance Services, a Committee of the California State University Risk Management Authority (CSURMA), a joint powers authority. The Foundation's schedule of insurance premiums, coverage, limits and deductibles for the fiscal year 2014-15 is provided in the following document.

This coverage excludes earth quake insurance that was not economically feasible to purchase this year.

In addition to the insurance coverage the Foundation established an Insurance Reserve policy # 174 in February 2006, attached for your reference. The insurance reserve currently has a balance of \$138,174. The Insurance Reserve was established to pay the deductible amounts greater than \$10,000.



“Quality Service Supporting Quality Education”



Cal Poly Pomona Foundation 2014/2015 CSURMA AORMA Renewal Report



California State University Risk Management Authority
Auxiliary Organizations Risk Management Alliance

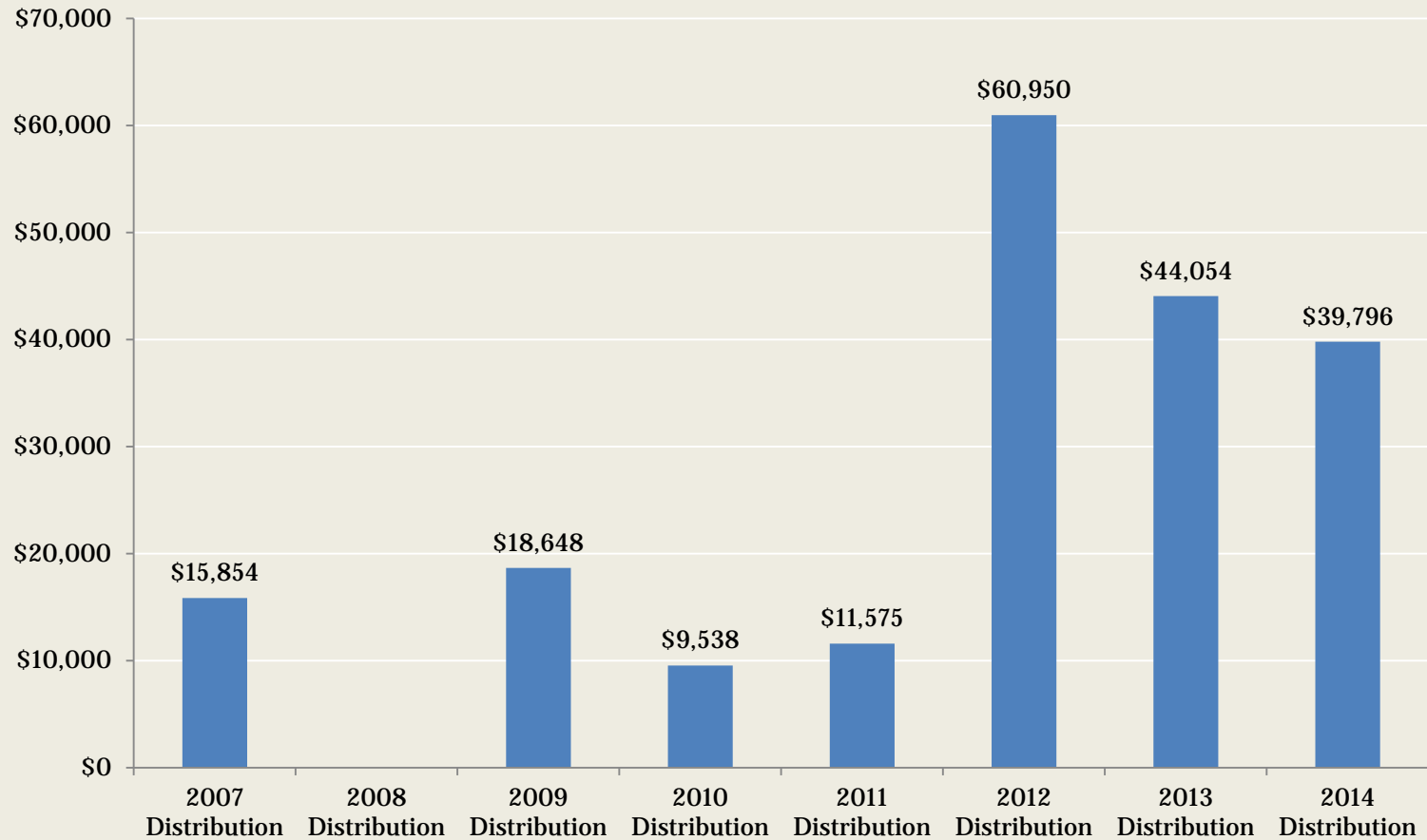
Cal Poly Pomona Foundation Dividend History



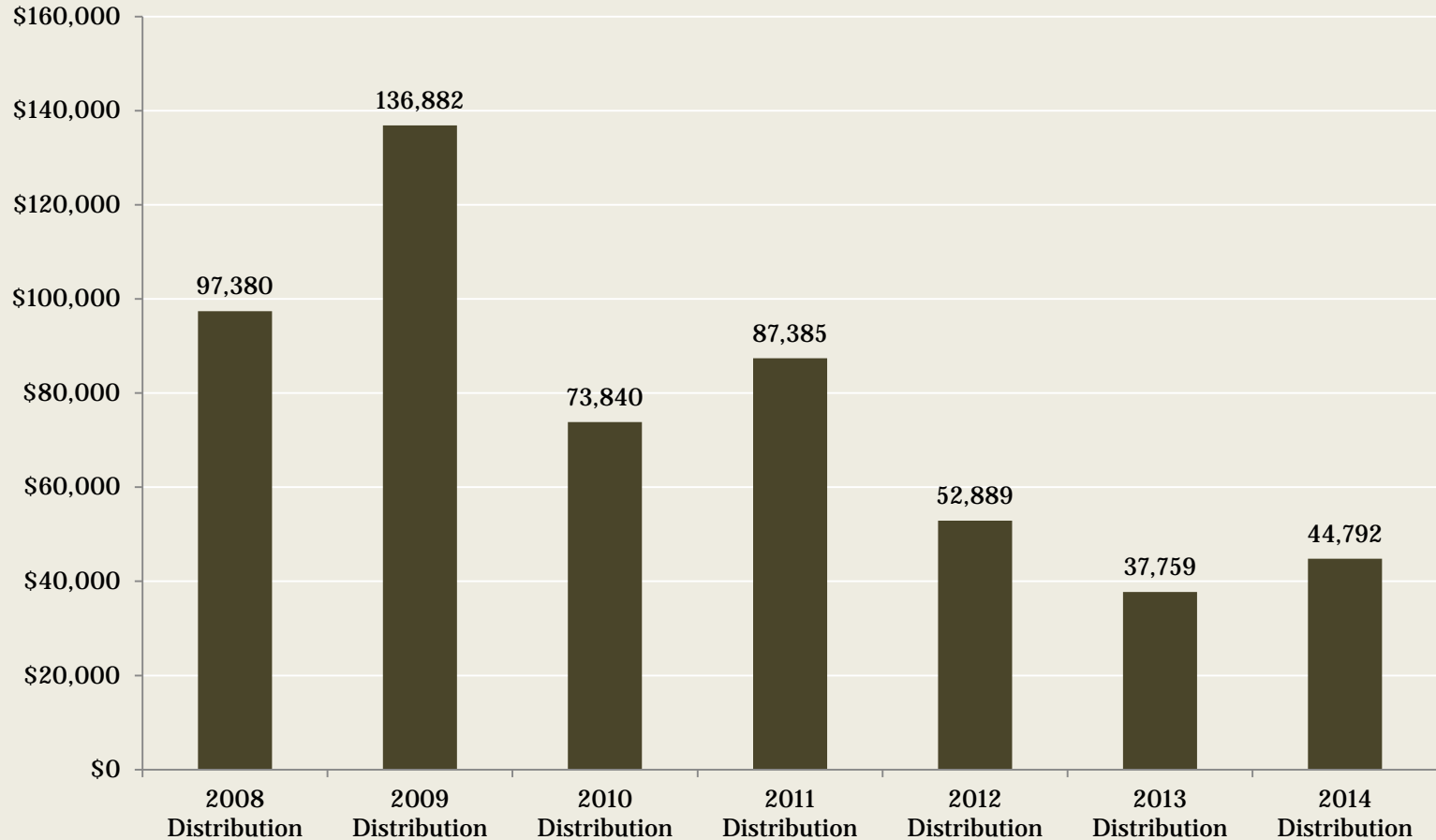
For Policy Yr.	Liability	Workers' Compensation
2006-2007	\$15,854	\$52,623
2007-2008	N/A	\$97,380
2008-2009	\$18,648	\$136,882
2009-2010	\$9,538	\$73,840
2010-2011	\$11,575	\$87,385
2011-2012	\$60,950	\$52,889
2012-2013	\$44,054	\$37,759
2013-2014	\$39,796	\$44,792
Total	\$200,415	\$583,550

Total of \$783,965 returned as Dividends to Cal Poly Pomona Foundation in last 8 years.

Cal Poly Pomona Foundation Liability Dividends



Cal Poly Pomona Foundation Workers' Compensation Dividends



2014/2015 Insurance Cost



AORMA Insurance Program	2011/2012	2012/2013	2013/2014	2014/2015
Liability	\$151,062	\$135,157	\$142,332	\$154,060
Workers' Compensation	\$221,460	\$200,972	\$273,920	\$310,658
Property	\$148,548	\$175,094	\$149,167	\$110,334
Crime	\$4,338	\$5,195	\$7,410	\$6,659
Cyber Risk Liability	\$622	\$666	\$711	\$812
Identity Fraud Expense Reimbursement	\$511	\$1,191	\$1,164	\$1,230
Foreign Travel	N/A	N/A	N/A	N/A
TOTAL	\$526,541	\$518,275	\$574,704	\$583,753

2014/2015 Insurance Cost



AORMA Individual Purchase Programs	2011/2012	2012/2013	2013/2014	2014/2015
Public Entity Physical Damage	\$1,086	\$1,948	\$4,455	\$5,095
Participant Accident Insurance	N/A	N/A	N/A	N/A
Fiduciary Liability Insurance	N/A	N/A	N/A	N/A
Inland Marine Floater	N/A	N/A	N/A	N/A
Total	\$1,086	\$1,948	\$4,455	\$5,095

Loss information – Total Incurred



AORMA Insurance Program	2010/2011	2011/2012	2012/2013	2013/2014
Liability	\$3,360	\$418,653	\$0	\$11,208
Workers' Compensation	\$105,225	\$297,347	\$127,709	\$87,696
Property	\$0	\$0	\$0	\$0

Workers' Compensation Experience Modification Loss Comparison



Losses Used by the Actuary in Calculating the Experience Modification Factor

Loss Valuation	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	Total	Exp Mod
@ 6/30/11	\$16,775	\$27,931	\$77,817				\$122,523	.79 for FY 12/13
@ 6/30/12		\$24,246	\$92,301	\$160,952			\$277,499	.97 for FY 13/14
@ 6/30/13			\$97,726	\$243,571	\$74,867		\$416,164	1.07 for FY 14/15
@ 6/30/14				\$297,347	\$127,709	\$87,696	\$451,583	1.37 for FY 15/16

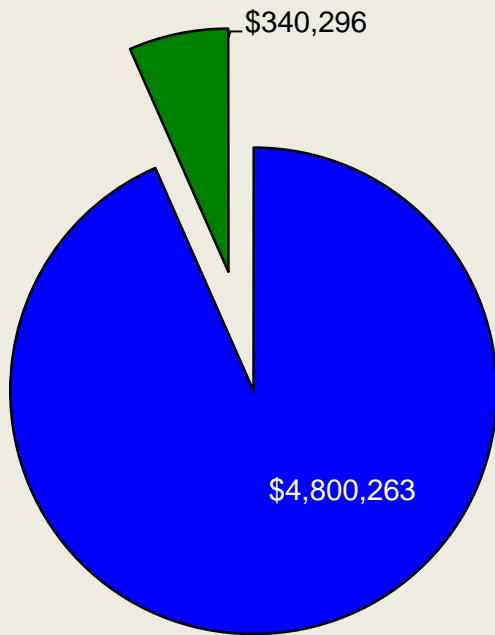
Future Financial Benefits of CSURMA AORMA Membership



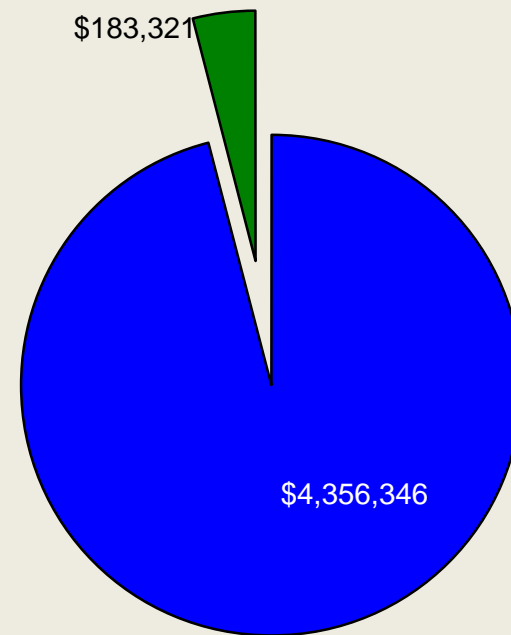
Cal Poly Pomona Foundation Potential Share of Program Equity

AORMA Workers' Compensation Program

AORMA Liability Program



- Total Program WC Surplus Reserves at 6/30/14
- Pomona Foundation



- Total Program Liability Surplus Reserves at 6/30/14
- Pomona Foundation

Questions?

Contact your CSURMA AORMA Program
Administrators

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Hsan Htein

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California State University Risk Management Authority (CSURMA)
Auxiliary Organizations Risk Management Alliance (AORMA)
Coverage Effective Date: July 1, 2013 – June 30, 2015

Cal Poly Pomona Foundation, Inc.

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AORMA Insurance Program PREMIUM SUMMARY

Cal Poly Pomona Foundation, Inc. July 1, 2012 to July 1, 2014		
Coverage	FY 2013/2014 Premium	FY 2014/2015 Premium
AORMA Liability Coverage Program	\$142,332	\$ 154,060.00
Insurer: AORMA SIR / General Reinsurance Corporation Limits: \$350,000 – AORMA SIR / \$4,650,000 excess of \$350,000 – General Reinsurance Corporation		
Excess Liability	Included	Included
Insurer: Ironshore Specialty Insurance Company Limits: \$5,000,000 excess of \$5,000,000		
Excess Liability	Included	Included
Insurer: Allied World Assurance Company (AWAC) Limits: \$10,000,000 excess of \$10,000,000		
Commercial Property Insurance (including Campus 99)	\$149,167	\$110,334
Insurer: Alliant Property Insurance Program (APIP) Limits: Various		
Fidelity Crime Insurance Program	\$7,410	\$6,659.00
Insurer: Lloyd's of London Limits: \$2,000,000		
Excess Cyber Risk Liability	\$711	\$812.00
Insurer: Lloyd's of London Limits: \$3,000,000 excess of \$2,000,000 provided by APIP		
Identity Fraud Expense Reimbursement Coverage	\$1,164	\$1,230.00
Insurer: Travelers Excess and Surplus Lines Company Limits: \$10,000		
AORMA Workers' Compensation Program	\$273,920	\$310,658.00
Insurer: AORMA SIR / Safety National Casualty Corporation Limits: \$500,000 AORMA SIR Statutory excess of \$500,000 – Workers' Compensation \$4,500,000 excess of \$500,000 – Employer's Liability		
Auto Physical Damage Insurance (AGCS Marine Insurance Co.)	\$4,455	\$5,095.00
Participant Accident Insurance (QBE)	Not Covered	Not Covered
Purchased JPA Program Administration Fee	\$45	\$51.00
Total AORMA Premium:	\$579,204	\$588,899

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.



California State University Risk Management Authority
Auxiliary Organizations Risk Management Alliance

NAMED INSURED: Cal Poly Pomona Foundation, Inc.
Carrier: California State University Risk Management Authority (CSURMA)
 Auxiliary Organizations Risk Management Alliance (AORMA)
Effective Date: July 1, 2013 to June 30, 2015
A.M. Best Rating: Not Applicable

LIABILITY PROGRAM		FY 2013/2014	FY 2014/2015
Limits:	General Liability – Each Occurrence	\$5,000,000	\$5,000,000
	Errors & Omissions - Directors' & Officers Liability, Each Occurrence	\$5,000,000	\$5,000,000
	Errors & Omissions - Employment Practices Liability, Each Occurrence	\$5,000,000	\$5,000,000
	Automobile Liability – Each Accident	\$5,000,000	\$5,000,000
	Fiduciary Liability – Claims Made Coverage Basis	\$5,000,000	\$5,000,000
	Fiduciary Liability - Annual Aggregate	\$5,000,000	\$5,000,000
<i>AORMA's pooled layer limit is \$350,000 per claim. General Reinsurance Corporation reinsures AORMA's limit - \$4,650,000 excess of \$350,000.</i>			
Deductibles:	Errors & Omissions, including Directors & Officers Liability	\$ 0	\$ 0
	Employment Practices Liability	\$ 100,000	\$ 75,000
	Domestic Hired Automobile Physical Damage	\$1,000	\$1,000
Sublimits:	Uninsured Motorist/Underinsured Motorist	\$ 250,000	\$ 250,000
	Domestic Hired Automobile Physical Damage	\$ 50,000	\$ 50,000
	Medical Payments – any one person	\$ 5,000	\$ 5,000
	Limited Medical Malpractice	\$5,000,000	\$ 5,000,000
	Funds, Grants or Appropriations (Defense Only)	\$250,000	\$250,000
	Land Use (Defense Only)	\$250,000	\$250,000
	Radioactive Materials	\$250,000	\$250,000
	Mold – Each Occurrence	\$600,000	\$600,000
	Mold – Aggregate	\$850,000	\$850,000
Retroactive Date:	Fiduciary Liability: 7/01/10		
Coverages:	As per the AORMA Memorandum of Coverage, including: General Liability Automobile Liability (Non-owned, Hired and Scheduled Owned) Errors & Omissions Liability, including Directors & Officers Liability Employment Practices Liability Domestic Hired Auto Physical Damage Liquor Liability Watercraft Liability, under 50 feet, or while on shore Employee Benefits Errors & Omissions Fiduciary Liability		
Exclusions:	Aircraft Asbestos Assault and Battery Contractual Obligation Employment Benefits (workers' compensation, disability benefits, etc.) Funds, Grants, or Appropriations, but defense is provided up to \$250,000		

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.

LIABILITY PROGRAM		FY 2013/2014	FY 2014/2015
	Intentional Conduct Land Use, but defense is provided up to \$250,000 Medical Malpractice (limited to operation of any hospital, clinic or health care facility owned or operated by you)		
Exclusions (Cont'd):	Nuclear, except materials for instructional or research activities up to \$250,000 Limited Time Element Pollution (7/40) Subsidence Watercraft, over 50 feet, or not on shore <i>Errors and Omissions:</i> 1. Refund of Taxes, Fees or Assessments 2. Illegal remuneration 3. Willful violation of a penal statute, etc 4. Faulty bid specifications or plans, failure to award a contract 5. Failure to perform or breach of a contractual obligation <i>Fiduciary Liability:</i> 1. Fines, Penalties or Taxes 2. Payments due under a benefit plan or trust, unless recovery is based on a covered wrongful act 3. Personal injury or bodily injury 4. Contractual obligation 5. Illegal remuneration 6. Discrimination in violation of any law 7. Any wrongful act which was reported to a prior insurer 8. Any wrongful act known to the insured prior to inception of this policy 9. Any deliberately fraudulent or dishonest act; willful violation of a statute or regulation		
Annual Premium:		\$142,332	\$154,060

PUBLIC ENTITY EXCESS LIABILITY (1 ST TIER)		FY 2013/2014	FY 2014/2015
Carrier:	Ironshore Specialty Insurance Company		
Policy No.:	000541304		
Limits:	\$5,000,000 Excess of \$5,000,000		
Annual Premium:		Included	Included

PUBLIC ENTITY EXCESS LIABILITY (2 ND TIER)		FY 2013/2014	FY 2014/2015
Carrier:	Allied World Assurance Company		
Policy No.:	0305-7227		
Limits:	\$10,000,000 Excess of \$10,000,000		
Annual Premium:		Included	Included

TOTAL LIABILITY PREMIUM:	\$142,332	\$154,060
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While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.

NAMED INSURED: Cal Poly Pomona Foundation, Inc.
Carrier: Alliant Property Insurance Program (various carriers)
Effective Date: July 1, 2013 to June 30, 2015
A.M. Best Rating: A-, X to A+, XV

COMMERCIAL PROPERTY INSURANCE		FY 2013/2014	FY 2014/2015
Blanket Buildings & Contents Limit:		\$ 1,000,000,000	\$ 1,000,000,000
Flood Limit (combined with campus):		\$ 50,000,000	\$ 50,000,000
Boiler and Machinery Limit:		\$ 100,000,000	\$ 100,000,000
Cyber Liability – Annual Aggregate, Each Insured:		\$ 2,000,000	\$ 2,000,000
Cyber Liability – Annual Aggregate, Per Policy:		\$ 20,000,000	\$ 20,000,000
Policy Basis:	Loss Valuation - Replacement Cost Agreed Value - No Coinsurance Coverage Form Special, including Flood		
Total Insured Value (TIV):	All Locations (except Campus 99)	\$32,120,566	\$31,049,327
	Campus 99	\$100,596,533	\$104,499,989
Deductibles:	"All Risks" Form Perils	\$ 100,000	\$5,000
	(Personal Property & BI / Rents)	(\$10,000 – per schedule on file)	
	“All Risks” Form Perils	\$ 100,000	1% of Real
	(Real Property)	(\$10,000 – per schedule on file)	Property Value –
			Subject to \$5,000
			minimum &
			\$50,000 max.
	Boiler & Machinery Peril	\$ 100,000	\$5,000
	(Personal Property & BI / Rents)	(\$10,000 – per schedule on file)	
	Boiler & Machinery Peril	\$100,000	1% of Real
	(Real Property)	(\$10,000 – per schedule on file)	Property Value –
			Subject to \$5,000
			minimum &
			\$50,000 max
	Flood - Zones A & V	\$ 250,000	\$ 250,000
	Flood – All Other Zones	\$ 100,000	\$ 100,000
	JPA Per Occurrence	\$ 100,000	\$ 100,000
	JPA Aggregate Pool	\$ 250,000	\$ 250,000
	JPA Maintenance	\$ 100,000	\$ 100,000
	Primary Cyber	\$ 25,000	\$ 25,000
Sub-limits:	Combined Business Interruption, Rental Income, Tax Interruption		\$ 100,000,000
	Extra Expense per Occurrence		\$ 50,000,000
	Automatic Acquisition – <i>subject to policy limitations</i>		\$ 25,000,000
	Unnamed Locations		\$ 25,000,000
	Unscheduled Landscaping		\$ 1,000,000
	Scheduled Landscaping		\$ 5,000,000
	Errors & Omissions		\$ 50,000,000
	Course of Construction		\$ 25,000,000
	Money & Securities		\$ 2,500,000
	Fine Arts (unscheduled)		\$ 2,500,000

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.

COMMERCIAL PROPERTY INSURANCE		FY 2013/2014	FY 2014/2015
	Accidental Contamination		\$ 250,000
	Unscheduled Tunnels, Bridges, Streets	\$ 500,000	\$ 2,000,000
	Demolition, increased cost of construction		\$ 25,000,000
	Transit		\$ 25,000,000
	Unscheduled animals, except 100,000 specially trained animals		\$ 2,500,000
	Watercraft under 27 feet, unless individually scheduled		\$ 2,500,000
	Off-premises services interruption		\$ 25,000,000
	Terrorism Annual Aggregate (shared by all members)	\$800,000,000	\$800,000,000
	<i>And others, per policy form</i>		<i>See policy</i>
Boiler & Machinery	Water Damage		\$100,000,000
Sub-limits:	Media Coverage		\$100,000,000
	Consequential Damage		\$100,000,000
	Utility Interruption		\$100,000,000
Exclusions Include:	Earthquake, Mold, Sabotage, EDP Electronic Erasure, Asbestos		
Annual Premium:	All Locations (except Campus 99) - \$52,895		\$57,038
	Campus 99 - \$96,271		\$53,296

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.

Property Program: Public Entity Pollution Liability

FY 2013/2014 FY 2014/2015

Covered Location:	<ol style="list-style-type: none"> As per schedule on file with the insurer. Any properly permitted and licensed non-owned disposal sites that has not been identified by the United States EPA National Priorities List, and is not undergoing voluntary or regulatory required remediation at the time the waste was received for disposal. 		
Covered Operations:	Covered operations means (1) transportation and (2) street construction and repair services, utility construction and repair services, refuse collection, and spraying operations, including but not limited to the application of pesticides, herbicides or fertilizers in liquid or dry form, which are performed by or on behalf of a “named insured” outside the physical boundaries of a covered location.		
Retroactive Date:	Policy Inception		
Coverage:	<ol style="list-style-type: none"> Coverage A – New Pollution Conditions: First and third party bodily injury, property damage, remediation costs and associated legal defense expense arising out of a pollution condition on, at, under, or migrating from a covered location, provided that the pollution condition commences on or after the retroactive date. Coverage B – New Pollution Conditions From Covered Operations: Third party bodily injury, property damage, remediation costs and associated legal defense expense resulting from a covered operation, provided that the pollution condition commences on or after the retroactive date. Blanket Non-Owned Disposal Site (NODS) coverage, third party trigger only. First and third party transportation of waste 		
Limits:	<i>Entities with less than \$500,000,000 in total insurable values</i>	<i>Tier 1</i>	
	Per Pollution Condition	\$ 500,000	
	Per Member Aggregate	\$ 500,000	<i>No Tiers</i>
	Fungi & Legionella Sublimit	\$ 200,000	\$1,000,000
			\$1,000,000
	<i>Entities with more than \$500,000,000 in total insurable values</i>	<i>Tier 2</i>	\$1,000,000
	Per Pollution Condition	\$ 1,000,000	
	Per Member Aggregate	\$ 1,000,000	
	Fungi & Legionella Sublimit	\$ 200,000	
	Policy Aggregate	\$25,000,000	\$25,000,000
Self-Insured Retention:	<i>Entities with less than \$500,000,000 in total insurable values</i>		
	Per Pollution Condition	<i>Tier 1</i>	<i>No Tiers</i>
	Underground Storage Tanks Specific	\$ 50,000	\$75,000
	In the event that a loss concurrently triggers both, the Insured’s Property policy and this Premises Pollution Liability policy, then a \$10K SIR for “fungi” shall apply. If the Property policy is NOT triggered, then the standard insured-specific SIR, as identified on the Dec Page, shall apply.	\$750,000	\$750,000
		\$10,000	\$10,000
	<i>Entities with more than \$500,000,000 in total insurable values</i>	<i>Tier 2</i>	
	Per Pollution Condition	\$100,000	
		\$750,000	

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California State University Risk Management Authority
Auxiliary Organizations Risk Management Alliance

Underground Storage Tanks Specific

\$10,000

In the event that a loss concurrently triggers both, the Insured's Property policy and this Premises Pollution Liability policy, then a \$10K SIR for "fungi" shall apply. If the Property policy is NOT triggered, then the standard insured-specific SIR, as identified on the Dec Page, shall apply

Exclusions:

1. Asbestos and Lead Based Paint –*Third party coverage available with approved ACM/LBP management plan*
2. Contractual Liability
3. Divested Property
4. Employer's Liability
5. Failure to Follow Asbestos and/or LBP Management Plan
6. Fines and Penalties
7. First Party Property Damage – *Does not apply to remediation costs*
8. Fraud or Misrepresentation
9. Insured's Internal Expenses
10. Insured vs. Insured
11. Intentional Non-Compliance
12. Landfills, Recycling Facilities, Ports or Airports – *leased, owned or operated*
13. Legionella
14. Material Change in Risk
15. Naturally Occurring Materials
16. Pre-Existing Conditions
17. Products Liability
18. Professional Liability
19. Regulatory Compliance
20. Work Product
21. Airports
22. Ports

Endorsements:

1. Named Insureds Schedule
2. Per Named Insured Aggregate Sublimit
3. Per Named Insured SIR
4. Automatic Acquisition and Due Diligence
5. Schedule of Excluded Members of PEP/IP
6. Policy Modification – Property / Liability Mold Specific SIR of \$10K
7. Covered Locations Amendatory
8. Port, Airport, Oil/Gas Producing Property Exclusion - *Exclusion for any port or airport. However, ports, airports, oil/gas producing properties may be submitted for UW review on a one-off basis. In the event that a port, airport, oil or gas producing property is scheduled onto the PEP/IP policy, such facility may not be subject to the same coverage terms or rates.*
9. Definitions Amendatory Endorsement - *Solely with respect to "fungi", the definition of "remediation costs" shall not include restoration costs*

Additional Information:

1. The insurance afforded by this Policy shall apply in excess of and shall not contribute with any other such insurance.
2. Loss covered pursuant to a Federal, State, County or Municipality administered underground storage tank fund, or any functional equivalent to such fund, shall be considered primary insurance,

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to which the coverage afforded pursuant to this Policy shall only apply in excess.

3. Underlying SIR shall erode the SIR on this policy, subject to the minimum SIR reflected on the Dec Page
4. Value-Added Engineering Package
 - ❖ Mold Awareness Training
 - ❖ **Unit Count 1** - Mold Awareness Training by ESIS personnel. Must be completed at one central location, or via webinar.
 - ❖ Due Diligence Program Overview
 - ❖ **Unit Count 50** – Up to 50 First Search Reports (Governmental Database Reports)
 - ❖ ACM/LBP Plan
 - ❖ **Unit Count 1** – Creation of ACM and LBP Plans. One report will be created so that the Insured may disseminate throughout the rest of the PEPPIP Program members.
 - ❖ Mold O&M Plan
 - ❖ **Unit Count 1** - Creation of a Water Intrusion and Mold Mitigation Plan. One report will be created so that the Insured may disseminate throughout the rest of the PEPPIP Program members.

Loss Reporting Requirement:

Written notice of any claim or pollution condition, as soon as practicable. Concurrently, please send to:

ACE Environmental Risk Claims Manager
ACE USA Claims
P.O. Box 5103
Scranton, PA 18505-0510
Environmental Emergency: 888-310-9553
(800) 951-4119(Fax)
CasualtyRiskEnvironmentalFirstNotice@acegroup.com

Robert Frey
Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101
415-403-1445
415-402-0773 – fax
rfrey@alliant.com

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NAMED INSURED: The Cal Poly Pomona Foundation, Inc.
 Program/Carrier: AORMA SIR Crime Program / Lloyd's of London
 Coverage Term: July 1, 2013 to June 30, 2015
 A.M. Best Rating: N/A / A XV

COMMERCIAL CRIME INSURANCE		FY 2013/2014	FY 2014/2015
Coverage Limits:	AORMA \$25,000 any one loss \$100,000 annual aggregate Lloyd's of London \$2,000,000 any one loss \$20,000,000 annual aggregate	<ul style="list-style-type: none"> • sustained within coverage period & discovered by end of coverage period or discovery period 	
Retroactive Date:	June 30, 2009		
Deductible:		\$ 2,500.00	\$5,000.00
Warranties:	All checks for amounts in excess of \$5,000 must include dual check signatures		
Coverages:	Employee Dishonesty, including Faithful Performance <ul style="list-style-type: none"> • Theft • Computer Crime • Counterfeiting • Forgery 		
Major Exclusions:	<ul style="list-style-type: none"> • Fines or Penalties • Errors & Omissions committed by you or your employees • Loss caused by anyone owing 10% or more of issued share capital • Loss caused by an employee after you are aware they have committed acts of fraud, dishonesty or criminal damages. (unless the person who discovers is in collusion with employee) • Costs to establish value of a loss (except auditor's fees) • Indirect or consequential loss • Income or Profit • Loss resulting from trading insecurities, commodities, etc. • Extortion, unless caused by Employee Dishonesty or Computer Crime 		
Annual Premium:		\$7,410	\$6,659

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NAMED INSURED: The Cal Poly Pomona Foundation, Inc.

Carrier: Lloyd's of London
 Effective Date: July 1, 2013 to June 30, 2015
 A.M. Best Rating: A XV

COMMERCIAL CYBER RISK		FY 2013/2014	FY 2014/2015
Coverage:	<ul style="list-style-type: none"> • Information Security and Privacy Liability • Privacy Notification Costs • Regulatory Defense and Penalties • Website Media Content Liability • Cyber Extortion • First Party Data Protection • First Party Network Business Interruption 		
Coverage Limits:	Each claim, including costs and expenses incurred in the defense or settlement of such claim	\$ 3,000,000	\$3,000,000
	Aggregate for the Period of Insurance, including costs and expenses incurred in the defense or settlement of all claims	\$ 3,000,000	\$3,000,000
	<u>Excess of PEPPI USA:</u>		
	Policy Aggregate Limit of Liability all members combined, including claim expenses	\$ 20,000,000	\$ 20,000,000
Deductible:	\$25,000 per claim per Auxiliary		
Exclusion	<ol style="list-style-type: none"> 1. Bodily Injury or Property Damage 2. Any employer-employee relations, policies, practices 3. Contractual Liability or Obligation 4. Any actual or alleged act, error or omission or breach of duty by any director, officer, manager if claim is brought by principals, officers, directors, stockholders and the like 5. Anti-trust violations 6. Unfair trade practices 7. Unlawful collection or acquisition of Personally Identifiable Non-Public Information 8. Distribution of unsolicited e-mails, facsimile, audio or video recording 9. Prior knowledge or previously reported incidents 10. Incidents occurring prior to retroactive date/continuity date 	<ol style="list-style-type: none"> 11. Any act, error, omission, of computer security if occurred prior to policy inception 12. Collusion 13. Securities Act Violations 14. Fair Labor Act Violations 15. Discrimination 16. Intentional Acts with regard to Privacy and Security Breach 17. Patent Infringement 18. Federal Trade Commission and related state, federal, local and foreign governmental activities 19. Insured vs. Insured 20. Money/Securities/Funds Transfer 21. Broadcasting, Publications and Advertising 22. War and Terrorism 23. Pollution 	
Annual Premium:		\$711	\$812

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California State University Risk Management Authority
 Auxiliary Organizations Risk Management Alliance

NAMED INSURED: The Cal Poly Pomona Foundation, Inc.
Carrier: Travelers Excess and Surplus Lines Company
Effective Date: July 1, 2013 to June 30, 2015
A.M. Best Rating: A+, XV

ID FRAUD COVERAGE		FY 2013/2014	FY 2014/2015
Limits:	\$ 10,000 any one loss		
Deductible:	\$ 0		
Coverages:	<ul style="list-style-type: none"> • Lost wages as a result of time taken off from work to deal with the fraud, including wrongful incarceration – up to \$500 per week for four weeks • Notary and certified mail charges for completing and delivering fraud affidavits • Fees to re-apply for loans that were denied as a result of erroneous credit information due to the identity theft • Long distance telephone charges for calling merchants, law enforcement agencies or credit grantors to discuss an actual identity theft • Attorney fees incurred, with Travelers Bond’s prior consent, for: <ul style="list-style-type: none"> – Defending suits brought incorrectly by merchants or their collection agencies – Removing criminal or civil judgments wrongly entered against the victim – Challenging information in a credit report 		
Exclusions:	<ul style="list-style-type: none"> • Fraud, dishonest or criminal act of any person acting in concert with the Insured Person; • Loss other than expenses; • Loss that occurred prior to or after being an employee of the covered CSURMA AORMA Member; 		
Annual Premium:		\$ 1,164	\$1,230

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California State University Risk Management Authority
 Auxiliary Organizations Risk Management Alliance

AORMA WORKERS' COMPENSATION INSURANCE

NAMED INSURED: Cal Poly Pomona Foundation, Inc.
Carrier: CSURMA AORMA Workers' Comp. / Safety National Casualty
Effective Date: July 1, 2013 to June 30, 2015
A.M. Best Rating: A-, VII; A+, XV

AORMA WORKERS' COMPENSATION		FY 2013/2014	FY 2014/2015
Coverages:	Self Insured Under Layer Workers Compensation Specific Excess Workers' Compensation & Employer's Liability Insurance		
Coverage Limits:			
	<i>Self-insured Retention:</i>		
	Workers' Compensation:	\$ 500,000	each Accident
	Employer's Liability:	\$ 500,000	each Accident
		\$ 500,000	each Employee-disease
	<i>Safety National Casualty Corporation:</i>		
	Workers' Compensation:	CA Statutes	each Accident
	Employer's Liability:	\$ 5,000,000	each Accident
		\$ 5,000,000	each Employee-disease
Coverage Extension(s):	1. Allocable Loss Adjustment Expense ("defense costs") included as loss to satisfy the Retention. 2. All States Coverage 3. USL&H (Incidental Only) 4. Jones Act (Incidental Only) 5. Ninety (90) days notice to Insured if policy is cancelled by carrier; except for non-payment of premium.		
Annual Premium:		\$273,920	\$310,658

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California State University Risk Management Authority
 Auxiliary Organizations Risk Management Alliance

NAMED INSURED: Cal Poly Pomona Foundation, Inc.

Carrier: AGCS Marine Insurance Company
 Effective Date: July 1, 2013 to June 30, 2015
 A.M. Best Rating: A+, XV

PUBLIC ENTITY PHYSICAL DAMAGE PROGRAM		FY 2013/2014	FY 2014/2015
Coverages:	All Risk equipment floater including earthquake and flood for equipment on the scheduled of equipment on file with the company		
Limits:	As per individual member schedule as part of the policy		
	Deductible for each occurrence	\$1,000	\$ 1,000
Perils Insured:	All Risk of direct physical loss or damage from an external cause, including general average and salvage charges, except as excluded.		
Coverage Exclusions:	Loss of Use		
	Loss or damage to equipment while waterborne		
	Wear and tear, insects/vermin, mechanical breakdown		
	Infidelity of insured's employees		
	Equipment which the insured has loaned		
	Unexplained or mysterious disappearance		
	Nuclear reaction or nuclear radiation		
	Hostile or warlike actions		
	Terrorism	Not Covered	Covered
Total Annual Premium:		\$ 4,455	\$5,095

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NOT COVERED

PARTICIPANT ACCIDENT INSURANCE (PAI)

NAMED INSURED: Cal Poly Pomona Foundation, Inc.

Carrier: QBE Insurance Company
 Effective Date: July 1, 2013 to June 30, 2015
 A.M. Best Rating: A-, XV

Covered Hazard(s):	
Description of Benefits	
Aggregate Amount	Not Covered
Accidental Dismemberment, Loss of Sight, Speech and Hearing, Paralysis, or Death	Not Covered
Benefit Limit	
Accident Medical Expense Benefit – Plan Type	Not Covered
Total Maximum Benefit Amount Per Covered Person, Per Covered Accident	Not Covered
Deductible Amount Per Covered Person, Per Injury	Not Covered
Annual Premium:	Not Covered

Covered Hazard(s):	
Description of Benefits	
Aggregate Amount	Not Covered
Accidental Dismemberment, Loss of Sight, Speech and Hearing, Paralysis or Death	Not Covered
Benefit Limit	
Accident Medical Expense Benefit – Plan Type	Not Covered
Total Maximum Benefit Amount Per Covered Person, Per Covered Accident	Not Covered
Deductible Amount Per Covered Person, Per Injury	Not Covered
Annual Premium:	Not Covered

Covered Hazard(s):	
Description of Benefits	
Aggregate Amount	Not Covered
Accidental Dismemberment, Loss of Sight, Speech and Hearing, Paralysis or Death	Not Covered
Benefit Limit	
Accident Medical Expense Benefit – Plan Type	Not Covered
Total Maximum Benefit Amount Per Covered Person, Per Covered Accident	Not Covered
Deductible Amount Per Covered Person, Per Injury	Not Covered
Annual Premium:	Not Covered

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.

CAL POLY POMONA FOUNDATION, INC.

POLICIES AND PROCEDURES

Subject:	Insurance Reserve	Policy No.	174
		Date:	02/16/2006
Reference:	324-III-D	Revision:	

PURPOSE

The purpose of the Insurance Reserve policy is to provide adequate insurance reserves to pay for the deductible amount greater than \$10,000 versus the actual deductible on the Foundation's Policies. This Reserve policy excludes flood and earthquake insurance policies.

BACKGROUND

The Foundation Administration continually reviews its insurance coverage, limits and deductibles to establish a framework within which the Foundation's services, programs and activities, can be effectively managed. On July 1, 2002, the Foundation joined California State University Risk Management Authority (CSURMA).

PROCEDURE

The reserve will initially be funded from the general fund for \$100,000 and every year thereafter any insurance dividends from CSURMA, and the premium saving as a result the higher deductibles will be added to replenish the reserve fund. In effect, the project will be self insured for any losses between \$10,000 up to the deductible amount (for 05-06 the deductible is \$25,000). This procedure excludes grants and contracts as those projects are not allowed to be charged a deductible.

For example, if a project incurs a loss of \$35,000, the project will be responsible for the first \$10,000 and any remaining loss up to the deductible amount (currently \$25,000) will be charged to the reserve:

The first \$10,000 loss = the Project is responsible to pay
\$10,000-\$25,000 (\$15,000) = the loss will be covered from the insurance reserve fund
\$25,000-\$35,000 = \$10,000 is covered by the insurance policy

Memorandum



Date: November 10, 2014

To: Program Committee
Cal Poly Pomona Foundation, Inc.

From: 
G. Paul Storey
Executive Director

**Subject: Status Report on the 2013-2014 Board-approved
Capital Improvement Program**

A status update will be provided to the committee related to the 2014-2015 Board approved capital improvement budget as reflected in the attachment. The 2014-2015 capital improvement budget approved by the Board included \$3,297,400 for new capital improvement requests, and \$1,066,636 in capital improvement carry forward from prior years.

**CAL POLY POMONA FOUNDATION, INC.
2014-15 APPROVED CAPITAL BUDGET**

		Prior Years Remaining	Approved Detail 2014-15	Approved Total 2014-15	
	Enterprise Activities				
Reserves	Foundation Housing				
	University Village	-	565,000		Painting/refurbishment - Phase 1 (\$230,000), Bathroom vanities - Phases 1 & 2 (\$110,000), Water saving toilet replacement - Phase 1 & 2 (\$40,000), Carpet-various apts (\$30,000), Water heaters (\$25,000), Group meeting/study room-Community center (\$10,000), Media-Smart room in Recreation center (\$20,000), Computer replacement (\$30,000), Deck repair in all phases (\$70,000)
	Total Foundation Housing			565,000	
	Bronco Bookstore				
	Bookstore	-	110,000	110,000	Customer service refresh (\$10,000), Elevator replacement (\$75,000), PCI compliance hardware and license (\$25,000)
	Dining Services				
	Dining	76,000	82,000		POS upgrade (\$15,000), COGNOS project (\$20,000), Meal plan project - consultant fees (\$10,000), Cameras in CCMP, CLA, ENV, CTTI (\$30,000), Bldg 97 - Paint floors (\$7,000)
	Engineering Coffee Concept		25,000		Infrastructure, utilities, data, POS, tables, umbrellas, equipment, cart (\$25,000)
	Pony Express at CCMP		80,000		Pastry case for International Grounds (\$6,500), Counter tops refurbished for International Grounds (\$10,000), Refurbish service counter in Pony Express (\$25,000), Food warmers (\$5,000), New service area for c-store (\$33,500)
	ENV Café	5,000			Tables and chairs for patio with umbrellas
96,900	Los Olivos		96,900		Replace interior doors (\$21,000), Repair exit doors - dining room (\$11,000), Add fryer to Mexican station (\$12,000), Replace convention oven (\$26,000), Replace fryer bank at grill and makeup table (\$7,900), Purchase frozen yogurt machine (\$19,000)
51,000	Kellogg West Dining	13,000	58,000		Small van (\$20,000), Paint main kitchen (\$6,000), Sheer curtain for ballroom (\$10,000), Update kitchen bathrooms (\$5,000), Update lockers for KW staff (\$4,000), Replace wing doors (\$5,000), Ballroom sound system (\$8,000)
	Jamba Juice at BRIC		343,000		Jamba build out (\$325,000), Jamba smallwares, POS, signage (\$18,000)
	Round Table Pizza/Taco Bell	7,136			Install booths/Brand refresh- license fees, prepare for new contract
305,000	Innovation Brew Works	100,000	205,000		Upgrades to Café kitchen for Pub menu (\$180,000), Pub tables, shuffleboard, misc furniture & décor, TVs (\$25,000)
	Total Dining Services			889,900	
	Kellogg West Conference Center & Hotel				
1,000,000	Kellogg West Rooms & Conference		1,000,000		Replacement of Main Conference Center & Hillside A/C units (\$450,000), Main Conference Center Bldg #76, Hillside Bldg #78, Woodvue Bldg #78-B exterior updates (\$500,000), Conference chairs (\$50,000)
150,000	<i>Kellogg West Rooms & Conference</i>		150,000		<i>Temporary parking with lighting - Amended Board Meeting # 360</i>
	Total Kellogg West			1,150,000	
	Facilities				
	Facilities	-			No capital budget requested
	Total Facilities			-	
	Real Estate Activities				
	CTTI Buildings	-	168,000		HVAC EMS System Building C (\$68,000), HVAC Modification Building #C (\$75,000), Potential tenant improvements (\$25,000)
	Bldg 66	17,000	35,000		Lighting retrofit - first floor and atrium (\$15,000), Atrium paint (\$20,000)
	Spadra	15,000	50,000		EIR and ALTA survey
	Total Real Estate Activities			253,000	

**CAL POLY POMONA FOUNDATION, INC.
2014-15 APPROVED CAPITAL BUDGET**

	Prior Years Remaining	Approved Detail 2014-15	Approved Total 2014-15	
College of Agriculture				
Spadra/Westwind Ranch	29,000	165,000		Paint building #28 (\$90,000 Fruit & Crops Unit), Replacement of irrigation mainlines with Yellow-mine PVC pipe at Westwind and Spadra Ranches (\$75,000)
Pine Tree Ranch	137,000	75,000		Rehabilitation of small well
Farm Store	310,000			Multi deck merchandiser - deli (\$25,000), Re-location of Farm Store entrance (\$285,000)
			240,000	
College of Science				
Chemistry Agilent Project	10,000		-	Computer Equipment
College of Extended University				
CPELI Standard	310,000			48'x60' modular building (\$165,000), Concrete slab (\$75,000), Signage for building and CPELI complex area (\$50,000), Electrical, plumbing, and utility set up (\$20,000)
			-	
Administration				
Human Resources		30,000		Kronos - Payroll consultant
Human Resources		25,000		Employee communication system
Human Resources		7,500		Check folding machine
Admin	-	10,000		Document library
Management Info Systems	10,000			SAN storage expansion- to ensure adequate space for disaster recovery, disk-to-disk recovery and anticipated growth in data services
Management Info Systems	12,500			Mobile device lab- preproduction testing environment to provide mobile file access and security improvements
Management Info Systems		30,000		VDI hardware/software purchases - To expand virtual desktops to Foundation staff to reduce desktop hardware costs
Management Info Systems		50,000		OneSolution/Endowment software upgrade and budget development - To provide for budget software development, more efficient workflow processing, and Cognos reporting of financials
Management Info Systems	15,000			Security log monitoring software - To improve risk response in security logging and monitoring software and to keep pace with growing security compliances
Management Info Systems		20,000		Big Data Licensing and Consulting Services - To provide business intelligence report and analytics to Enterprise operations
Management Info Systems		15,000		Windows 8 pilot testing - Preproduction testing of environment begin rollout of new operating system to enterprise units. Windows 8 has greater speed, automation, and security improvements
Management Info Systems		25,000		VM hardware refresh - To update core aging VM systems with new host servers and resources
Management Info Systems		12,000		E-cart purchase - For Foundation IT to move computer equipment efficiently around campus without using personal or Foundation gas powered vehicles
Management Info Systems		15,000		Network switch upgrades - To replace old 10/100 switches with 1G for improved efficiency and VOIP implementation
			239,500	
Total Administration			239,500	
Prior Years and Proposed Capital Budget	1,066,636		3,447,400	
Total Prior Years and Proposed Capital Budget			4,514,036	
Capital Funding from Reserves	1,602,900		(1,602,900)	
Capital Funding from Operations			2,911,136	

Note - the proposed capital budget assumes funding of \$1,506,000 from the Capital Reserve, \$96,900 from the Residential Board Meal Program Surplus Reserve and \$2,911,136 from the operations of the units.