

No Surprises

No Confusion

No Waste

No Illusions

No Secrets

No Politics

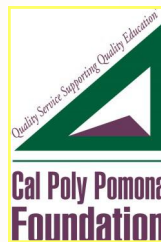
No Distractions



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

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

2015



2016

Corporate Business Plan

Cal Poly Pomona Foundation, Inc.
“Quality Service
Supporting
Quality Education”

Cal Poly Pomona Foundation, Inc.
Fiscal 2015-2016 Business Plan and Budgets

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EXECUTIVE OVERVIEW

The 2015-2016 Foundation Consolidated Business Plan/Budget Process

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

Overview

Short-term Planning

**30-Day Goals and Performance Plans*

**Administrative Work Plans*

**Business Plans*

**Annual Budgets*

Long-term Planning

**Multi-year Strategic Planning*

**Multi-year Cash Flow Planning*

30-Day Goals

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

Performance Plans

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

Administrative Work Plans

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

Unit Business Plans

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

Annual Budgets

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

Foundation Consolidated Business Plan and Monthly Meeting

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

Strategic Plan

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

2015 – 2016
BUDGET REVIEW
POWERPOINT PRESENTATION



CAL POLY POMONA FOUNDATION

2015-16

Board of Directors Meeting
Business Plan & Budget Review

May 21, 2015



POLICY NO. 118 - Foundation Budget Process

Annual operating and capital budget for all activities include:

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

General Activities

- Administration
- Employment Services
- Marketing
- Accounting, Finance and Investments
- Management Information Systems
- Real Estate Development and Management

Enterprises

- Bookstore
- Kellogg West Conference Center
- Dining Services
- Foundation Housing Services

Designated Gifts

Supplemental Programs

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

Restricted

- Endowments/Investments
- Restricted Foundation Programs

Reserves



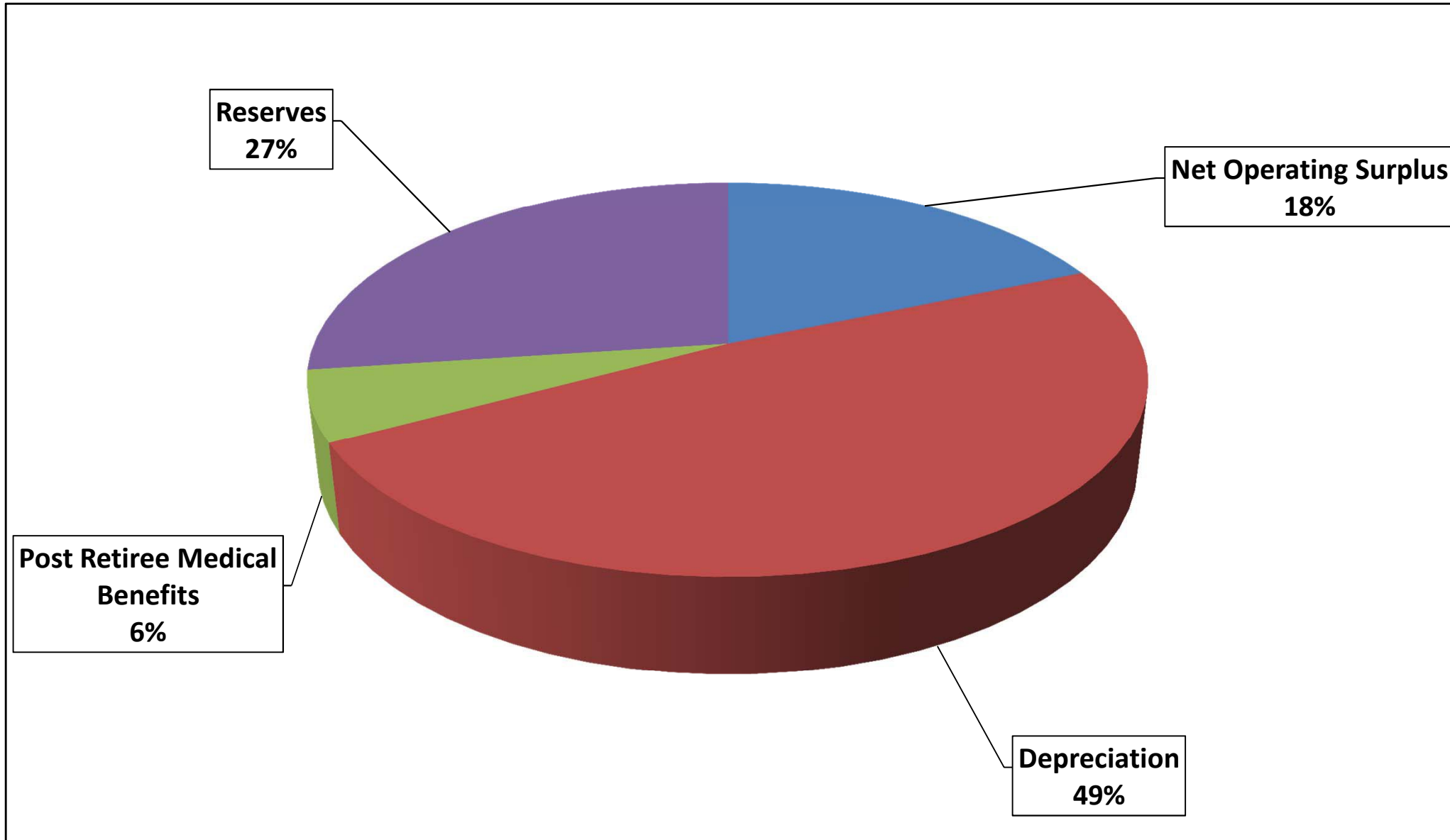
CAL POLY POMONA FOUNDATION

Budget Presentation 2015-2016

SOURCES OF CASH	2014-2015 Approved Budget	2014-2015 Forecast Budget	2015-2016 Proposed Budget
SURPLUS (DEFICIT)			
TOTAL OPERATING SURPLUS (DEFICIT)	3,684,509	2,129,683	3,115,618
Designated Gifts	(2,086,608)	(2,079,000)	(1,355,338)
NET OPERATING SURPLUS (DEFICIT)	1,597,901	50,683	1,760,280
NON-CASH TRANSACTIONS:			
Depreciation and Amortization	4,528,476	4,398,542	4,621,610
Post Retiree Medical Benefits	614,273	614,273	548,209
TOTAL CASH GENERATED BY OPERATIONS	6,740,650	5,063,498	6,930,099
FINANCING			
TOTAL SOURCES OF FINANCING	-	-	-
RESERVES			
Capital Reserve	1,601,000	1,354,000	1,230,969
Residential Board Meal Program Surplus Reserve	96,900	86,928	175,000
Insurance Reserve	-	100,921	-
Venture Capital/Real Estate Reserve	-	-	800,000
Withdraw of funds from Post Retiree Medical Benefit Trust	372,834	372,834	372,834
TOTAL SOURCES FROM RESERVES	2,070,734	1,914,683	2,578,803
TOTAL SOURCES OF CASH	\$ 8,811,384	\$ 6,978,181	\$ 9,508,902

* Cash generated by Operations, Financing and Reserves \$9.5 Million

SOURCES OF CASH



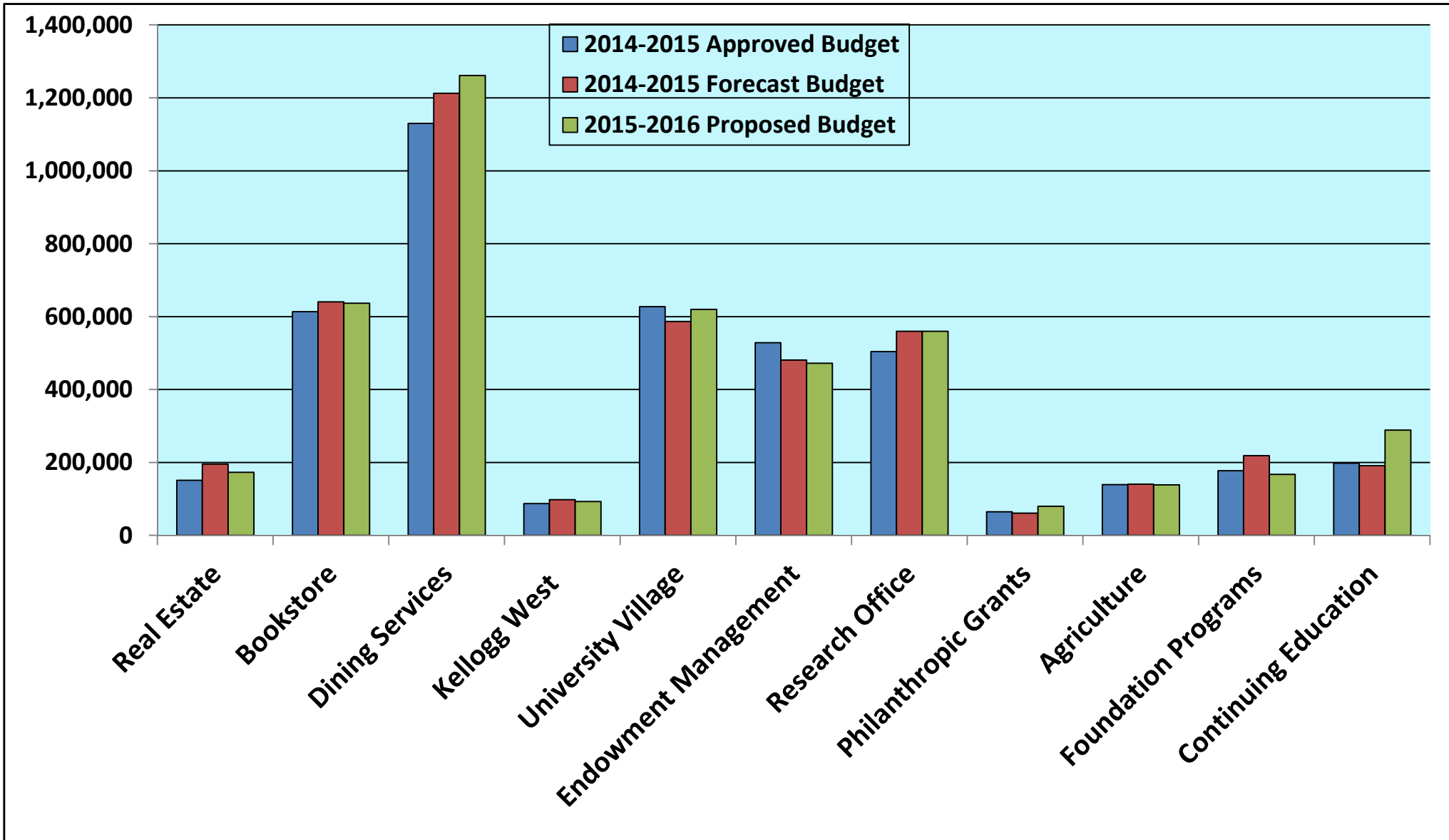


CAL POLY POMONA FOUNDATION

Budget Presentation 2015-2016

ADMINISTRATION	2014-2015 Approved Budget	% Of Revenue	2014-2015 Forecast Budget	% Of Revenue	2015-2016 Proposed Budget	% Of Revenue
Revenues	4,218,404	100%	4,421,615	100%	4,528,054	100%
Expenditures Controllable	877,060	21%	802,795	18%	899,611	20%
Expenditures Non-Controllable	269,932	6%	329,334	7%	308,906	7%
Total Labor	3,881,882	92%	3,993,788	90%	4,331,426	96%
Total Expenditures	5,028,874	119%	5,125,917	116%	5,539,943	122%
Net Income	\$ (810,470)	-19%	\$ (704,302)	-16%	\$ (1,011,889)	-22%

Administration Fee Revenues





CAL POLY POMONA FOUNDATION

Budget Presentation 2015-2016

REAL ESTATE	2014-2015 Approved Budget	% Of Revenue	2014-2015 Forecast Budget	% Of Revenue	2015-2016 Proposed Budget	% Of Revenue
Revenues	2,807,587	100%	3,267,192	100%	3,282,739	100%
Cost of Goods Sold	10,000	0%	105,500	3%	-	0%
Gross Margin	2,797,587	100%	3,161,692	97%	3,282,739	100%
Expenditures Controllable	910,619	32%	1,116,427	34%	1,614,787	49%
Expenditures Non-Controllable	1,313,793	47%	1,419,472	43%	1,392,247	42%
Total Labor	169,788	6%	236,871	7%	254,986	8%
Total Expenditures	2,394,200	85%	2,772,770	85%	3,262,020	99%
Net Income	\$ 403,387	14%	\$ 388,922	12%	\$ 20,719	1%



CAL POLY POMONA FOUNDATION

Budget Presentation 2015-2016

REAL ESTATE SURPLUS/(DEFICIT) DESCRIPTION	2014-2015 Approved Budget	2014-2015 Forecast Budget	2015-2016 Proposed Budget
<u>REAL ESTATE DEVELOPMENT</u>			
Center for Training Technology & Incubation	(121,170)	(121,425)	(86,353)
Innovation Village	442,702	257,262	335,657
Spadra Farm	(15,300)	-	-
Support for Lanterman Operations	-	-	(500,000)
Total Real Estate Development	306,232	135,837	(250,696)
<u>RENTAL BUILDINGS</u>			
Building 66 - Classrooms & Offices	97,368	102,904	94,124
Building 97 - Offices	127,986	116,623	121,509
CTTi Building 220A	(117,676)	(146,376)	(137,600)
Total Rental Buildings	107,678	73,151	78,033
<u>FACULTY HOUSING</u>			
Faculty Housing	(10,523)	179,934	193,382
Total Faculty Housing	(10,523)	179,934	193,382
GRAND TOTAL REAL ESTATE	\$ 403,387	\$ 388,922	\$ 20,719



CAL POLY POMONA FOUNDATION

Budget Presentation 2015-2016

INVESTMENTS - GENERAL	2014-2015 Approved Budget	% Of Revenue	2014-2015 Forecast Budget	% Of Revenue	2015-2016 Proposed Budget	% Of Revenue
Revenues						
Investment Earnings	1,226,246	100%	9,139	100%	1,181,071	100%
Expenditures						
Investment Advisor Fees	78,555	6%	89,649	981%	96,487	8%
Total Expenditures	78,555	6%	89,649	981%	96,487	8%
Net Income	\$ 1,147,691	94%	\$ (80,510)	-881%	\$ 1,084,584	92%



CAL POLY POMONA FOUNDATION

Budget Presentation 2015-2016

INVESTMENTS - ENDOWMENTS	2014-2015 Approved Budget	% Of Revenue	2014-2015 Forecast Budget	% Of Revenue	2015-2016 Proposed Budget	% Of Revenue
Revenues						
Investment Earnings	5,355,497	37%	(61,856)	-1%	5,247,196	84%
Donations	8,999,996	63%	9,368,110	101%	1,020,000	16%
Total Revenue	14,355,493	100%	9,306,254	100%	6,267,196	100%
Endowment Distributions	4,112,462	29%	4,280,892	46%	1,395,955	22%
Expenditures Non-Controllable						
Administrative Fees	528,269	4%	480,894	5%	472,129	8%
Investment Advisor Fees	343,035	2%	190,149	2%	352,958	6%
Total Expenditures Non-Controllable	871,304	6%	671,043	7%	825,087	13%
Total Expenditures	4,983,766	35%	4,951,935	53%	2,221,042	35%
Net Income	\$ 9,371,727	65%	\$ 4,354,319	47%	\$ 4,046,154	65%




CAL POLY POMONA FOUNDATION

Budget Presentation 2015-2016

ENTERPRISES	2014-2015 Approved Budget	% Of Revenue	2014-2015 Forecast Budget	% Of Revenue	2015-2016 Proposed Budget	% Of Revenue
Revenues	38,097,120	100%	39,292,431	100%	40,427,334	100%
Cost of Goods Sold	12,981,270	34%	13,460,507	34%	13,509,332	33%
Gross Margin	25,115,850	66%	25,831,924	66%	26,918,002	67%
Expenditures Controllable	4,836,742	13%	5,122,250	13%	5,066,392	13%
Expenditures Non-Controllable	8,624,451	23%	8,623,641	22%	8,854,580	22%
Total Labor	9,296,307	24%	10,005,075	25%	10,308,910	25%
Total Expenditures	22,757,500	60%	23,750,966	60%	24,229,882	60%
Net Income	\$ 2,358,350	6%	\$ 2,080,958	5%	\$ 2,688,120	7%


CAL POLY POMONA FOUNDATION


Budget Presentation 2015-2016

 B R O N C O B O O K S T O R E	2014-2015 Approved Budget	% Of Revenue	2014-2015 Forecast Budget	% Of Revenue	2015-2016 Proposed Budget	% Of Revenue
Revenues	9,488,000	100%	9,828,276	100%	9,763,780	100%
Cost of Goods Sold	6,716,177	71%	6,897,880	70%	6,826,841	70%
Gross Margin	2,771,823	29%	2,930,396	30%	2,936,939	30%
Expenditures Controllable	261,996	3%	246,868	3%	284,657	3%
Expenditures Non-Controllable	942,555	10%	968,870	10%	982,021	10%
Total Labor	1,281,391	14%	1,322,221	13%	1,352,862	14%
Total Expenditures	2,485,942	26%	2,537,959	26%	2,619,540	27%
Net Income	\$ 285,881	3%	\$ 392,437	4%	\$ 317,399	3%

CAL POLY POMONA FOUNDATION


Budget Presentation 2015-2016

	2014-2015 Approved Budget	% Of Revenue	2014-2015 Forecast Budget	% Of Revenue	2015-2016 Proposed Budget	% Of Revenue
Revenues	17,553,290	100%	18,815,457	100%	19,580,269	100%
Cost of Goods Sold	6,265,093	36%	6,562,627	35%	6,682,491	34%
Gross Margin	11,288,197	64%	12,252,830	65%	12,897,778	66%
Expenditures Controllable	1,966,504	11%	2,185,254	12%	2,085,595	11%
Expenditures Non-Controllable	2,908,374	17%	2,986,560	16%	3,096,152	16%
Total Labor	5,946,399	34%	6,295,405	33%	6,688,869	34%
Total Expenditures	10,821,277	62%	11,467,219	61%	11,870,616	61%
Net Income	\$ 466,920	3%	\$ 785,611	4%	\$ 1,027,162	5%

 Kellogg West	2014-2015 Approved Budget	% Of Revenue	2014-2015 Forecast Budget	% Of Revenue	2015-2016 Proposed Budget	% Of Revenue
Revenues	1,452,619	100%	1,626,969	100%	1,542,709	100%
Expenditures Controllable	642,176	44%	721,513	44%	709,485	46%
Expenditures Non-Controllable	190,291	13%	188,055	12%	194,125	13%
Total Labor	596,203	41%	648,797	40%	626,750	41%
Total Expenditures	1,428,670	98%	1,558,365	96%	1,530,360	99%
Net Income	\$ 23,949	2%	\$ 68,604	4%	\$ 12,349	1%

CAL POLY POMONA FOUNDATION

Budget Presentation 2015-2016

	2014-2015 Approved Budget	% Of Revenue	2014-2015 Forecast Budget	% Of Revenue	2015-2016 Proposed Budget	% Of Revenue
Revenues	9,603,211	100%	9,021,729	100%	9,540,576	100%
Expenditures Controllable	1,966,066	20%	1,968,615	22%	1,986,655	21%
Expenditures Non-Controllable	4,583,231	48%	4,480,156	50%	4,582,282	48%
Total Labor	1,472,314	15%	1,738,652	19%	1,640,429	17%
Total Expenditures	8,021,611	84%	8,187,423	91%	8,209,366	86%
Net Income	\$ 1,581,600	16%	\$ 834,306	9%	\$ 1,331,210	14%



CAL POLY POMONA FOUNDATION

Budget Presentation 2015-2016

CONTINUING EDUCATION	2014-2015 Approved Budget	% Of Revenue	2014-2015 Forecast Budget	% Of Revenue	2015-2016 Proposed Budget	% Of Revenue
Revenues	4,389,641	100%	4,258,069	100%	5,768,481	100%
Expenditures Controllable	1,260,789	29%	1,468,058	34%	2,011,434	35%
Expenditures Non-Controllable	311,148	7%	325,013	8%	470,934	8%
Total Labor	2,339,149	53%	2,310,910	54%	3,040,170	53%
Total Expenditures	3,911,086	89%	4,103,981	96%	5,522,538	96%
Net Income	\$ 478,555	11%	\$ 154,088	4%	\$ 245,943	4%



CAL POLY POMONA FOUNDATION

Budget Presentation 2015-2016

CONTINUING EDUCATION PROGRAMS	2014-2015 Approved Budget	2014-2015 Forecast Budget	2015-2016 Proposed Budget
College of the Extended University - Programs			
Administration	225,790	259,045	139,794
Six Sigma Program	5,161	5,435	7,824
Professional Project Management Program	9,916	8,515	11,765
On Site Training Programs	2,016	10,055	10,333
Technical Programs	22,760	20,800	29,996
Test Prep Programs	13,680	21,888	12,584
Summer Support @ CEU	(525)	(602)	(9,174)
Accounting & Finance	555	5,036	15,707
Math & Science	2,444	(6,269)	(2,908)
Hospitality & Service Industry	6,211	4,257	(1,336)
Supply Chain Management	10,900	(4,475)	(1,374)
Human Resources Management	1,800	4,589	2,365
Building & Construction Management	17,152	10,446	15,091
ED 2 GO	(245,808)	(10,770)	(11,355)
Art, Media & Design	-	1,642	-
Global Ed Programs Standard	13,898	(35,437)	132,415
CPELI Camps	81,931	1	57,539
CPELI Standard	303,815	131,082	188,745
Program Development	-	(281,455)	(380,959)
CEU CPP Aviation Hospitality	-	-	20,391
Total College of the Extended University Programs	\$ 471,696	\$ 143,783	\$ 237,443



CAL POLY POMONA FOUNDATION
Budget Presentation 2015-2016

CONTINUING EDUCATION PROGRAMS	2014-2015 Approved Budget	2014-2015 Forecast Budget	2015-2016 Proposed Budget
College of Engineering			
Non-Credit Learning Administration	30	49	48
Civil Engineering Review	4,446	5,632	6,064
Total College of Engineering	4,476	5,681	6,112
College of Science			
Chemistry Agilent Project	2,383	4,623	2,388
Total College of Science	2,383	4,623	2,388
TOTAL CONTINUING EDUCATION PROGRAMS	\$ 478,555	\$ 154,087	\$ 245,943



CAL POLY POMONA FOUNDATION

Budget Presentation 2015-2016

AGRICULTURE	2014-2015 Approved Budget	% Of Revenue	2014-2015 Forecast Budget	% Of Revenue	2015-2016 Proposed Budget	% Of Revenue
Revenues	3,470,211	100%	3,508,172	100%	3,455,800	100%
Cost of Goods Sold	827,841	24%	713,120	20%	628,239	18%
Gross Margin	2,642,370	76%	2,795,052	80%	2,827,561	82%
Expenditures Controllable	1,396,047	40%	1,491,302	43%	1,586,024	46%
Expenditures Non-Controllable	259,529	7%	242,609	7%	258,672	7%
Total Labor	924,802	27%	816,215	23%	940,189	27%
Total Expenditures	2,580,378	74%	2,550,126	73%	2,784,885	81%
Net Income	\$ 61,992	2%	\$ 244,926	7%	\$ 42,676	1%



CAL POLY POMONA FOUNDATION

Budget Presentation 2015-2016

AGRICULTURE AID-TO-INSTRUCTION PROGRAMS Surplus/(Deficit) Budget Comparison Summary	2014-2015 Approved Budget	2014-2015 Forecast Budget	2015-2016 Proposed Budget
DESCRIPTION			
Agronomy Farms	16,038	149,919	11,841
Arabian Horse Center	(3,538)	(5,930)	686
Beef Unit	10,095	18	2,150
Fruit Industry	3,284	1,244	4,184
Meat Lab	9,305	(500)	982
Ornamental Horticulture	2,274	3,406	2,393
Pine Tree Ranch	1,996	33,504	1,996
Sheep Unit	8,005	542	841
Swine Unit	5,089	2,334	9,074
Vet Clinic	4,249	1,088	4,210
Farm Store at Kellogg Ranch	5,195	59,301	4,319
Total Agriculture Aid-to-Instruction Programs	\$ 61,992	\$ 244,926	\$ 42,676



CAL POLY POMONA FOUNDATION
Budget Presentation 2015-2016

RESEARCH OFFICE	2014-2015 Approved Budget	% Of Revenue	2014-2015 Forecast Budget	% Of Revenue	2015-2016 Proposed Budget	% Of Revenue
Revenues	1,288,575	100%	1,250,000	100%	1,250,000	100%
Expenditures Controllable	540,290	42%	515,923	41%	504,251	40%
Expenditures Non-Controllable	504,925	39%	560,625	45%	560,725	45%
Total Labor	198,356	15%	127,850	10%	139,570	11%
Total Expenditures	1,243,571	97%	1,204,398	96%	1,204,546	96%
Net Income	\$ 45,004	3%	\$ 45,602	4%	\$ 45,454	4%



CAL POLY POMONA FOUNDATION
Budget Presentation 2015-2016

DESIGNATED GIFTS

Per Policy No. 118, the Foundation has included in this year's budget a contribution in support of the University of \$1,355,338. The contribution is funded from the prior year's surplus after requirements for capital spending, reserves and debt service have been considered and includes the following:

	2014-2015 Forecast Budget	2015-2016 Proposed Budget
* President's Request	935,550	662,350
* University Advancement Request	690,900	487,800
* Research and Graduate Studies Request	110,000	110,000
* Administration Operating Endowment Request	61,000	79,500
* Faculty Staff Café Deficit	12,051	15,688
* Steinway Initiative	269,499	-
TOTAL REQUESTED	\$ 2,079,000	\$ 1,355,338

* Over the past five years the Foundation Board has designated over \$6.75 million in cash for the benefit of the University.



CAL POLY POMONA FOUNDATION

Budget Presentation 2015-2016

USES OF CASH

CAPITAL EXPENDITURES

	2014-2015 Approved Budget	2014-2015 Forecast Budget	2015-2016 Proposed Budget
Dining Services	1,186,036	925,901	595,500
Kellogg West	1,150,000	903,000	1,045,000
Bookstore	110,000	10,000	25,000
University Village	965,000	1,086,985	229,000
Administration	277,000	194,485	237,000
Real Estate	570,000	331,686	708,800
Agriculture	760,377	138,377	166,750
College of Extended University	320,000	-	10,000
PY Carryover	-	-	1,046,673

TOTAL CAPITAL EXPENDITURES	5,338,413	3,590,434	(1) 4,063,723
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FINANCING

University Village Bond Payment - 2013 & 2014	625,000	625,000	625,000
CTTi Bond Payment - 2007	195,000	195,000	205,000

TOTAL USES OF FINANCING	820,000	820,000	830,000
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RESERVES

Agriculture Program Reserve @ 55% net Annual Surplus	33,098	21,295	-
Capital Reserve @ 1.75% of Gross Auxiliary Revenues	813,948	422,292	864,302
Innovation Village Demo Reserve	8,221	8,200	8,740
Insurance Reserve	39,796	39,796	62,747
Residential Board Meal Program Surplus Reserve excess 7%	135,188	329,388	365,004
Pine Tree Ranch Reserve @ 50% net Annual Surplus	998	-	-
Post Retiree Medical Benefits Trust - Note 1	1,000,000	1,000,000	1,000,000
Research & Sponsored Programs	20,000	20,000	20,000
Venture Capital/Real Estate Reserve @ 1% of Gross Revenue	465,113	469,904	493,887

TOTAL RESERVE CONTRIBUTIONS	2,516,362	2,310,875	2,814,680
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TOTAL USES OF CASH	\$ 8,674,775	\$ 6,721,309	\$ 7,708,403
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Note 1 - The 2015-2016 budget includes funding \$1 Million to a VEBA Trust & the OPEB obligation.

(1) Capital Expenditures of \$3.01 Million and carryover of \$1.05 Million for a total of \$4.06 Million



CAL POLY POMONA FOUNDATION

Budget Presentation 2015-2016

CAL POLY POMONA FOUNDATION, INC. 2015-2016 PROPOSED CAPITAL BUDGET

		Prior Years Remaining	Proposed Detail 2015-16	Proposed Total 2015-16	
	Enterprise Activities				
Reserves	Foundation Housing				
	University Village	-	229,000	229,000	Carpet - Various Apts. (\$30,000), Interior painting Bldg 115 & 125 Phase III (\$127,000), Bike racks 477 slots (\$36,000), 9 doors Phase III soffits (\$36,000)
	Bronco Bookstore				
	Bookstore	100,000	25,000	25,000	Sales floor updates
	Dining Services				
	Dining	50,000	195,000		POS credit card compliance project (\$80,000), Card office reconfiguration (\$25,000), Cognos project (\$20,000), Bldg 97 - paint floors (\$70,000)
	Carl's Jr.		15,000		Digital menu boards - 4 (\$14,000), Annual license fee (\$1,000)
	Starbucks		20,000		Permanent outside furniture (\$10,000), Ice machine (\$10,000)
175,000	Los Olivos		175,000		Dish room renovation and dish machine replacement
	Qdoba		14,000		Warmer boxes - 2 (\$8,000), Tortilla presses - 2 (\$6,000)
	Subway		18,500		Registers (\$3,500), Toaster oven (\$5,000), Catering room - shelving, computer, register, office furniture (\$10,000)
38,969	Kellogg West Dining	11,969	48,000		Kellogg House white chairs (\$5,000), Paint side rooms doors (\$5,000), Purchase a new full size steamer (\$21,000), Update kitchen bathrooms - women (\$12,000), Dining room table replacements (\$5,000)
	Jamba Juice at BRIC		15,000		Addition of bar seating around perimeter of area
	Round Table Pizza	3,204	20,000		Tables/chairs inside and patio
	Innovation Brew Works		75,000		Patio upgrades - Glass enclosure, lighting, hop vines
	Total Dining Services			595,500	
	Kellogg West Conference Center & Hotel				
1,192,000	KW Rooms & Conference Center	147,000	1,045,000		Replacement KW shuttle van (\$45,000), Hotel guestroom renovations (\$1,000,000)
	Total Kellogg West			1,045,000	



CAL POLY POMONA FOUNDATION

Budget Presentation 2015-2016

CAL POLY POMONA FOUNDATION, INC. 2015-2016 PROPOSED CAPITAL BUDGET

(CONTINUED)

	Prior Years Remaining	Proposed Detail 2015-16	Proposed Total 2015-16	
Facilities	-	6,000	6,000	Carpet extractor/cleaner
Real Estate Activities				
CTTI Buildings	30,000			HVAC standalone unit for Titan's old wet lab & TI
Spadra	150,000	408,800		Development planning
300,000 Lanterman Support		300,000		Refurbish residences at Lanterman
Total Real Estate Activities			708,800	
College of Agriculture				
Spadra/Westwind Ranch	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	60,000	97,000		Replant 5 acres of avocado (\$20,000), Repairs to PTR residence (\$77,000)
Farm Store	255,000	55,000		Re-location of Farm Store entrance (\$255,000), Reconfigure fridges (\$55,000)
Swine Unit		14,750		Purchase of Kawasaki quad
Total College of Agriculture			166,750	
College of Science				
Chemistry Agilent Project	-	10,000	10,000	Computer Equipment
College of Extended University				
CPELI Standard				No capital budget requested
Administration				
Human Resources	30,000			Kronos - Payroll consultant
Admin	5,000	5,000		Document library
Admin		25,000		Van for Bldg 55
Admin		21,000		HVAC for IT computer room in Bldg 55
Management Info Systems	20,000	20,000		Big Data Licensing and Consulting Services - To provide business intelligence report and analytics to Enterprise operations
Management Info Systems	5,000	20,000		Windows 8 Updates - Preproduction testing of environment begin rollout of new operating system to enterprise units. Windows 8 has greater speed, automation, and security improvements, including memory and SSD disk upgrades where needed



CAL POLY POMONA FOUNDATION

Budget Presentation 2015-2016

CAL POLY POMONA FOUNDATION, INC. 2015-2016 PROPOSED CAPITAL BUDGET

(CONTINUED)

		Prior Years Remaining	Proposed Detail 2015-16	Proposed Total 2015-16	
	Management Info Systems	2,500			Mobile device lab- preproduction testing environment to provide mobile file access and security improvements
	Management Info Systems	12,000			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		Data Encryption Enhancements - To improve security on hard disks by adding encryption at the disk level, both on local drives and cloud based
	Management Info Systems		40,000		PCI 3.0 Updates - Including QSA gap assessment, EMV conversion, PCI training, and vendor monitoring
	Management Info Systems		30,000		Hybrid Cloud Service Expansion - For development of disaster recovery alternate processing service, and enterprise application infrastructure in conjunction with other AOA's using the common Microsoft Azure cloud services
	Management Info Systems		20,000		Financial System Improvements - The addition of three new workflow forms to speed processing and initial Cognos report development to enhance Enterprise reports with Business Intelligence improvements.
	Management Info Systems		30,000		POS Private Network Build out - SDSL hardware updates to begin building an isolated POS network for Foundation retail services to improve PCI compliance mandates.
	Total Administration			231,000	
Prior Years and Proposed Capital Budget		1,046,673		3,017,050	
Total Prior Years and Proposed Capital Budget				4,063,723	
Capital Funding from Reserves				(1,705,969)	
Capital Funding from Operations				2,357,754	

Note - The proposed capital budget assumes funding of \$1,230,969 from the Capital Reserve, \$175,000 from the Residential Board Meal Program Surplus Reserve, and \$300,000 from the Venture Capital/Real Estate Reserve.



CAL POLY POMONA FOUNDATION

Budget Presentation 2015-2016

USES OF CASH

CAPITAL EXPENDITURES

	2014-2015 Approved Budget	2014-2015 Forecast Budget	2015-2016 Proposed Budget
Dining Services	1,186,036	925,901	595,500
Kellogg West	1,150,000	903,000	1,045,000
Bookstore	110,000	10,000	25,000
University Village	965,000	1,086,985	229,000
Administration	277,000	194,485	237,000
Real Estate	570,000	331,686	708,800
Agriculture	760,377	138,377	166,750
College of Extended University	320,000	-	10,000
PY Carryover	-	-	1,046,673

TOTAL CAPITAL EXPENDITURES	5,338,413	3,590,434	4,063,723
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FINANCING

University Village Bond Payment - 2013 & 2014	625,000	625,000	625,000
CTTi Bond Payment - 2007	195,000	195,000	205,000

TOTAL USES OF FINANCING	820,000	820,000	(2)	830,000
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RESERVES

Agriculture Program Reserve @ 55% net Annual Surplus	33,098	21,295	-
Capital Reserve @ 1.75% of Gross Auxiliary Revenues	813,948	422,292	864,302
Innovation Village Demo Reserve	8,221	8,200	8,740
Insurance Reserve	39,796	39,796	62,747
Residential Board Meal Program Surplus Reserve excess 7%	135,188	329,388	365,004
Pine Tree Ranch Reserve @ 50% net Annual Surplus	998	-	-
Post Retiree Medical Benefits Trust - Note 1	1,000,000	1,000,000	1,000,000
Research & Sponsored Programs	20,000	20,000	20,000
Venture Capital/Real Estate Reserve @ 1% of Gross Revenue	465,113	469,904	493,887

TOTAL RESERVE CONTRIBUTIONS	2,516,362	2,310,875	2,814,680
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TOTAL USES OF CASH	\$ 8,674,775	\$ 6,721,309	\$ 7,708,403
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Note 1 - The 2015-2016 budget includes funding \$1 Million to a VEBA Trust & the OPEB obligation.

(2) Principal Debt Payment of \$830,000



CAL POLY POMONA FOUNDATION

Budget Presentation 2015-2016

DEBT SERVICE COVERAGE (Fiscal Year Ended June 30)

Description	2014-2015 Approved Budget	2014-2015 Forecast Budget	2015-2016 Proposed Budget
Change in Unrestricted Net Assets	1,907,400	50,683	1,760,280
Add Back:			
University Designated Expenditures	2,086,608	2,079,000	1,355,338
Surplus (Deficit) before Designated Expenditures - *See Note	3,994,008	2,129,683	3,115,618
Add Back:			
Depreciation and Amortization	4,528,476	4,398,542	4,621,610
Interest Expense (see detail below)	1,198,712	1,139,179	1,034,716
Available for Debt Service	9,721,196	7,667,404	8,771,944
Maximum Annual Debt Service			
2013 & 2014 Series Bonds	1,829,625	1,829,625	1,829,625
2007 Series Bonds	332,750	332,750	332,750
Total Debt Service	2,162,375	2,162,375	2,162,375
Total Debt Service before Designated Expenditures - *See Note	4.50	3.55	4.06
Total Debt Service after Designated Expenditures	3.53	2.58	3.43
Note:			
* Per Section 4.4 of Executive Order 994, the Foundation shall generate a debt coverage ratio of at least 1.25.			
* Maximum annual debt service is reported as the total amount of scheduled debt service during the year in which the debt service is scheduled to be highest during the life of the Bonds			
Interest Detail			
2013 & 2014 Series Bonds - Interest	1,080,528	1,020,995	925,964
2007 Series Bonds - Interest	118,184	118,184	108,752
TOTAL INTEREST EXPENSE	1,198,712	1,139,179	1,034,716



CAL POLY POMONA FOUNDATION

Budget Presentation 2015-2016

The Foundation's Reserves and OPEB are comprised of the following:

	<u>Contributions</u>	<u>Requests</u>	<u>Balance @ June 2016</u>
* <u>Policy No. 103</u>			
Indirect Cost (Disallowance) Reserve	-	-	346,406
* <u>Policy No. 170</u>			
Agriculture Program Reserve	-	-	75,000
Pine Tree Ranch Reserve	-	-	140,886
* <u>Policy No. 171</u>			
Res Board Meal Program Surplus Reserve	365,004	175,000	1,980,640
Cafeteria Equipment Replacement Reserve	-	-	182,062
* <u>Policy No. 172</u>			
Operating Reserve	-	-	6,946,467
Capital Equipment Reserve	864,302	1,230,969	4,279,333
Venture Capital/Real Estate Reserve	493,887	800,000	1,533,828
* <u>Policy No. 173</u>			
Funded portion of Retiree Medical Benefits	1,000,000	372,834	6,700,000
* <u>Policy No. 174</u>			
Insurance Reserve	62,747	-	100,000
* <u>Policy No. 175</u>			
Research & Sponsored Programs Reserve	20,000	-	152,258
Innovation Village Demo Reserve	8,740	-	71,469
* <u>Policy No. 134</u>			
Emergency Reserve	-	-	120,152



CAL POLY POMONA FOUNDATION

Budget Presentation 2015-2016

USES OF CASH

CAPITAL EXPENDITURES

	2014-2015 Approved Budget	2014-2015 Forecast Budget	2015-2016 Proposed Budget
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Kellogg West	1,150,000	903,000	1,045,000
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College of Extended University	320,000	-	10,000
PY Carryover	-	-	1,046,673
TOTAL CAPITAL EXPENDITURES	5,338,413	3,590,434	4,063,723

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TOTAL USES OF FINANCING	820,000	820,000	830,000

RESERVES

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Capital Reserve @ 1.75% of Gross Auxiliary Revenues	813,948	422,292	864,302
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Insurance Reserve	39,796	39,796	62,747
Residential Board Meal Program Surplus Reserve excess 7%	135,188	329,388	365,004
Pine Tree Ranch Reserve @ 50% net Annual Surplus	998	-	-
Post Retiree Medical Benefits Trust - Note 1	1,000,000	1,000,000	1,000,000
Research & Sponsored Programs	20,000	20,000	20,000
Venture Capital/Real Estate Reserve @ 1% of Gross Revenue	465,113	469,904	493,887
TOTAL RESERVE CONTRIBUTIONS	2,516,362	2,310,875	(3) 2,814,680

TOTAL USES OF CASH

TOTAL USES OF CASH	\$ 8,674,775	\$ 6,721,309	\$ 7,708,403
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Note 1 - The 2015-2016 budget includes funding \$1 Million to a VEBA Trust & the OPEB obligation.

(3) Contribution to Reserves \$2.81 Million



CAL POLY POMONA FOUNDATION
Budget Presentation 2015-2016

SUMMARY OF SOURCES AND USES OF CASH & WORKING CAPITAL RESERVE

2015-2016 PROPOSED BUDGET

	2014-2015 Approved Budget	2014-2015 Forecast Budget	2015-2016 Proposed Budget
Total Sources of Cash	8,811,384	6,978,181	9,508,902
Total Uses of Cash	8,674,775	6,721,309	7,708,403
NET SOURCES (USES) OF CASH - Note 1	136,609	256,872	1,800,499
Beginning of the Year Working Capital Less Contingency		9,989,677	10,246,549
Net Working Capital Available End of Year - Note 2		10,246,549	12,047,048
Minimum Two Months Working Capital Reserve Required		\$ 6,317,408	\$ 6,946,467

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

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

POLICY NO. 172 - LONG-RANGE CASH FORECAST

(Fiscal Viability) & Reserves

Long-Range Cash Forecast includes ten year forecaster of:

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



CAL POLY POMONA FOUNDATION

Budget Presentation 2015-2016

Cal Poly Pomona Foundation, Inc.

Long Term Cash Plan/Reserve

Amounts in Thousands

SOURCES OF CASH

Excess of Revenue over Expenditures

Total Surplus (Deficit) - Operations

Non-Cash Transactions

Depreciation

GASB 45 - Post Retiree Medical Benefits

Total Non-Cash Transaction

TOTAL CASH GENERATED FROM OPERATIONS

TOTAL FINANCING ACTIVITIES

TOTAL RESERVE ACTIVITIES

TOTAL SOURCES OF CASH

USES OF CASH

Capital Project Requirements

Financing Activities

Designated Gifts

Reserve Contributions

TOTAL USES OF CASH

Net Change in Cash

Cash Available

Min. Two Month Working Capital Reserve Required

	ACTUAL 2014	FORECAST 2015	BUDGET 2016	5 YEARS 2017-2021	10 YEARS 2017-2026	RESERVE	
						BALANCES 2026	GOALS
Total Surplus (Deficit) - Operations	7,205	2,130	3,115	18,283	44,116		
Non-Cash Transactions							
Depreciation	3,868	4,399	4,621	23,105	46,210		
GASB 45 - Post Retiree Medical Benefits	799	614	548	1,626	2,162		
Total Non-Cash Transaction	4,667	5,013	5,169	24,731	48,372	5,172	5,172
TOTAL CASH GENERATED FROM OPERATIONS	11,872	7,143	8,284	43,014	92,488		
TOTAL FINANCING ACTIVITIES	191	-	-	-	-		
TOTAL RESERVE ACTIVITIES	250	1,914	2,579	9,264	19,606		
TOTAL SOURCES OF CASH	12,313	9,057	10,863	52,278	112,094		
USES OF CASH							
Capital Project Requirements	2,805	3,590	4,065	16,103	25,466		
Financing Activities	780	820	830	4,840	10,720		
Designated Gifts	1,403	2,079	1,355	7,862	17,895		
Reserve Contributions	3,809	2,310	2,815	10,187	22,418	16,219	19,121
TOTAL USES OF CASH	8,797	8,799	9,065	38,992	76,499		
Net Change in Cash	3,516	258	1,798	13,286	35,595		
Cash Available	9,989	10,247	12,045	25,332	47,640		

6,317 6,946

General, Enterprise, and Reserve Budgets for Fiscal Year 2015-16 Resolution

- * **WHEREAS**, Pursuant to the provisions of the *Compliance Guide for California State University Auxiliary Organizations Section 11.7*, the Cal Poly Pomona Foundation's proposed operating budgets and forecast include: General Activities (Administration; Real Estate & Investments) Enterprise Activities (Bookstore/Dining Services/Kellogg West/Foundation Housing); Supplemental Programs (Research Office, Agriculture Units, Continuing Education, Restricted and Unrestricted Foundation Programs); Designated Gifts; Reserves and Capital Budgets; along with the Summary of Sources and Uses and Working Capital; Statement of Activities; Debt Service Coverage; and Long Term Cash Plan/Reserves. The Foundation's governing Board accomplishes these activities by reviewing and approving the annual operating and capital budgets before the start of each fiscal year. Necessary changes to the approved budgets may be made by the governing Board as the fiscal year progresses, and

- * **WHEREAS**, the Foundation Budget Process Policy No. 118, provides that Foundation Administration will present annually the operating and capital proposed budgets, forecasts and supporting detailed schedules and information to the Board of Directors; and

- * **WHEREAS**, the budget includes contributing a blended rate of 9.6% to the three pension Plans with CALPERS for a total of approximately \$1,040,500 and changes to salary grade ranges (previously approved in November 2014) and a 3% or approximately \$180,000 wage adjustment for eligible employees (“Eligible employees” are regular benefited employees paid from non-grant funds, who were hired prior to the beginning of this 2014-15 fiscal year and who have not had any pay adjustments due to promotions or job restructures during the 2014-15 fiscal year, and among the other employees includes the two Officers of Foundation); and contribute \$1.0 million and withdraw \$372,834 with the VEBA Trust and assume 7.5% or \$548,209 as the benefit cost for the postretirement health care plan as per actuarial studies.
- * **WHEREAS**, the Foundation management has prepared and presents these proposed operating and capital budgets and forecasts, designated gifts, reserves and long range plan/reserve, and
- * **WHEREAS**, the Board of Directors has reviewed and discussed these proposed operating and capital budgets and forecasts, designated gifts, reserves and long range plan/reserve pursuant to Foundation Budget Process Policy No. 118, and
- * **NOW, THEREFORE**, the Board of Directors approves the Proposed Operating and Capital Budgets for fiscal year 2015-16 and forecasts for fiscal year 2014-15 for General Activities, Enterprise Activities, Supplemental Programs, Designated Gifts, Reserves and the long-range cash plan/reserve.

Passed and adopted this 21st day of May 2015.

By:

Rachel Dominguez, Secretary

Cal Poly Pomona Foundation Board of Directors

SUMMARY

CAL POLY POMONA FOUNDATION, INC. PROPOSED 2015-16 BUDGET HIGHLIGHTS

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

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

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

As a result, the Foundation's operating and capital budgets are based on assumptions, historical performances and the judgment of management on how the Foundation will financially perform over the next fiscal year. The Foundation has used sound business principles and practices to develop a budget that reflects the needs and obligations of the Foundation.

The proposed restricted and unrestricted budget is projected to generate a surplus of \$8.2 million based upon budgeted revenues of \$75.3 million and budgeted expenditures of \$67.1 million.

The proposed unrestricted operating revenues of \$60.4 million offset by the expenditures of \$58.7 million generate a net unrestricted surplus of \$1,760,280. The proposed operating budgeted revenues are projected to increase \$3,886,865 or 6.9% over the current year forecast mainly due to Continuing Education, Investments, Dining Services and University Village. In arriving at this surplus, management recommends the following:

- Allow for a 3% increase in the board meal plans and assume the same number of residents on the meal plans;

- Allow for a 4% increase in license fee rates at University Village and assume academic year and summer occupancy of 98% and 30% respectively;
- Foundation has three different pension formulas (or “Plan”) for its employees including the 2%@55 Plan, 2%@60 Plan, and the 2%@62 Plan. The employee’s hire date determines which Plan is applicable for an employee along with their status as a “benefited employee”. Foundation and its benefited employees both contribute to their respective pension Plan. The rates paid by employees are 5%, 7%, and 6.25% respectively, and the weighted average rate for all three Plans paid by Foundation is 9.6% of total payroll for benefited employees. All three pension Plans are in their respective Risk Pool with CalPERS.
- Changes to salary grades were approved in November with an effective date of July 1, 2015 and a 3% or approximately \$180,000 wage adjustment; and
- Contribute \$1.0 million to the VEBA Trust and a withdrawal of \$372,834 from the VEBA Trust. In addition, we assume 7.5% of benefited payroll or \$548,209 as the benefit cost for the postretirement health care plan per the latest actuarial study dated July 1, 2013.

The proposed debt service coverage beginning with the net surplus and adding back the designated gifts, depreciation and interest generates a proposed coverage of 4.06 and forecasted coverage of 3.43. The proposed budget and forecast meets the CSU Executive Order 994 with a debt coverage ratio of at least 1.25 and the Foundation currently does not have any proposed capital projects that require additional bond financing.

The proposed unrestricted operating, non-cash transactions including depreciation, financing and uses of reserves as reported in the Summary of Sources of Cash, generates \$9.2 million from the following activities:

• Operating surplus	\$ 3,115,618
• Designated Gifts to the University	(1,355,338)
• Non-cash depreciation and amortization	4,621,610
• Non-cash retirement medical	548,209
• Reserves	<u>2,578,803</u>
• Total cash generated	<u>\$ 9,508,902</u>

The proposed unrestricted uses of cash of \$7.4 million are for the following activities:

• Capital improvement requests	\$ 3,017,050
• Capital improvement carry forward	1,046,673
• Principle bond payments	830,000
• Contributions to reserves	<u>2,814,680</u>
• Total cash used	<u>\$7,708,403</u>

The proposed capital budget request of \$3.0 million is for Kellogg West Conference Center, Dining Services, Real Estate, Village Housing, Administration, Agriculture-Aid-To-Instruction and Bookstore.

General Activities – include administration, real estate and investments are projected to generate a deficit of (\$215,387) versus a forecasted deficit of (\$395,890) mainly due to proposed EPO Claims and CalPERS Unfunded Actuarial Liability for the 2%@55 Plan that was not included in the budgeted weighted average rate 9.6% for all three CalPERS Plans. **Administration** revenues are comprised of fees and are budgeted to increase 2.4% or

\$106,439 mainly due to increased revenues from Continuing Education, Dining Services and University Village. Administration is proposing to generate a deficit of (\$1,011,889) versus a forecasted deficit of (\$704,302) and includes the Foundation's forecasted EPO claims of \$425,000, and proposed EPO claims of \$500,000 and CalPERS Unfunded Actuarial Liability for the 2%@55 Plan of \$143,793.

Administration is requesting capital of \$231,000 for the following; Document library, Van for administration, HVAC for IT computer room in bldg. # 55, Big data licensing/consulting services, Windows 8 updates, Mobile device lab, Security log monitoring software, Data encryption enhancements, PCI 3.0 updates, Hybrid cloud service expansion, Financial system improvements and POS private network build out.

Real Estate includes development, building rental and faculty staff housing and is projecting to generate a surplus of \$20,719 due to the support of \$500,000 for Lanterman versus the forecasted surplus of \$388,922. The Real Estate Division is requesting capital of \$408,800 for Spadra development planning and \$300,000 Refurbishment of residences at Lanterman.

General Investments are budgeted to generate a surplus of \$1,084,583 versus a forecasted deficit of \$80,510 assuming a proposed annualized return of 4% on equities and real assets, 1% return and 1.97% yield for fixed income securities, 1.2% for dividends, \$4.0 million in additions to the portfolio, \$473,000 of interest (yield) distributions with a projected value of \$53.4 million by June 2016.

Endowment Investments, Distribution and Donations - Investments are budgeted to generate a surplus of \$4,046,154 versus a forecasted surplus of \$4,364,319 due to donations and portfolio returns. We assumed an annual return of 5.9% on equity and real assets. Dividends and interest are forecasted and proposed to return 1.01% and 3.56% respectively. Total investment fees are forecasted and proposed to be 0.38 basis points. We budgeted a 3.0% or \$1.4 million endowment earnings distribution in October 2015. Endowment donations are projected to be \$1.0 million resulting in a projected endowment portfolio of \$95.6 million by June 2016.

Bookstore - Increased supply and demand for lower cost course material options results in greater access for students with a budgeted decrease in revenues of 0.6% or \$64,496 to \$9.8 million generating a proposed surplus of \$317,399 or 3.2%. The Bronco bookstore is on target and expects to meet or exceed the forecasted net surplus for 2014-15.

Revenue from used course materials sales will continue to decrease slightly while new will increase, and continued emphasis on maximizing rebate opportunities and higher margin sourcing strategies will preserve course materials gross margin amounts. Sales/rentals of course materials are down slightly, but that has been offset by increases in rental rebates and margins achieved from maximizing various used book sourcing streams and use of tools such as Verba and other programs. General merchandise sales should continue to increase. Removing the dressing room and continuing to rearrange the space previously occupied by the customer service counter should allow us to add additional square footage for apparel and gifts.

Sales in non-technology general merchandise classes all show steady growth. Clothing and gift sales have benefited from increase student enrollment, and supplies sales are up in spite of the continued decline of textbook revenue. In the past, course materials and supplies tended to mirror each other.

In technology computer/hardware sales are budgeted to decrease 4.4% or \$39,878 to \$870,000. Support of Apple product sales by the entire campus community allows us to continue our status as an Apple authorized campus retailer. This guarantees access for students, faculty, and staff to Apple educational discounts. Additionally, the store offers onsite support and repairs as well as Apple certified sales staff. Sales in software/accessories categories are budgeted to remain flat, largely because most software is now licenses vs. hard media and increasingly available as cloud-based subscriptions. However, a shift to more sales in the higher margin categories within this class such as earbuds and other accessories, as well as high margin impulse items, have helped preserve surpluses in technology. General merchandise/clothing sales are budgeted to increase due to the new Bronco logo, passing the \$1 mil mark in forecasted sales for the first time.

Bookstore capital request is \$25,000 for sales floor updates.

Dining Services - Dining operations budgeted revenues are proposed to increase by 4.0% or \$764,812 to \$19.6 million with a 3% increase in board rates generating a surplus of 5.2% or \$1,027,164. Proposed student enrollment is budgeted to increase 1.7% benefiting retail dining operations. Labor costs are budgeted to increase by 3.3% or \$160,215 driven by the minimum wage increase, and the proposed addition of 3 full-time benefitted positions. The next fiscal year we will focus on managing food and labor costs as no new venues are budgeted to be opened. With the California drought affecting food costs and the minimum wage increase in January 2016, managing food and labor costs will be challenging. We are projecting a significant increase in revenue at Innovation Brew Works with the implementation of keg sales and Educational Programming through the CEU. We will continue to modify the menu offerings to keep things new and fresh with modifications to the kitchen to accommodate these menu offerings.

Dining Service's capital budget request of \$595,500 includes the following:

- \$195,000 – Dining - POS credit card compliance project, Card office reconfiguration, Cognos report programming, Building 97 floors painted;
- \$15,000 – Carl's Jr - Digital menu boards and annual license fee;
- \$20,000 – Starbucks – Outside furniture and ice machine;
- \$175,000 – Los Olivos – Dish room renovation and replace dishwasher (funded by Residential Board Meal Program Surplus Reserve);
- \$14,000 – Qdoba – Warmer boxes and tortilla presses;
- \$18,000 – Subway – Registers, toaster oven, catering room shelving, computer, register and office furniture;
- \$48,000 – Kellogg West Dining – Kellogg House chairs, Paint side rooms & doors, full size steamer, kitchen bathrooms upgrade and Dining room table (\$38,969 funded by Capital Reserve);
- \$15,000 – Jamba Juice – Additional bar seating;
- \$20,000 – Round Table Pizza – Tables/chairs inside and patio; and
- \$75,000 – Innovation Brew Works – Patio upgrades – glass enclosure, lighting, hop vines.

Kellogg West Conference Center & Lodge - The proposed budgeted revenues are projected to decrease by 5.2% or \$84,260 due to guest room renovations over the summer resulting in a surplus of \$12,349 versus a forecasted surplus of \$68,604. With completion of the 2015 guest

room renovations Kellogg West will make appropriately marginal lodging rate increases however we remain committed in our ongoing efforts to being "affordable" and competitive in a market that has a great many newer hospitality alternatives and who have really become much more competitive in their meeting rates.

With the proposed 2015 complete renovation of all hotel guest rooms, Kellogg West is proposed meeting/conference revenues will increase slightly in 2015-2016 with a continued demand for more affordable facilities that offer the "service" meeting planners expect. As has been the case for several years now, Kellogg West continues to see returning clients who are still faced with budget constraints and who are still seeking out affordable alternatives, such as Kellogg West, for small to medium meetings. Along those same lines Kellogg West is also seeing a much more competitive market place - especially from upper-end, up-scale properties that are still trying to "hold on to the business" (or in many cases bring it back) no matter what the costs.

Controllable Expenses as well as Labor Expenses for 2015-2016 will continue to be tightly controlled and the financial "bottom line" is still the focus.

Kellogg West Conference Center and Lodge is requesting capital funds of \$1,045,000 for Phase III replacement of hotel guestroom renovations; and shuttle, (\$1,192,000 funded by Capital Reserve).

University Village – The proposed revenues are projected to increase by 5.7% or \$518,847 resulting in a surplus of \$1,331,210 versus a forecasted surplus of \$834,306. We believe this is a good budget allowing for a necessary 4% increase in license fee rates in all Phases while preserving an economic first rate quality of life offered to our residents. As a result of our overall success in employing a 98% academic year occupancy guide, we've decided to once again base our bottom line and revenue projections on this percentage. In light of the continued evolution of the summer mission of the University, we've maintained our expectations of summer occupancy at 30% of available bed spaces with a proposed special reduced summer rate for students living in the open buildings. We expect full or nearly full occupancy during 2015-2016 academic year, however it's important to consider changes in the University, national and international economy, enrollment and financial aid funding, etc. and also allow for some cushioning against any sudden economic and budgetary downturns.

The 2015-2016 budget is based (largely) on the end of year forecast provided for 2014-2015. There are no additions to staffing however the Director of Housing position is vacant, but should be filled by Fall 2015, the Assistant Director for Residential Education & Community Standards will serve as the Senior Associate Director and one Operations staff position is proposed to be reclassified. We'll continue to enhance all existing and recently added services for our students including the Tech. Center, laundry room, Shop 24 vending, refurbishment of the pool, the Living/Learning Community building (105), and community sustainability. We've also decided in 2015-2016 to continue to provide our students full use of an open laundry room by including a \$10 monthly fee as part of their license fees. This program has been generally successful. We'll also still provide apt. cleaning and on-going restoration and refurbishment of apartment furniture and fixtures, while stressing economic efficiency and sustainability. The development of summer/conference housing options and additional housing for currently unhoused populations is ESSENTIAL to our mission, University expectations, and financial stability and growth as an auxiliary service. A consultant has visited the Foundation/Village to research and develop a summer housing/conferences plan.

In 2015-2016 we plan on continuing to develop computer support services by adding academic and skill building workshops for the community. We will also continue to expand the student services provided by the Residential Education and Community Development teams, such as the Village Programming Board, Living/Learning Communities; Community Development Programming: sustainability, health and wellness, and transitional life skills education, and housing for international students.

The Star Rez software/operating system has enabled us to move our operation in a technologically forward direction. Students are able to manage their financial accounts, obtain current information on all services and choose their housing assignments from the comfort of their rooms. The Village Tech Team will continue to develop File Maker software to augment the use of mobile devices in the operation of the Village. Additional services will be added to the Tech Center and mobile kiosks. Check-in and check-out will continue to be developed-facilitated through the use of iPads with File Maker and Star Rez working in concert with one another. Despite financial realities the University Village consistently meets budgetary goals and financial expectations.

The proposed fiscal year, we propose the closing of part of Phase III for the summer months to allow for painting, cleaning, and general repairs. University Village is requesting a capital budget of \$229,000

1. Carpets in various apartments;
2. Interior painting bldgs. 115 & 125 Phase III;
3. Bike racks 477 slots; and
4. Nine doors Phase II soffits.

Continuing Education - includes non-credit programs from the College of the Extended University, the College of Engineering and the College of Science and is projecting to generate a surplus of \$245,943 versus a forecasted surplus of \$154,087 on revenues of \$5.8 million, an increase of \$1.5 million or 35.5% over forecasted revenues.

College of the Extended University – The 2015-16 budget reflects an anticipated resumption of growth, with revenues increasing \$1.5 million or 38.8% to \$5.7 million. This is based on conservative projections for potential new, expanded and revitalized programs and offerings. Expenses will include the cost of developing new programs to replace many of CEU's existing programs (those with declining health and viability); continuing the implementation of the Jenzabar system; addition of contractual services to improve customer service levels; leasing four additional classrooms in the Bookstore; and continued investment in expanding our marketing efforts to support both existing and new programs. Even considering these planned expenses, net surplus is projected to increase 65% to \$237,443 (versus \$143,783 in 2014-15). This increase in net revenue from 3.4% (2014-15) to 4.1% (2015-16) moves us in the right direction toward our desired surplus of 6-8% of revenues.

A significant opportunity for growth in CPELI in 2015-16 is anticipated to take place in the new Academic Studies Program (ASP) that is being piloted with a small group in winter and spring 2015. ASP combines English language study in CPELI with academic classes offered through CEU's Open University program, thus providing individual international students with the opportunity to experience actual CPP courses and gain academic credit without requiring formal admission to the University. Partnerships with the College of Engineering, the College of Business Administration and with the College of Letters, Arts and Social Sciences allow for student cohorts to gain credit for either specific general education sequences or for preparation

for master's programs in business administration or engineering. ASP could add meaningful revenues not currently reflected in the proposed budget.

We have already seen increased interest for this attractive offering in the international marketplace. This program allows our GEP and CPELI units to work collaboratively on growing our international student population which also directly supports campus initiatives. To meet the anticipated growth needs of our international programs (including CPELI); CEU continues to seek additional space options on and near campus.

CEU has developed a new Aviation Hospitality Training Program designed for international students in the aviation and hospitality industries to learn and improve their English language skills, gain an understanding of international etiquette standards, become effective members of a team, build interpersonal skills and learning the US culture while experiencing the CPP campus life. This program will support up to 100 students at a time in the 4-month program, and the program will run twice per year. This new program has provided CEU with a new opportunity regarding confirmed housing at the University Village for 25 rooms that each house 4 students. To support this new commitment by CEU with the University Village on an annual basis, CEU is planning to expand our short-term camp programs during the winter and summer quarters to keep all 25 units filled throughout the year.

A new Program Coordinator will be hired to coordinate details and activities for the new Aviation Hospitality Training Program. Once this position is in place, CEU staffing levels should be structured to meet the anticipated needs of our organization for the coming year. However, CEU will continue to review and reassess based on the growth patterns and new program staffing needs in the year ahead.

Expansion of CEU's career and professional development (C&PD) as well as international programs will be required to meet revenue growth targets. In support of these growth needs, Global Education Programs (GEP) staffing has been separated from the Program Development (PD) staffing, to enable each unit to focus prominently on their target markets. New GEP positions are being added in this fiscal year as noted above, and the PD unit recently added a full time support staff position while also accepting a recent resignation of a program manager. With the new team in GEP, the Program Development unit can focus on our (domestic) academic credit and C&PD programs. A more efficient task assignment strategy allows them to grow CEU programs with fewer staff while still aligning each program manager to specific campus colleges for development of both credit and non-credit programs. This should also provide an opportunity for CEU to further enhance our business relationships with each partner through a single point-of-contact.

Based on the recent information from Administrative Affairs regarding the potential cost to install additional temporary buildings for CPELI at their existing site, and due to CEU's current year budget status, the previous plans to expand the CPELI classroom facilities through the purchasing of additional modular buildings has been put on hold. CEU has been provided the opportunity to lease 4 existing classrooms in Building 66 to meet the needs of the new Aviation Hospitality Training Program as well as assist with the needs of CPELI classroom scheduling. Therefore, the prior capital request will be on hold until later in 2015-16 when CEU can better re-assess the overall space needs of our programs.

College of Engineering – proposed budget consists of a Civil Engineering Review program and an Administrative project and is projecting to generate a surplus of \$6,112 versus a forecasted surplus of \$5,681 on revenues of \$28,560 for two civil engineering review courses

in the fall and spring and funds will be expended in the proposed budget for equipment in exchange for rent of the facility in the administrative project to support the College of Engineering.

College of Science – proposed budget consists of an Agilent software training program and is projecting to generate a surplus of \$2,388 versus a forecasted surplus of \$4,623 on proposed and forecasted revenues of \$14,602. Agilent’s capital budget request is \$10,000 for computers in the lab.

Agricultural Programs – proposed budget is projecting to generate a surplus of \$42,676 versus a forecasted surplus of \$244,926 on revenues of \$3.5 million, a decrease of \$52,372 or 1.5% over the current year forecasted revenues. No major changes in staffing are anticipated throughout all of the Agricultural Programs assuming Academic Affairs approves a Meat Lab Manager.

Arabian Horse Center - The proposed budget includes an increase in the revenue of \$99,500 or 32% mainly from the transfer of endowment distributions and generates a proposed surplus of \$686 versus a forecasted deficit of \$5,930. Even though horse sales have been disappointing, we have been able to make up for the decreased revenue by lowering horse show expenses, and by having a slightly better support from external endowment accounts. The expenses incurred are in line with the budget projections made last year at this time. As noted, feed and shavings, two of our largest expenses are commodities subject to the fluctuations in the market.

During this budget year, we have added a student riding instructor. This has allowed us to enhance and expand our student riding activities and improve our safety supervision at Arabian Horse Center. This has resulted in a greatly enhanced student experience, and improvement in our Sunday shows, and an overall improvement in the quality of the student riding programs at the Center. In addition, the Center has hired a part-time person to assist in marketing the Center’s many attributes to the public. This has allowed us to open a gift shop, increase the attendance at our Sunday shows and generally increase the overall awareness of the Arabian Horse Center in the public arena. The addition of this position has also allowed us to advance development of our new website and improve our marketing in the Arabian Horse Industry.

Our part-time employees, riding instructor and marketing assistant have quit. If future funding allows, we would like to hire replacements for these positions. Each of these employees were working 19 hours per week at \$20 to \$25 per hour.

Animal Veterinary Science Farm - The proposed budget includes an increase in the revenue of \$67,892 or 24% due to the Swine Unit and start-up of the Meat Lab offset by the Beef Unit and generates a proposed surplus of \$17,257 versus a forecasted surplus of \$3,482. This will depend heavily on approval of meat lab manager position from academic affairs and if foundation will be responsible for covering salary costs not previously responsible for. This factor alone may cause net income to decrease by upwards of \$20,000. Livestock sales should remain steady and other sources of income (boarding fees, workshops etc.) should also remain similar to last year. As always the drought will continue to play an important role in our farm operations. We have not been able to graze our permanent pastures in last 3 years causing an increase in amount of feed we have to purchase for animals. With the possible mandate of 25% water reduction via irrigation, this will also play an important role in our overall farm budget.

Plant Sciences - The proposed budget includes a decrease in the revenue of \$219,764 or 7.5% is from the Agronomy Farm, Pine Tree Ranch, Farm Store and offset by Fruit Industries and generates a proposed surplus of \$24,733 versus a forecasted surplus of \$247,374. The Plant Science Department with the Farm Store Management has reviewed the 2014 Pumpkin Festival event and have made recommendations to reduce cost and increase revenue. We have never charged an entrance fee as other pumpkin patch operations do. We are proposing a \$2-3 entry fee to help offset security, medical response, parking and insurance requirements.

The Agronomy Farm Unit has improved efficiency and should see a decrease in operating costs. It has been agreed that the Animal Science Departments will share in the cost to produce feed products that they have received for years at no cost to them.

Agricultural Aid-to-Instruction Capital Budget Request Include the following;

1. Pine Tree Ranch - \$97,000 for repairs to the residence and replanting 5 acres of avocados;
2. Farm Store – \$55,000 to reconfigure refrigerators; and
3. Swine Unit - \$14,750 – Kawasaki quad mule.

Research Office – Research and Sponsored Programs consists of two projects. The Office of Research and Sponsored Programs proposed budget is projecting to generate a surplus of \$223,531 versus a forecasted surplus of \$251,261 that will be distributed to the Division of Academic Affairs through the Indirect Surplus project that is generating a corresponding proposed budgeted deficit of \$178,097 and forecasted deficit of \$205,659 to allow for a proposed budgeted surplus of \$45,434. This surplus is used to fund the patent reserve for \$20,000 and the balance of \$25,000 may be used to fund the Indirect Cost Disallowance Reserve in future years.

The outlook reflects improving trends, with 2015-16 revenues forecasted to be in line with last year's and continuing to reflect flat to lower overall rates of indirect cost reimbursements (ICR) on current awards. Revenues are improving from lingering impacts of prior challenging national developments: for example, CPP was impacted by an earlier gap in National Institutes of Health (NIH) SCORE grant program opportunities, and then by two rounds of changes NIH made in eligibility regulations. (NIH suspended receipt of proposals during its SCORE review period; it resumed the program with new regs, and then revised them again.) The University successfully addressed these changes and new proposals were submitted for the 2014-15 competitions; more are planned for 2015-16. In addition, proposal activity across the U.S. was negatively impacted last year by the federal sequestration and closure of governmental agencies. Application success rates declined last year to historic lows at NIH, with reduced numbers of new awards made; NIH officials state that this is continuing.

Despite these trends, several important federal grants were recently won. For example, CPP was successful in winning an NSF Cyber Corps Scholarship grant for \$1.8 million, and two major U.S. Department of Education Hispanic-Serving Institution awards. (With some of these new major awards, it is noteworthy that little to no ICR is allowed.) Also very promising is the fact that some costs previously borne by Foundation account 190070 during the economic downturn, are beginning to be moved back to state accounts as CPP recovers from years of cuts or lack of growth in state funding. For example, as described above, with the recent improvement to the state's financial situation, one ORSP staff position that was funded from 190070 has just been moved to state-side funding and it is hoped that the future will bring continued increases of support from that direction.

Board Designated Gifts – for the benefit of the University is projected to decrease 35% or \$723,662 to \$1.3 million due to the current year's support for the Steinway Initiative, Comprehensive Capital Campaign Wrap-Up, Center for Technology Transfer, Legal & Consulting fees, Homecoming and Family Weekend and semester conversion retreats and meetings. This year's Designated Gifts include inaugural events for the new President, President's public relations, University Advancement's outreach, communications and University-wide events to our alumni, friends and donors and Office of Research and Graduate Studies for a program designed to increase grant and contract activity to strengthen the training of teacher-scholars.

Unrestricted Foundation Programs – Revenues and expenditures of \$574,992 are projected to remain the same as the forecast and breakeven.

Restricted Foundation Programs - Revenues are budgeted to be \$8.6 million and expenditures \$6.1 million generating a surplus of \$2.4 million.

CAL POLY POMONA FOUNDATION, INC.
2014-15 PROPOSED BUDGET
SUMMARY OF SOURCES AND USES OF FUNDS

	Revised 2014-2015 <u>PROPOSED BUDGET</u>	2014-2015 <u>FORECAST</u>	2015-2016 <u>PROPOSED BUDGET</u>
SOURCES OF CASH			
SURPLUS (DEFICIT)			
Administration	(810,470)	(704,302)	(1,011,889)
Real Estate	403,387	388,922	20,719
Investments	1,147,691	(80,510)	1,084,583
Bookstores	285,881	392,437	317,399
Dining Services	466,920	785,611	1,027,162
Kellogg West Conference Center	23,949	68,604	12,349
University Village	1,581,600	834,306	1,331,210
Supplementary Programs	585,551	444,615	334,085
TOTAL OPERATING SURPLUS (DEFICIT)	<u>3,684,509</u>	<u>2,129,683</u>	<u>3,115,618</u>
Designated Gifts	<u>(2,086,608)</u>	<u>(2,079,000)</u>	<u>(1,355,338)</u>
NET OPERATING SURPLUS (DEFICIT)	<u>1,597,901</u>	<u>50,683</u>	<u>1,760,280</u>
NON-CASH TRANSACTIONS:			
Depreciation and Amortization	4,528,476	4,398,542	4,621,610
Post Retiree Medical Benefits - See Note 1	614,273	614,273	548,209
TOTAL CASH GENERATED BY OPERATIONS	<u>6,740,650</u>	<u>5,063,498</u>	<u>6,930,099</u>
FINANCING			
TOTAL SOURCES OF FINANCING	<u>-</u>	<u>-</u>	<u>-</u>
RESERVES			
Capital Reserve	1,601,000	1,354,000	1,230,969
Residential Board Meal Program Surplus Reserve	96,900	86,928	175,000
Insurance Reserve		100,921	
Venture Capital/Real Estate Reserve			800,000
Withdrawal of funds from Post Retiree Medical Benefit Trust	372,834	372,834	372,834
TOTAL SOURCES FROM RESERVES	<u>2,070,734</u>	<u>1,914,683</u>	<u>2,578,803</u>
TOTAL SOURCES OF CASH	<u>8,811,384</u>	<u>6,978,181</u>	<u>9,508,902</u>
USES OF CASH			
CAPITAL EXPENDITURES			
University Village	965,000	1,086,985	229,000
Bookstore	110,000	10,000	25,000
Dining Services	1,186,036	925,901	595,500
Kellogg West	1,150,000	903,000	1,045,000
Real Estate	570,000	331,686	708,800
Agricultural Units	760,377	138,377	166,750
Continuing Education	320,000		10,000
Administration	277,000	194,485	237,000
Prior Year Carryover			1,046,673
TOTAL CAPITAL EXPENDITURES	<u>5,338,413</u>	<u>3,590,434</u>	<u>4,063,723</u>
FINANCING			
University Village Bond payment - 2005A & B	625,000	625,000	625,000
CTTi Bond payment - 2007	195,000	195,000	205,000
TOTAL USES OF FINANCING	<u>820,000</u>	<u>820,000</u>	<u>830,000</u>
RESERVES			
Agriculture Program Reserve @ 55% net Annual Surplus	33,098	21,295	
Cafeteria State Share Reserve			
Capital Reserve @ 1.75% of Gross Auxiliary Revenues	813,948	422,292	864,302
Emergency Reserve			
Indirect Cost Disallowance Reserve			
Innovation Village Demo Reserve	8,221	8,200	8,740
Insurance Reserve	39,796	39,796	62,747
Pine Tree Ranch Reserve @ 50% net Annual Surplus	998		
Post Retiree Medical Benefits Trust - see Note 1	1,000,000	1,000,000	1,000,000
Research & Sponsored Programs	20,000	20,000	20,000
Residential Board Meal Program Surplus Reserve excess 7%	135,188	329,388	365,004
Venture Capital/Real Estate Reserve @ 1.0% of Gross Rev.	465,113	469,904	493,887
TOTAL RESERVE CONTRIBUTIONS	<u>2,516,362</u>	<u>2,310,875</u>	<u>2,814,680</u>
TOTAL USES OF CASH	<u>8,674,775</u>	<u>6,721,309</u>	<u>7,708,403</u>
NET SOURCES & (USES) OF CASH	<u>136,609</u>	<u>256,872</u>	<u>1,800,499</u>
BEGINNING OF THE YEAR WORKING CAPITAL LESS CONTINGENCY		<u>9,989,677</u>	<u>10,246,549</u>
NET WORKING CAPITAL AVAILABLE END OF YEAR - Note 2		<u>10,246,549</u>	<u>12,047,048</u>
Minimal Two Months Working Capital Reserve Required		<u>6,317,408</u>	<u>6,946,467</u>

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

	Balance as of 6/30/2014	Forecast Fiscal 14/15	Proposed Budgeted 15/16	Net End of 6/30/2016	Goal
Sources of Funds:					
Fund Balance (Unrestricted)	43,193,446	50,683	1,760,280	45,004,409	
Current & Long term debt					
University Village Series 2005	23,920,000	(625,000)	(625,000)	22,670,000	
CTTI Bonds Series 2007	2,785,000	(195,000)	(205,000)	2,385,000	
Excess of Accounts Receivable over Accounts Payable	3,817,394			3,817,394	
Post Retiree Medical Benefits - Note 1	335,469	614,273	548,209	1,497,951	1,497,951
Total Available	74,051,309	(155,044)	1,478,489	75,374,754	
Uses of Funds					
Investment in fixed assets	98,042,213	3,590,434	4,063,723	105,696,370	
Depreciation	(45,576,534)	(4,398,542)	(4,621,610)	(54,596,686)	
Inventory	1,968,299			1,968,299	
Reserves :					
Board Designated Reserves					
Agriculture Program Reserve	53,705	21,295		75,000	75,000
Cafeteria State Share Reserve	182,062			182,062	
Capital Reserve	5,577,708	(931,708)	(366,667)	4,279,333	6,000,000
Emergency Reserve	120,152			120,152	
Indirect Cost Dissallowance Reserve	346,406			346,406	346,406
Innovation Village Demo Reserve	54,529	8,200	8,740	71,469	
Insurance Reserve	98,378	(61,125)	62,747	100,000	
Pine Tree Ranch Reserve	140,886			140,886	75,000
Auxiliaries Multiple Employer VEBA Trust - Note 1		627,166	627,166	1,254,332	
Research & Sponsored Programs	112,258	20,000	20,000	152,258	
Residential Board Meal Program Surplus Res	1,548,176	242,460	190,004	1,980,640	
Venture Capital/Real Estate Reserve	1,370,037	469,904	(306,113)	1,533,828	6,000,000
Other	23,357			23,357	
Total Uses	64,061,632	(411,916)	(322,010)	63,327,706	
Available for Working Capital	9,989,677	256,872	1,800,499	12,047,048	
Net Working Capital - Note 2	9,989,677	10,246,549	12,047,048	12,047,048	
Minimal Two Months Working Capital Reserve Required	5,336,578	6,317,408	6,946,467	6,946,467	

Note 1 - Forecast and Proposed Budget includes funding of \$1.0 million and withdraws of \$372,834 each year; the Post Retirement Med Benefit.

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

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

FISCAL YEAR	REVENUE			EXPENSES			NET SURPLUS/(DEFICIT)		
	Revised Budget	Current Forecast	Proposed Budget	Revised Budget	Current Forecast	Proposed Budget	Revised Budget	Current Forecast	Proposed Budget
	2014-2015	2014-2015	2015-2016	2014-2015	2014-2015	2015-2016	2014-2015	2014-2015	2015-2016
GENERAL ACTIVITIES:									
ADMINISTRATION	4,218,404	4,421,615	4,528,054	5,028,874	5,125,917	5,539,943	(810,470)	(704,302)	(1,011,889)
REAL ESTATE	2,807,587	3,267,192	3,282,739	2,404,200	2,878,270	3,262,020	403,387	388,922	20,719
INVESTMENTS	1,226,246	9,139	1,181,071	78,555	89,649	96,488	1,147,691	(80,510)	1,084,583
TOTAL GENERAL ACTIVITIES	8,252,237	7,697,946	8,991,864	7,511,629	8,093,836	8,898,451	740,608	(395,890)	93,413
ENTERPRISE ACTIVITIES:									
Bookstore									
BRONCO BOOKSTORE	9,488,000	9,828,276	9,763,780	9,202,119	9,435,839	9,446,381	285,881	392,437	317,399
Total Bookstore	9,488,000	9,828,276	9,763,780	9,202,119	9,435,839	9,446,381	285,881	392,437	317,399
Dining Services									
FOUNDATION MAINTENANCE	0	0	0	6	(1,634)	2	(6)	1,634	(2)
POLY TROLLEY	293,000	320,000	323,500	308,106	363,118	326,990	(15,106)	(43,118)	(3,490)
FRESH ESCAPES	94,454	162,725	173,224	85,214	131,498	141,247	9,240	31,227	31,977
CARL'S JR.	477,962	512,440	537,127	404,102	407,931	448,518	73,860	104,509	88,609
PONY EXPRESS - CCMP	633,075	775,000	785,501	515,758	626,592	644,489	117,317	148,408	141,012
PONY EXPRESS - CLA	200,425	194,200	196,115	176,728	173,144	178,752	23,697	21,056	17,363
INNOVATION BREW WORKS	340,454	430,000	546,400	337,256	496,394	538,494	3,198	(66,394)	7,906
POLY FRESH	410,002	461,560	441,401	350,010	398,509	376,571	59,992	63,051	64,830
PONY EXPRESS - ENV	57,460	59,500	60,700	50,013	52,998	56,056	7,447	6,502	4,644
ENG COFFEE SHOP	74,859	16,700	45,100	75,008	17,094	41,418	(149)	(394)	3,682
STARBUCKS COFFEE	925,800	1,090,000	1,147,501	877,962	972,922	1,036,909	47,838	117,078	110,592
PANDA EXPRESS	114,999	111,000	118,438	7,848	8,088	8,071	107,151	102,912	110,367
KIKKA SUSHI	67,299	124,018	94,860	29,282	148,964	32,593	38,017	(24,946)	62,267
LOS OLIVOS	5,142,797	5,292,885	5,562,607	4,699,041	4,643,985	4,863,847	443,756	648,900	698,760
VISTA CAFÉ	1,423,767	1,397,521	1,403,402	1,354,897	1,348,158	1,350,524	68,870	49,363	52,878
DENNYS	884,255	883,580	884,286	855,903	955,195	951,239	28,352	(71,615)	(66,953)
VENDING	217,197	123,500	134,100	189,587	103,560	112,951	27,610	19,940	21,149
QDOBA	645,050	820,000	829,000	566,627	673,304	694,398	78,423	146,696	134,602
JAMBA JUICE	300,000	201,950	290,000	302,953	257,011	284,614	(2,953)	(55,061)	5,386
SUBWAY	870,000	940,000	948,000	758,702	808,641	832,277	111,298	131,359	115,723
ROUND TABLE	374,951	455,000	491,000	317,633	397,276	429,650	57,318	57,724	61,350
DINING ADMINISTRATION	0	0	0	1,033,169	1,020,863	1,051,993	(1,033,169)	(1,020,863)	(1,051,993)
EINSTEIN'S BAGELS	386,500	419,000	427,000	381,203	410,583	414,826	5,297	8,417	12,174
PONY EXPRESS AT CBA	980,000	1,032,000	1,046,000	764,021	826,728	842,136	215,979	205,272	203,864
FRESHENS/PURA VIDA	185,002	205,000	193,501	182,908	199,053	190,385	2,094	5,947	3,116
TACO BELL	260,000	276,330	302,672	231,575	249,386	264,835	28,425	26,944	37,837
BRONCO BUCKS CARD OFFICE	167,903	161,159	178,154	165,800	161,274	178,579	2,103	(115)	(425)
SCE LOBBY SHOP	84,085	80,000	84,426	73,025	67,950	71,821	11,060	12,050	12,605
KW - CATERING/CONF. FOODS	1,941,994	2,270,389	2,336,254	1,992,033	2,111,261	2,188,922	(50,039)	159,128	147,332
Total Dining Services	17,553,290	18,815,457	19,580,269	17,086,370	18,029,846	18,553,107	466,920	785,611	1,027,162
K.W. Conference Ctr. & Lodge	1,452,619	1,626,969	1,542,709	1,428,670	1,558,365	1,530,360	23,949	68,604	12,349
University Village	9,603,211	9,021,729	9,540,576	8,021,611	8,187,423	8,209,366	1,581,600	834,306	1,331,210
TOTAL ENTERPRISE ACTIVITIES	38,097,120	39,292,431	40,427,334	35,738,770	37,211,473	37,739,214	2,358,350	2,080,958	2,688,120
TOTAL GENERAL & ENTERPRISE ACTIVITIES	46,349,357	46,990,377	49,419,198	43,250,399	45,305,309	46,637,665	3,098,958	1,685,068	2,781,533

CAL POLY POMONA FOUNDATION, INC.									
PROPOSED BUDGET									
SUMMARY STATEMENT OF ACTIVITY									
FISCAL YEAR									
	REVENUE			EXPENSES			NET SURPLUS/(DEFICIT)		
	Revised Budget	Current Forecast	Proposed Budget	Revised Budget	Current Forecast	Proposed Budget	Revised Budget	Current Forecast	Proposed Budget
	2014-2015	2014-2015	2015-2016	2014-2015	2014-2015	2015-2016	2014-2015	2014-2015	2015-2016
DESIGNATED GIFTS - University	0	0	0	2,086,608	2,079,000	1,355,338	(2,086,608)	(2,079,000)	(1,355,338)
SURPLUS (DEFICIT) AFTER DESIGNATED GIFTS	46,349,357	46,990,377	49,419,198	45,337,007	47,384,309	47,993,003	1,012,350	(393,932)	1,426,195
SUPPLEMENTAL PROGRAMS									
RESEARCH OFFICE	1,288,575	1,250,000	1,250,000	1,243,571	1,204,398	1,204,546	45,004	45,602	45,454
AGRICULTURE UNITS	3,470,211	3,508,172	3,455,800	3,408,219	3,263,246	3,413,124	61,992	244,926	42,676
CONTINUING EDUCATION	4,389,641	4,258,069	5,768,481	3,911,086	4,103,982	5,522,538	478,555	154,087	245,943
UNRESTRICTED FOUNDATION PROGRAMS	794,856	575,000	575,004	794,856	575,000	574,992	0	0	12
TOTAL SUPPLEMENTAL	9,943,283	9,591,241	11,049,285	9,357,732	9,146,626	10,715,200	585,551	444,615	334,085
TOTAL SURPLUS (DEFICIT) UNRESTRICTED	56,292,640	56,581,618	60,468,483	54,694,739	56,530,935	58,708,203	1,597,901	50,683	1,760,280
RESTRICTED:									
ENDOWMENT/INVESTMENTS	14,355,493	9,306,254	6,267,196	4,983,766	4,951,935	2,221,042	9,371,727	4,354,319	4,046,154
RESTRICTED FOUNDATION PROGRAMS	8,794,236	11,452,901	8,567,959	6,312,936	8,221,465	6,150,507	2,481,300	3,231,436	2,417,452
TOTAL RESTRICTED	23,149,729	20,759,155	14,835,155	11,296,702	13,173,400	8,371,549	11,853,027	7,585,755	6,463,606
TOTAL	79,442,369	77,340,773	75,303,638	65,991,441	69,704,335	67,079,752	13,450,928	7,636,438	8,223,886

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

FISCAL YEAR

DEPRECIATION & AMORTIZATION

Revised Current Proposed
 Budget Forecast Budget

2014-2015 2014-2015 2015-2016

Carryover

Revised
 Budget

2014-2015

CAPITAL REQUESTS

Current Prior Proposed
 Forecast Years Budget

2014-2015 Carryover 2015-2016

NET CASH GENERATED

Revised Current Proposed
 Budget Forecast Budget

2014-2015 2014-2015 2015-2016

GENERAL ACTIVITIES:

ADMINISTRATION	150,672	154,407	203,976	277,000	194,485	74,500	231,000	(936,798)	(744,380)	(1,113,413)
REAL ESTATE INVESTMENTS	945,312	936,601	894,069	570,000	331,686	180,000	708,800	778,699	993,837	25,988
TOTAL GENERAL ACTIVITIES	1,095,984	1,091,008	1,098,045	847,000	526,171	254,500	939,800	989,592	168,947	(2,842)

ENTERPRISE ACTIVITIES:

Bookstore

BRONCO BOOKSTORE	150,672	142,176	162,000	110,000	10,000	100,000	25,000	326,553	524,613	354,399
Total Bookstore	150,672	142,176	162,000	110,000	10,000	100,000	25,000	326,553	524,613	354,399

Dining Services

FOUNDATION MAINTENANCE	3,600	3,000	3,000				6,000	3,594	4,634	(3,002)
POLY TROLLEY	33,072	32,500	33,072					17,966	(10,618)	29,582
FRESH ESCAPES	4,452	5,288	5,292					13,692	36,515	37,269
CARL'S JR.	20,244	18,600	15,744				15,000	94,104	123,109	89,353
PONY EXPRESS - CCMP	5,400	5,400	5,400	80,000	80,000			42,717	73,808	146,412
PONY EXPRESS - CLA	3,936	4,000	3,936					27,633	25,056	21,299
INNOVATION BREW WORKS	12,000	8,200	12,000	400,000	400,000		75,000	(384,802)	(458,194)	(55,094)
POLY FRESH	17,160	17,155	17,160					77,152	80,206	81,990
PONY EXPRESS - ENV	360	400	360	5,000	2,459			2,807	4,443	5,004
ENG COFFEE SHOP	5,000	2,500	5,004	25,000	25,000			(20,149)	(22,894)	8,686
STARBUCKS COFFEE	11,304	8,100	10,104				20,000	59,142	125,178	100,696
PANDA EXPRESS	372	370	372					107,523	103,282	110,739
KIKKA SUSHI	15,672	16,000	15,672					53,689	(8,946)	77,939
LOS OLIVOS	100,968	100,910	100,968	96,900	86,928		175,000	447,824	662,882	624,728
VISTA CAFÉ	4,020	4,018	4,020					72,890	53,381	56,898
DENNYS	7,800	7,800	7,800					36,152	(63,815)	(59,153)
VENDING	3,996	0	0					31,606	19,940	21,149
QDOBA	47,232	40,932	47,208				14,000	125,655	187,628	167,810
JAMBA JUICE	12,580	8,820	10,236	343,000	230,000		15,000	(333,373)	(276,241)	622
SUBWAY	21,012	18,000	18,000				18,500	132,310	149,359	115,223
ROUND TABLE	9,612	9,300	11,304	3,204		3,204	20,000	63,726	67,024	49,450
DINING ADMINISTRATION	113,004	84,921	82,392	158,000	38,551	50,000	195,000	(1,078,165)	(974,493)	(1,214,601)
EINSTEIN'S BAGELS	43,692	39,340	43,680					48,989	47,757	55,854
PONY EXPRESS AT CBA	19,284	19,370	20,208					235,263	224,642	224,072
FRESHENS/PURA VIDA	16,440	16,440	16,440					18,534	22,387	19,556
TACO BELL	15,804	13,092	15,804	3,932	3,932			40,297	36,104	53,641
BRONCO BUCKS CARD OFFICE	0	0	0					2,103	(115)	(425)
SCE LOBBY SHOP	2,280	2,280	2,280					13,340	14,330	14,885
KW - CATERING/CONF. FOODS	61,200	45,555	45,996	71,000	59,031	11,969	48,000	(59,839)	145,652	133,359
Total Dining Services	611,496	532,291	553,452	1,186,036	925,901	65,173	601,500	(107,620)	392,001	913,941
K.W. Conference Ctr. & Lodge	58,105	43,568	55,282	1,150,000	903,000	147,000	1,045,000	(1,067,946)	(790,828)	(1,124,369)
University Village	2,525,748	2,525,748	2,668,680	965,000	1,086,985	0	229,000	3,142,348	2,273,069	3,770,890
TOTAL ENTERPRISE ACTIVITIES	3,346,021	3,243,783	3,439,414	3,411,036	2,925,886	312,173	1,900,500	2,293,335	2,398,855	3,914,861
TOTAL GENERAL & ENTERPRISE ACTIVITIES	4,442,005	4,334,791	4,537,459	4,258,036	3,452,057	566,673	2,840,300	3,282,927	2,567,802	3,912,019

CAL POLY POMONA FOUNDATION, INC. PROPOSED BUDGET SUMMARY STATEMENT OF ACTIVITY FISCAL YEAR	DEPRECIATION & AMORTIZATION			Carryover	CAPITAL REQUESTS			NET CASH GENERATED		
	Revised	Current	Proposed	Revised	Current	Prior	Proposed	Revised	Current	Proposed
	Budget	Forecast	Budget	Budget	Forecast	Years	Budget	Budget	Forecast	Budget
	2014-2015	2014-2015	2015-2016	2014-2015	2014-2015	Carryover	2015-2016	2014-2015	2014-2015	2015-2016
DESIGNATED GIFTS - University	0	0	0					(2,086,608)	(2,079,000)	(1,355,338)
SURPLUS (DEFICIT) AFTER DESIGNATED GIFTS	4,442,005	4,334,791	4,537,459	4,258,036	3,452,057	566,673	2,840,300	1,196,319	488,802	2,556,681
SUPPLEMENTAL PROGRAMS										
RESEARCH OFFICE	0	0	0					45,004	45,602	45,454
AGRICULTURE UNITS	52,242	35,502	49,302	760,377	138,377	480,000	166,750	(646,143)	142,051	(554,772)
CONTINUING EDUCATION	34,224	28,249	34,849	320,000			10,000	192,779	182,336	270,792
UNRESTRICTED FOUNDATION PROGRAMS	0	0	0					0	0	12
TOTAL SUPPLEMENTAL	86,466	63,751	84,151	1,080,377	138,377	480,000	176,750	(408,360)	369,989	(238,514)
TOTAL SURPLUS (DEFICIT) UNRESTRICTED	4,528,471	4,398,542	4,621,610	5,338,413	3,590,434	1,046,673	3,017,050	787,959	858,791	2,318,167
RESTRICTED:										
ENDOWMENT/INVESTMENTS	0	0	0					9,371,727	4,354,319	4,046,154
RESTRICTED FOUNDATION PROGRAMS	0	0	0					2,481,300	3,231,436	2,417,452
TOTAL RESTRICTED	0	0	0					11,853,027	7,585,755	6,463,606
TOTAL	4,528,471	4,398,542	4,621,610	5,338,413	3,590,434	1,046,673	3,017,050	12,640,986	8,444,546	8,781,773

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

Description	Actual Budget 2013-14	Revised Budget 2014-15	Forecast 2014-15	Proposed Budget 2015-16
Change in unrestricted net assets	\$ 5,751,184	\$ 1,907,400	\$ 50,683	\$ 1,760,280
Add Back:				
University Designated Expenses	1,396,068	2,086,608	2,079,000	1,355,338
Surplus (Deficit) before Designated Expenses - see Note	\$ 7,147,252	\$ 3,994,008	\$ 2,129,683	\$ 3,115,618
Add Back:				
Depreciation and amortization	3,867,508	4,528,476	4,398,542	4,621,610
Interest (see detail below)	1,296,258	1,198,712	1,139,179	1,034,716
Available for Debt Service	\$ 12,311,018	\$ 9,721,196	\$ 7,667,404	\$ 8,771,944
Maximum Annual Debt Service *				
2013 & 2014 Series Bonds	1,829,625	1,829,625	1,829,625	1,829,625
2007 Series Bonds	332,750	332,750	332,750	332,750
Total Debt Service	\$ 2,162,375	\$ 2,162,375	\$ 2,162,375	\$ 2,162,375
Total Debt Service before Designated Expenses - see Note	5.69	4.50	3.55	4.06
Total Debt Service after Designated Expenses	5.05	3.53	2.58	3.43
 Note: Per Section 4.4 of Executive Order 994, the Foundation shall generate a debt coverage ratio of at least 1.25.				
* Maximum annual debt service is reported as the total amount of scheduled debt service during the year in which the debt service is scheduled to be highest during the life of the Bonds				
Interest Detail				
2013 & 2014 Series Bonds - Interest	1,170,408	1,080,528	1,020,995	925,964
2007 Series Bonds - Interest	125,850	118,184	118,184	108,752
Total Interest Expense	\$ 1,296,258	\$ 1,198,712	\$ 1,139,179	\$ 1,034,716

CAPITAL BUDGETS

**CAL POLY POMONA FOUNDATION, INC.
2015-16 PROPOSED CAPITAL BUDGET**

		Prior Years Remaining	Proposed Detail 2015-16	Proposed Total 2015-16	
	Enterprise Activities				
Reserves	Foundation Housing				
	University Village	-	229,000	229,000	Carpet - Various Apts. (\$30,000), Interior painting Bldg 115 & 125 Phase III (\$127,000), Bike racks 477 slots (\$36,000), 9 doors Phase III soffits (\$36,000)
	Bronco Bookstore				
	Bookstore	100,000	25,000	25,000	Sales floor updates
	Dining Services				
	Dining	50,000	195,000		POS credit card compliance project (\$80,000), Card office reconfiguration (\$25,000), Cognos project (\$20,000), Bldg 97 - paint floors (\$70,000)
	Carl's Jr.		15,000		Digital menu boards - 4 (\$14,000), Annual license fee (\$1,000)
	Starbucks		20,000		Permanent outside furniture (\$10,000), Ice machine (\$10,000)
175,000	Los Olivos		175,000		Dish room renovation and dish machine replacement
	Qdoba		14,000		Warmer boxes - 2 (\$8,000), Tortilla presses - 2 (\$6,000)
	Subway		18,500		Registers (\$3,500), Toaster oven (\$5,000), Catering room - shelving, computer, register, office furniture (\$10,000)
38,969	Kellogg West Dining	11,969	48,000		Kellogg House white chairs (\$5,000), Paint side rooms doors (\$5,000), Purchase a new full size steamer (\$21,000), Update kitchen bathrooms - women (\$12,000), Dining room table replacements (\$5,000)
	Jamba Juice at BRIC		15,000		Addition of bar seating around perimeter of area
	Round Table Pizza	3,204	20,000		Tables/chairs inside and patio
	Innovation Brew Works		75,000		Patio upgrades - Glass enclosure, lighting, hop vines
	Total Dining Services			595,500	
	Kellogg West Conference Center & Hotel				
1,192,000	Kellogg West Rooms & Conference	147,000	1,045,000		Replacement KW shuttle van (\$45,000), Hotel guestroom renovations (\$1,000,000)
	Total Kellogg West			1,045,000	
	Facilities				
	Facilities	-	6,000	6,000	Carpet extractor/cleaner
	Real Estate Activities				
	CTTI Buildings	30,000			HVAC standalone unit for Titan's old wetlab & T1
	Spadra	150,000	408,800		Development planning
300,000	Lanterman Support		300,000		Refurbish residences at Lanterman
	Total Real Estate Activities			708,800	
	College of Agriculture				
	Spadra/Westwind Ranch	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	60,000	97,000		Replant 5 acres of avocado (\$20,000), Repairs to PTR residence (\$77,000)
	Farm Store	255,000	55,000		Re-location of Farm Store entrance (\$255,000), Reconfigure refrigerators (\$55,000)
	Swine Unit		14,750		Purchase of Kawaski quad
	Total College of Agriculture			166,750	

**CAL POLY POMONA FOUNDATION, INC.
2015-16 PROPOSED CAPITAL BUDGET**

	Prior Years Remaining	Proposed Detail 2015-16	Proposed Total 2015-16	
College of Science				
Chemistry Agilent Project	-	10,000	10,000	Computer Equipment
College of Extended University				
CPELI Standard			-	No capital budget requested
Administration				
Human Resources	30,000			Kronos - Payroll consultant
Admin	5,000	5,000		Document library
Admin		25,000		Van for Bldg 55
Admin		21,000		HVAC for IT computer room in Bldg 55
Management Info Systems	20,000	20,000		Big Data Licensing and Consulting Services - To provide business intelligence report and analytics to Enterprise operations
Management Info Systems	5,000	20,000		Windows 8 Updates - Preproduction testing of environment begin rollout of new operating system to enterprise units. Windows 8 has greater speed, automation, and security improvements, including memory and SSD disk upgrades where needed
Management Info Systems	2,500			Mobile device lab- preproduction testing environment to provide mobile file access and security improvements
Management Info Systems	12,000			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		Data Encryption Enhancements - To improve security on hard disks by adding encryption at the disk level, both on local drives and cloud based
Management Info Systems		40,000		PCI 3.0 Updates - Including QSA gap assessment, EMV conversion, PCI training, and vendor monitoring
Management Info Systems		30,000		Hybrid Cloud Service Expansion - For development of disaster recovery alternate processing service, and enterprise application infrastructure in conjunction with other AOA's using the common Microsoft Azure cloud services
Management Info Systems		20,000		Financial System Improvements - The addition of three new workflow forms to speed processing and initial Cognos report development to enhance Enterprise reports with Business Intelligence improvements.
Management Info Systems		30,000		POS Private Network Buildout - SDSL hardware updates to begin building an isolated POS network for Foundation retail services to improve PCI compliance mandates.
Total Administration			231,000	
Prior Years and Proposed Capital Budget	1,046,673		3,017,050	
Total Prior Years and Proposed Capital Budget			4,063,723	
1,705,969 Capital Funding from Reserves			(1,705,969)	
Capital Funding from Operations			2,357,754	

Note - the proposed capital budget assumes funding of \$1,230,969 from the Capital Reserve, \$175,000 from the Residential Board Meal Program Surplus Reserve, and \$300,000 from the Venture Capital/Real Estate Reserve.

ASSET PROTECTION MANAGEMENT

Asset Protection Management

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

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

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

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

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

The Foundation will review each operating unit using a list of potential risk areas that has been developed over time.

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

Management Information Systems

Computer/Network Systems

Reduced the risk of network security breaches via greater network segmentation, tighter pass through controls, pro-active logging and monitoring of systems. Additional actions include automation of monitoring, logging, and regular external scanning. Improvements to physical security of equipment include consolidation of applications to the Foundation data center, automated fire suppression, and police monitored card entry system for the computer room. PCI systems are being upgraded to provide point to point encryption. Annual training was provided to all staff who handle credit cards, or administer credit card systems, and a strategic plan is being executed to maintain perpetual PCI compliance.

Business Continuity

Hardware and software redundancy has been increased in mission critical computer systems via virtualization and secondary disaster recovery systems. A new disaster recovery system is being installed which will replicate critical data to cloud-based storage for external recovery in the event of an emergency. Data center protection has been improved in the areas of electrical infrastructure, generator installation for the computer room, redundant cooling, and redundant environmental controls. A formal disaster recovery plan has been integrated with the university plan to provide coordinated response and recovery.

Employment Services

A Kronos system upgrade has been performed to version 6.3 which allows encryption of personnel data. In addition, system components have been migrated to an externally hosted solution to provide optimized security and recoverability.

Real Estate

Provisioning of network and telephone for tenants is shifting to external vendors where improvements in reliability and cost reduction can be sustained.

Dining Services

Video systems were installed at Los Olivos and the College of Business Convenience Store to monitor assets.

University Village

The StarRez housing management software was migrated from the University Village to the Foundation Data Center to improve security and recoverability.

Bronco Bookstore

Fire, life, safety, intrusion systems, smoke detector systems maintained and tested, all fire and alarm system that were inspected were up to date. Tests were completed with the Police department to ensure fire and safety alarms were communicating correctly. The primary system server is now located in Bldg. #55 and maintained by MIS. Documentation has been received confirming emergency system replacement within 24 hours. Safe combination administration and controls were reviewed.

Dining Services

In general, Dining Services operations are well organized and following best practices to minimize risk in its operations. Video systems were installed at Los Olivos and the College of Business Convenience Store to monitor assets. PCI training has occurred for nearly all applicable employees, as well as reviews on safe combination administration and controls.

Kellogg West Conference Center and Hotel

The Kellogg West facilities were well maintained and the staff was courteous and knowledgeable. Accounting procedures have been reviewed and revised to improve cash handling during the past year. After hours security procedures have also been updated, in lieu of a security camera system. Safe combination administration and controls were reviewed.

University Village

The University Village grounds are well maintained and aesthetically pleasing. The StarRez housing management software was migrated from the University Village to the Foundation Data Center to improve security and recoverability. Safe combination administration and controls have been reviewed.

Real Estate

The Real Estate Department in the past has been solely focused on the sale of housing and ground lease real estate at Innovation Village. The Department has expanded to include the oversight of marketing and managing CTTi, management of buildings 66 and 97 and other ad-hoc assignments. Although asset protection is inherent in the day to day responsibilities of property management, we have formalized the Asset Protection and Risk Management of these facilities.

Risk Management Review Check List				Needs		Improvement	Accomplish
Last Review:		N/A	Adequate	Improvement	Type Threats	Assignments	By Date
A. Personal Safety							
1	Employees knowledgeable personal safety Employees know the location of blue light emergency phones, fire extinguishers, alarm pull stations and fire hose. Know police # 3070.						
2	After hours oversight, communication Employees plan to leave together, responsibility for securing premises are assigned, emergency contacts in place.						
3	How to help a customer w/safety problem Staff trained on how to respond to common issues, seek emergency help, etc.						
4	Lockers, employee/customer Policy, procedure and practice exist for proper use of lockers.						
	COMMENTS:						
B. Physical Safety and Security							
1	Building perimeter						
2	Fire, life, safety, intrusion systems, smoke detector systems maintained and tested Work groups know where utility shut offs are, which phones will work with emergency power, where radio, flashlights & first aid kits are.						
3	Egress Employees are knowledgeable about the exit plan and where to meet						
4	Safety devices in place and maintained Safety guards, eye protection/wash, mats maintained, wet floor signs available						
5	Video system maintained, staff trained, access limited to authorized personnel, policy and procedure in place Periodic tested to make sure they are working. Know to report to Executive Director if out of order more than 48 hours.						
6	Fire extinguishers/hoses Annually inspected and employees trained in how to use them						
	COMMENTS:						
C. Cash and Valuables							
1	Management oversight in place, responsibilities assigned						
2	Cash handling procedures/practice See Foundation Procedures "CR - 370 Cash Receipts" on the web site.						
3	Reporting any shortages of cash or discrepancies (over/short) in cash; if over \$50 report to Foundation Admin. See Foundation Procedures "CR - 370 Cash Receipts", item 370-1C3 on the web site. Foundation Fixed Assets over \$5,000 (portable) is audited by Foundation Accounting every two years (See Fixed Asset Policy).						
5	Valuable paperwork protected, tracked and accounted for Original documents that would generate a billing are controlled						
6	Accountability: separation of duties						
7	Safe type, access, combo changes Safe type is generally adequate. See Foundation Procedures "CR - 370 Cash Receipts", item 370-8 on the web site.						
8	Timely processing, deposit, billing, etc. See Foundation Procedures "CR - 370 Cash Receipts", item 370-3 Timely Deposits on the web site.						

Risk Management Review Check List					Needs		Improvement	Accomplish
Last Review:			N/A	Adequate	Improvement	Type Threats	Assignments	By Date
9	Check & card acceptance							
		See Foundation Procedures "CR - 370 Cash Receipts", item 370-9 Check Acceptance Procedures on the web site.						
10	Limit exposure, access, transportation of valuables							
		See Foundation Procedures "CR - 370 Cash Receipts", item 370-1 Section C5 on the web site.						
11	Reconciliations made to original docs.							
		COMMENTS:						
D. Vehicle Safety								
1	Drivers authorized							
		Foundation employees must be authorized in advance by Foundation Admin to drive Foundation vehicles. See CSURMA Policy 1-AORMA						
2	Vehicles safe, maintained, seat belts in place.							
3	Registration, insurance info.							
		Centralized handling Foundation car registration in administration office. Also, updating Foundation vehicles list, obtain insurance for new vehicles and reporting the sale of the cars to Insurance Co. is done by Administration office.						
4	Management controls use of vehicles and keys							
		Compliance with Foundation Policy and if the Foundation or unit Policy is adhered to?						
		COMMENTS:						
E. Liability Risks								
1	Screening, hiring employees							
		Background check for employees handling cash prior to employment. DMV check for employees driving Foundation Vehicles.						
2	Proper wage, salary, OT, etc.							
		Compliance with Human Resources Policies						
3	Trips, falls, clutter hazards							
		Compliance with government and industry regulations.						
4	Food sanitation							
		Compliance with Health Department requirements.						
5	Alcohol served							
		Compliance with Campus alcohol Policy, alcohol secured						
6	Sexual harassment							
		Staff is aware that management must be informed and investigate any alleged sexual harassment						
7	Employees trained on discrimination							
		Provide periodic training by Human Resources to supervisors						
8	Minimize litigation and legal							
		Employees trained in different areas (interviewing, hiring, discipline, termination, sexual harassment, etc) can minimize litigation and liabilities.						
9	Reviewing Foundation Contracts - (Indemnification Clause, Insurance Clause)							
		Standard indemnification clauses and Insurance requirement for agreement are posted in Foundation Website						
		COMMENTS:						

Risk Management Review Check List				Needs		Improvement	Accomplish
Last Review:		N/A	Adequate	Improvement	Type Threats	Assignments	By Date
F. Data Security							
1	Social Security Numbers not recorded						
2	Credit card numbers are not recorded without protection						
3	Data bases protected At present, the staff have access to those data bases (i.e. accounting module) that related to their job function. Back ups performed.						
4	Operating system and access to server The server kept in a secure room with access limited to authorized to people need to have access to it.						
5	Unique log-ins practiced, enforced Mandatory periodic change of password on critical systems. Passwords are not shared.						
	COMMENTS:						
G. Best Practices in Place							
1	Mandatory vacations						
2	Ethics policy, code of conduct 5/06- Ethic Policy is approved and it is in Website						
3	Employee complaint mechanism 5/06- Ethic Policy is approved and it is in Website						
4	Audit findings resolved Review contracts for indemnification clause & insurance. MOUs with Univ. up to date. Prior audit findings resolved.						
5	Staff evaluations are up to date						
	COMMENTS:						
	GENERAL COMMENTS:						
	Unit Director/Manager Signature	Date	Auditing Director/Manager	Date			

DESIGNATED GIFTS



**CAL POLY POMONA FOUNDATION, INC.
PROPOSED GIFTS BUDGET
FISCAL YEAR 2015-2016**

DESIGNATED GIFTS

	<u>Revised 2014-2015</u>	<u>Forecast 2014-2015</u>	<u>Proposed 2015-2016</u>
Designated Gifts to the University	\$ 2,070,949	\$ 2,066,949	\$1,339,650
Faculty/Staff Café	15,659	12,051	15,688
Designated Gifts	\$ 2,086,608	\$ 2,079,000	\$1,355,338

**President's Public Relations/Designated Gifts
Request for Funding 2015-16**

Public Relations 190060	2015-16
Advertising	\$30,000
Books and Subscriptions	\$1,500
Conferences	\$5,000
Donations (Including \$25,000 to PIQE, \$15,000 Chancellor's Office, Academic Senate,)	\$40,000
Dues and Memberships	\$750
Employee Development	\$5,000
Equipment Purchases (IT)	\$1,500
Equipment Purchases (other)	\$1,500
Software Purchases	\$500
Furniture Purchases	\$1,000
Maintenance/Grounds: Plants	\$2,000
Meals & Refreshments (President's working mtgs, Cabinet mtgs w/visitors, office & MH water)	\$10,000
Postage	\$1,000
Printing/Copying	\$1,000
Public Relations includes:	
<i>Administrative Fund for Students(all departments support at this level)</i>	\$5,000
<i>Gifts/gift packs (Faculty, Staff, donors, Holiday & other special days)</i>	\$40,000
<i>Flowers (MH dinners/Holiday), Staff/Student/Donor special events</i>	\$5,000
<i>Rose Float Expenses (game tickets/parking/float gift)</i>	\$5,500
<i>Student Outreach (Scholarships, etc.)</i>	\$5,000
Rental of Rooms (KW, BSC, etc)	\$1,500
Prizes/Awards	\$500
Advancement Legal Fees	
Services, other (carpet cleaning/vector control)	\$5,000
Supplies and Services (office and kitchen)	\$16,000
Telephone/data	\$100
Travel Local (In-State) & Fund for Students	\$10,000
Travel (Out-of-State)	\$20,000
Travel (International)	\$5,000
Subtotal	\$ 219,350

**President's Public Relations/Designated Gifts
Request for Funding 2015-16**

Public Relations 190060	2015-16
Additional Designated Gifts Request	
Athletics	\$ 75,000
Title IX Office - reports directly to the President	\$ 3,000
Ombuds Office - reports directly to the President	\$ 3,000
Subtotal	\$ 78,000
Vice Presidents - Public Relations:	
Provost and Vice President for Academic Affairs	\$ 70,000
Vice President for Student Affairs	\$ 20,000
Vice President for Administrative Affairs	\$ 3,334
Chief Information Officer for I&IT	\$ 3,333
Vice President for Advancement	\$ 3,333
Subtotal	\$ 100,000
Grand Total 190060	\$ 397,350

Foundation Public Relations Account 461310	
Meals and Refreshments, including alcoholic beverages (This includes receptions, luncheons and dinners for both internal and external constituencies)	\$ 32,500
Fall Conference Expenses (Reception is covered by State)	\$ 3,500
Commencement Expenses	\$ 16,000
Other University events supported by the President's Office (Academic Senate Retreat, AHIMSA, etc)	\$ 10,000
Staff Council	\$ 20,000
Innovation and Entrepreneurship program (Marketing/program support)	\$ 30,000
Inaugural Events (campus logistics, Campus Lunch, Gala @ Sheraton)	\$ 150,000
Grand Total Foundation Public Relations Acct 461310	\$ 262,000

Approved:



Soraya M. Coley, President



California State Polytechnic University, Pomona - 3801 West Temple Avenue, Pomona, CA 91768

Memorandum

DATE: April 13, 2015

TO: Soraya M. Coley, president
Steven N. Garcia, vice president
Administrative Affairs
G. Paul Storey, executive director
Cal Poly Pomona Foundation, Inc.

FROM: Michelle Stoddard, acting vice president
University Advancement

SUBJECT: 2015 – 2016 University Advancement Designated Gift Request

Please find attached the Division of University Advancement's proposal for 2015-2016 funding support from the Cal Poly Pomona Foundation, Inc.

Our 2015 – 2016 grant request total is \$487,800. This represents a 29.4% decrease from FY 2015 mainly due to the one-time support for the campaign celebration in November 2014.

University Advancement is committed to continuing the increase in private support of the University and the 2015 – 2016 grant request is expressive of the partnership the Cal Poly Pomona Foundation plays in this role.

Thank you for your continued support and consideration of our request. If you have any questions, please contact me.

Executive Summary

Cal Poly Pomona completed its first comprehensive campaign one year ahead of schedule and \$10 million over goal, thanks to the significant support from the Cal Poly Pomona Foundation. CPP Foundation support has provided the ability for communication and engagement with university alumni and friends, the ability to connect with prospective donors across the country, special events to steward our donors and cultivate new ones, and important infrastructure improvements. Support has also allowed for the important introduction of the new campus president to donors and alumni.

The 2014-2015 grant request included a modest increase to ensure the successful completion of the comprehensive campaign and significant celebrations of successes. The 2015-2016 grant request includes increases in some areas, but overall a decrease as campaign activity (outside of fundraising) comes to a close.

- **Donor cultivation and outreach**

Development and communication professionals must travel and engage alumni and friends, often on short notice. This funding provides the flexibility fundraising professionals need to strengthen relationships with stakeholders.

- **Continued legal assistance**

The planned giving program was strategically successful in securing over \$59 million in planned gifts throughout the campaign. With the support of the 2015 grant of \$50,000, over \$13 million has been realized to date with an estimated \$16 million to \$46,750,000 in proposal, with potential to close by year-end. For fiscal year 2016, we estimate \$20 million to \$50 million in planned gifts. At the outset of the Comprehensive Campaign, Cal Poly Pomona instituted a gift assessment of 5% of all realized gifts. These funds were expected to eventually grow to be utilized by University Advancement in direct support of fund raising activities – in pursuit of additional gifts. In fiscal year 2016, these funds will be utilized for legal support of planned gifts thus reducing the grant request by \$50,000.

- **Increased Alumni Outreach**

Alumni Affairs continues outreach to engage alumni in campus events and has increased programming for students and alumni. Alumni Affairs and Student Affairs have collaborated to explore a formal parent program to begin to engage parents in campus activities resulting in an increase of active volunteers as well as a potential increase in the donor pipeline. This collaboration will move into fiscal year 2016.

- **Publications**

The University continues to build support among its stakeholders. Our award-winning publications provide the university an outlet to engage our stakeholders. The number of active alumni addresses grows every year, as does the rising cost of postage. Additional support of \$7500 is requested to trace alumni, place ads on behalf of the university online and provide marketing incentives. A branding initiative will emerge in fiscal year 2016 as well.

- **Fund Raising Infrastructure and support**

UAD has continued to strengthen its fund raising efforts through a solid infrastructure. Advancement Services continues to serve as a guiding force for the division through database management, prospect management, equipment management, and policy and procedure – adhering to IRS regulations and working closely with both Foundation and State side entities. As we near implementation of the new donor database solution, we will rely most heavily on the leadership of Advancement Services for accurate and timely data. To maintain the integrity of our data, funding is requested to cleanse and enhance our donor/alumni database information, provide prospect screenings and profile information not otherwise attainable. Additional funding is requested for stewardship of our donors through the Founders’ Society, Faculty and Staff donor recognition and Endowed Scholarship luncheon.

Conclusion

After an incredibly exciting year of completing the *Campaign for Cal Poly Pomona*, we have worked diligently to celebrate our accomplishments and the partners that helped to achieve great heights. On-going efforts through mini-campaigns continue to finish projects that may not have been completed or achieved during the campaign. This proposal reflects these goals. Given the appropriate resources, we accomplished what some thought we might not. UAD extends its thanks and deep appreciation for the Cal Poly Pomona Foundation’s historical support of campus initiatives. The partnership has paid tremendous dividends for the University, Students, Staff and Faculty.

UNIVERSITY ADVANCEMENT GIFT REQUEST TO THE CAL POLY POMONA FOUNDATION				
		2015/16 Proposed Budget	Department	Project ID
Outreach, Cultivation, Development and Stewardship				
Prospective donor cultivation/solicitation, donor relations and donor stewardship = Total \$116,000 is for 4 departments: Development \$52,000; Major Gifts \$7,500; VP \$29,500; Adv Services \$27,000 (Note: includes funding for Vice President, AVP, Dir Planned Giving, 2 Major Gift Officers, 10 Development Directors)		52,000	Development	190640
		7,500	Major Gifts	193560
		29,500	VP Office	192820
		27,000	Adv. Services	461720
Comprehensive Campaign Wrap Up		0	VP Office	192820
Comprehensive Campaign Campus Community		0	VP Office	192820
Alumni development support (Distinguished Alumni)		16,500	Alumni Aff.	190670
On campus in-reach events (Professor for a Day, Senior Sendoff, Homecoming)		26,500	Alumni Aff.	190670
Legislative staff outreach and information on university priorities		0	Development	190640
Alumni and Donor Events/ Outreach		27,500	Development	190640
Donor recognition items, plaques, awards		15,000	Adv. Services	461720
Consultant Fees (planned giving, foundations, general development)		25,000	Major Gifts	193560
HEP eMatch Donor Link		0	Adv. Services	461720
Student Annual Fund caller wages (it will be for CampusCall and Blackbaud in 2015/16)		14,000	Development	190640
Multi-state solicitation filing project		6,000	Adv. Services	461720
Subtotal		246,500		
Internal and External Communications				
PolyTrends (2 issues annual) publication and mailing		55,000	Public Aff.	190050
Panorama (2 issues annual to alumni and donor database) publication/ mailing		105,000	Public Aff.	190050
Electronic Newsletters: poly@lumni (emailed 9X/year to alumni) and polyfriends (emailed 4X/year to parents) , and Constant Contact		7,000	Alumni Aff.	190670
President's Annual Report and Donor Honor Roll, publication and mailing		12,800	Public Aff.	190050
Alumni tracer card mailings		0	Adv. Services	461720
Travel for story interviews for various publications		2,000	Public Aff.	190050
Editorial Support		9,000	Public Aff.	190050
University Marketing (social media ads and marketing incentives)		1,000	Public Aff.	190050
Pocket Fact		2,500	Public Aff.	190050
Publication award application fees		2,500	Public Aff.	190050
Subtotal		196,800		
Advancement Infrastructure and Capacity-Building				
Divisional retreat, quarterly meetings for strategic planning of goals and objectives		5,500	VP Office	192820
Dean's Development Training (on-campus)		0	-	-
Data Research Appends (AlumniFinder, etc.)		8,000	Adv. Services	461720
RealSci (donor/prospect connections subscription)		0	Adv. Services	461720
ResearchPoint (top prospects screening)		0	Adv. Services	461720
Prospect Research Travel Expenses		3,000	Adv. Services	461720
Prospect Research Event/Conference Registrations		3,000	Adv. Services	461720
QGiv Fees		10,000	Adv. Services	461720
Data Research and/Marketing Pieces to cultivate non-donor alumni		0	-	-
Subtotal		29,500		
University-Wide Events				
Participation in on-campus events/programs		15,000	VP Office	192820
Subtotal		15,000		
TOTAL		487,800		
Historical Summary of Foundation Support Grants to University Advancement:				
2014-15 Grant Support	\$690,900			
2013-14 Grant Support	\$678,100			
2012-13 Grant Support	\$406,475			
2011-12 Grant Support	\$353,000			
2010-11 Grant Support	\$343,000			
*2009-10 Grant Support	\$363,000			
*2008-09 Grant Support	\$464,500			
*2007-08 Grant Support	\$382,500			

University Advancement 2015/16 Gift Request Designation

Outreach, Cultivation, Development, Stewardship			
192820	29,500		
190640	93,500		
190670	43,000		
193560	32,500		
461720	48,000		
Subtotal	246,500		
Internal and External Communications			
190050	189,800		
190670	7,000		
461720	-		
Subtotal	196,800		
Advancement Infrastructure and Capacity-Building			
192820	5,500		
461720	24,000		
Subtotal	29,500		
University-Wide Events			
192820	15,000		
Subtotal	15,000		
TOTAL	487,800		
Total by Projects:			
192820	50,000	VP Office	
190050	189,800	Pub. Aff.	
190640	93,500	Dev.	
190670	50,000	Alum. Aff.	
193560	32,500	Major Gft.	
461720	72,000	Adv. Serv.	
Total	487,800		
			4/13/2015



April 10, 2015

To: G. Paul Storey, Executive Director, Cal Poly Pomona Foundation, Inc.
Via: Soraya M. Coley, President, California State Polytechnic University, Pomona
Via: Marten denBoer, Provost, California State Polytechnic University, Pomona
From: Frank W. Ewers, Associate Vice President for Research
Subject: 2015-2016 CPP Foundation Designated Gift Request

This is a proposal from the Office of Research for continuation of a previously-funded program designed to increase grant and contract activity, and strengthen the training of teacher-scholars. Formerly known as the Provost's Teacher Scholar program, the newly named **Early Career Summer Support Program** provides summer stipends to support professional development of junior tenure-track faculty and takes a realistic, long-term view of attitudes and behaviors that are required to establish and maintain a scholarly career. This is a program that has been meeting all of the objectives and targets set by Donald Hoyt in his original proposal in 2006 (attached). In terms of external grants received by awardees, as of March 1, 2014, the Return on Investment (ROI) has been 8.8 to 1

The cost would be \$110,000 for the 2015-16 fiscal year.

The program will provide summer stipends to up to ten (10) faculty members per year who agree to develop a Career Development Plan that includes a commitment to work for two months during two consecutive summers on the development of their scholarship. By supporting the development of scholarship during the summer, the program will encourage the faculty to focus on their teaching during the academic year. Selected faculty will tailor their activities to their specific needs, but it is anticipated that these will include: setting up a program of scholarship; developing good writing habits; publishing the results of previous scholarship; collecting pilot data in support of an application for external funding; and writing a proposal for external funding. Participants will receive regular review and mentoring by experienced colleagues and the support of the Office of Research and Sponsored Programs and the Faculty Center for Professional Development. While the program will not be formally connected to the RTP process, it is intended to help the recipients meet departmental expectations for tenure and promotion.

Since the program began in 2006-07, a total of 97 Cal Poly faculty members have participated in the program. Below is a summary of their distribution participants by gender.

Cohort	women	men	Total
1	11	11	22
2	3	8	11
3	5	7	12
4	7	4	11
5	6	5	11
6	4	6	10
7	2	8	10
8	6	4	10
Total	44	53	97

The following table shows the distribution of participants by College and Faculty Rank:

College	Assoc.	Asst.	Grand Total
Agriculture	1	3	4
BUS	1	2	3
CEIS	1	6	7
CLASS	3	26	29
Collins	0	4	4
Engineering	7	8	15
ENV	1	2	3
Science	7	25	32
Total	20	67	97

The ten members of the eighth cohort will be joined by ten more who will be selected to comprise the ninth cohort. The new applicants will start working on their professional development plans in Spring of 2015. The stipends that will be provided to the eighth and ninth cohorts for the summer of 2015 will be funded by the Designated Gift approved by the Foundation last year.

The funds requested for the 2015-16 fiscal year (\$110,000) will be used to provide the 10 members of the ninth cohort with stipends of \$5,000 and the 10 continuing members of the eighth cohort with stipends of \$6,000 during the summer of 2016. We are able to do this because the funds will be paid as stipends in late June, 2016, just before the end of the fiscal year.

The following is a brief summary of the grants submitted and funded by participants in previous years. Grant totals are for up to three years following entry into the program.

First Cohort: Of the 22 original participants, fourteen submitted a total of 48 applications requesting a total of \$13.5M in funding. These applications led to nine faculty having 11 funded projects for \$3.04M during the three year time period following the initial award.

Second Cohort: Of the 11 participants, seven submitted a total of 18 applications for a total \$5.5M. Three people had a total of three projects funded for \$289,000 during the three year time period following the initial award.

Third Cohort: Of the 12 participants, six people submitted 16 projects for \$3.7M and three of these twelve had a total of six projects funded for \$261,848.

Fourth Cohort: Of the 11 participants, four people submitted a total of seven projects for \$2,109,497. Four were not funded. Two projects were funded for a total of \$586,716.

Fifth Cohort: Of the 11 participants, five people have so far submitted a total of 17 projects for \$3,494,385. Two projects were funded for a total of \$556,055.

Sixth Cohort: Of the 10 participants, four people have so far submitted a total of 10 projects for \$2,256,296. Seven of the projects were funded for a total of \$2,032,391.

Seventh Cohort: Of the 10 participants, nine people have so far submitted a total of 24 projects for \$3,468,692. So far, five of the projects were funded for a total of \$1,003,418. Several others are still pending.

Eight Cohort: Of the 10 applicants, four have submitted a total of 7 projects for \$1,597,765. The results of those applications are all still pending.

Overall: Within a three year time frame following their awards, 52 of 97 participants submitted a total of 142 applications for external funding. This has resulted so far in 42 successful applications totaling \$ 7.77 m.

The program has cost \$880,000 thus far; there has been nearly a nine-fold return on investment. This is higher than the five-fold ROI estimated in Dr. Hoyt's original proposal for a designated gift that was submitted in March 2006. This does not include the full effects of successful career launches brought on by the program, since many faculty continue to submit successful proposals for years after they have completed their Provost's Teacher Scholar participation.

A summary table of applications from the various cohorts is below, as well as a list of the previous participants, and the original proposal (2006 from Dr. Donald Hoyt).

Applications				Funded		
Cohort	PIs/cohort size	Applications	\$ mill	PIs	Applications	\$ mill
1	14/22	48	\$13.5	9	11	\$ 3.04
2	7/11	18	\$ 5.5	3	3	\$ 0.29
3	6/12	16	\$ 3.7	3	12	\$ 0.26
4	4/11	7	\$ 2.1	2	2	\$ 0.59
5	5/11	17	\$ 3.5	3	2	\$ 0.56
6	4/10	10	\$ 2.3	3	7	\$ 2.03
7	9/10	24	\$ 3.1	4	5	\$ 1.00
8	4/10	7	\$ 1.6	0	0	\$ 0.00
Totals	52/97	142	\$33.9	27	42	\$ 7.77

Total cost of designated gift program: \$ 0.88 million

Grant funding garnered: \$7.77 million

Return on investment (ROI): 8.8 X

Early Career Summer Support Program Awardees by Year

Cohort	years	Last Name	First Name	College
8	2014-15	Guerrero	Mario	CLASS
8	2014-15	Garica-Des Lauriers	Claudia	CLASS
8	2014-15	Morales	Alejandro	CLASS
8	2014-15	Mao	Zhenxing	Collins
8	2014-15	Fallah-Fini	Saeideh	Engineering
8	2014-15	Jallo	Laila J.	Engineering
8	2014-15	Le	Ha Thu	Engineering
8	2014-15	Manna	Sukanya	Science
8	2014-15	Rock	John	Science
8	2014-15	Zhao	Yuanxiang	Science
7	2013-14	Murinda	Shelton	Agriculture
7	2013-14	Petty	Allen	Agriculture
7	2013-14	Li	Yao Olive	Agriculture
7	2013-14	DeRosa	Aaron	CLASS
7	2013-14	Wallis	Eileen V.	CLASS
7	2013-14	Gan	Yong Xue	Engineering
7	2013-14	Forward	Keith M.	Engineering
7	2013-14	Smith	Jason	Science
7	2013-14	Szypowski	Ryan	Science
7	2013-14	Arensburger	Peter	Science
6	2012-13	Hu	Jing	Business
6	2012-13	Chen	Kun	CLASS
6	2012-13	Ocampo	Anthony	CLASS
6	2012-13	Van	Rachel Tamar	CLASS
6	2012-13	Von Glahn	Nicholas R.	CLASS
6	2012-13	Seong	Jaehoon	Engineering
6	2012-13	Osborn	Stephen	Science
6	2012-13	Questad	Erin	Science
6	2012-13	Salik	Ertan	Science
6	2012-13	Valdés	Ángel	Science
5	2011-12	Myers	Jun	Business
5	2011-12	Hargis	Jill	CLASS
5	2011-12	Tucker	Ericka	CLASS
5	2011-12	Zhang	Jian	Collins
5	2011-12	Cheng	Wen	Engineering
5	2011-12	Haghi	Mehrdad	Engineering
5	2011-12	Palomo	Monica	Engineering
5	2011-12	Bobich	Edward	Science
5	2011-12	Lappin	Kristopher	Science
5	2011-12	Lawrence	Emille	Science
5	2011-12	Small	Alex	Science

Cohort	years	Last Name	First Name	College
4	2010-11	Jung	Jae Min	Business
4	2010-11	Gilli-Elewy	Hend	CEIS
4	2010-11	Hoang	Thienhuong	CEIS
4	2010-11	Kang	Hyun Gu	CLASS
4	2010-11	Kim	James J.	CLASS
4	2010-11	Mickey	Georgia	CLASS
4	2010-11	Singh	Neha	Collins
4	2010-11	Li	Weimin	ENV
4	2010-11	Sadaghiani	Homeyra	Science
4	2010-11	Voss	Andrew	Science
3	2011-12	Ahn	Ruth	CEIS
3	2011-12	Dickson	Kent	CLASS
3	2011-12	Fuqua	Juliana	CLASS
3	2011-12	Hall	Dewey W.	CLASS
3	2011-12	Lange	Carsten	CLASS
3	2011-12	Narayan	Anjana	CLASS
3	2011-12	Kitch	William	Engineering
3	2011-12	Li	Mingheng	Engineering
3	2011-12	Mulley	Susan	ENV
3	2011-12	Hoeling	Barbara	Science
3	2011-12	Liu	Sean X.	Science
3	2011-12	Mogul	Rakesh	Science
2	2010-11	Wallace	Sharonda	Agriculture
2	2010-11	Roby	Teshia	CEIS
2	2010-11	Corley	William "Liam"	CLASS
2	2010-11	De Jonghe	Erika	CLASS
2	2010-11	Moustafa	Moustafa B.	CLASS
2	2010-11	Jae Lee	Myong	Collins
2	2010-11	Bhandari	Subodh	Engineering
2	2010-11	Liu	Junjun	Science
2	2010-11	Lukeman	Philip	Science
2	2010-11	Page	Michael F. Z.	Science
1	2009-10	Casad	Bettina	CLASS
1	2009-10	McGoldrick	Stacy	CLASS
1	2009-10	Posey	Sandra	CLASS
1	2009-10	Wachs	Faye	CLASS
1	2009-10	Wang	Zuoyue	CLASS
1	2009-10	Dong	Winnie	Engineering
1	2009-10	Pernalete	Norali	Engineering
1	2009-10	Yeung	Ronald	Engineering
1	2009-10	Marshall	Jeffrey	Science
1	2009-10	Riggs	Laurie	Science
1	2009-10	Stathopoulos	Christos	Science
1	2009-10	Tang	Daisy	Science
1	2009-10	Zheng	Xuehe	Science

A PROPOSAL FOR THE ENHANCED DEVELOPMENT OF TEACHER SCHOLARS (Hoyt 2006)

Introduction

This proposal from the office of Research & Graduate Studies is to create a program that will provide probationary faculty with support to develop into strong teacher scholars. Through the process of developing and following a Professional Development Plan, selected faculty will be able to produce more scholarly work in the form of journal articles and proposals for external funding.

A review of similar programs at comprehensive public institutions, suggests this approach is a very promising faculty development strategy that helps individuals become successful teacher scholars, providing students with quality instruction, while bringing in additional grant funding for scholarly activities.

Need

This program was created to address two related needs at Cal Poly Pomona:

1. Increasing the total volume of grants and contracts on campus
2. Supporting the teaching, scholarship, and overall career development of new faculty

Objective

The objective of this program is to expand grants and contracts activity at Cal Poly Pomona by supporting faculty who commit themselves to obtaining external funding for their scholarship. A key strategy is developing and following a Professional Development Plan (PDP) in consultation with mentors from the department and college and with help from the Faculty Center for Professional Development and the Office of Research and Sponsored Programs (ORSP). The proposal calls for ten faculty to start the two-year program each year for the next three years. The expected outcomes of the program will be the submission of a minimum of 30 competitive grant applications. The first applications would be accepted in Fall 2006 and the first summer of funding would be summer of 2007.

Rationale

In general, new faculty members have heavy teaching loads that demand the majority of their attention during the first year that they are on campus (or longer). As a consequence, most of the release time provided during the first year on campus is used by new faculty to master their teaching. This is a beneficial outcome that should be encouraged.

However, it is also important that new faculty be encouraged to continue the development of their scholarship at the start of their career because they have currency in their discipline. If they wait too long it is difficult to re-establish the momentum they had when they arrived on campus.

Faculty should be encouraged to submit applications for external funding when they are competitive, and this will be at different times for different people. In most cases, this will be early in their career but it may not be during their first year. They may need to enhance their

track record by publishing the results of their dissertation research or of scholarship accomplished during a post-doctoral position. They may need to collect pilot data to support a grant application. It is more beneficial in most cases if new faculty members establish their scholarly activity on campus, where it is easier for students to participate.

New faculty should be encouraged to develop habits of: 1) clearly identifying objectives and a path to these objectives; 2) regularly evaluating their progress towards their objectives; and, 3) identifying the obstacles to their progress and the means of overcoming these objectives.

It is critical that new faculty be mentored by senior colleagues. New faculty need to be mentored to help them develop the writing habits of productive faculty. The single biggest mistake made by faculty when they are funded is to fail to maintain a level of scholarly publications that is necessary if they are to remain competitive for future funding.

These observations lead to the following assumptions that underlie the proposal:

- New faculty often receive release time and are encouraged to focus on mastering their teaching during their first year on campus.
- New faculty should receive summer stipends so they can focus on their scholarship during at least the first two summers following their first academic year on campus.
- New faculty should be spend at least two years to set up their research, collect pilot data and publish peer-reviewed papers, as well as planning and writing their first grant application.
- With guidance from experienced colleagues, new faculty should develop Professional Development Plans and evaluate them at frequent intervals.
- There should also be an academic year component even if it is a small time commitment. Faculty could convene as a learning community of teacher scholars with activities to support their professional development. These meetings could be organized through the Faculty Center. It does not have to be a significant time commitment, but something needs to maintain their momentum and involvement during the academic year.

Activities

The Program: The program will provide summer stipends to up to ten (10) faculty per year who agree to develop a Professional Development Plan (PDP) that includes a commitment to devote 100% effort for two months during two consecutive summers to include the following objectives:

- a) writing and implementing a well-developed PDP in collaboration with department/college mentors, the Faculty Center and ORSP
- b) setting up their program of scholarship (e.g., set up their lab);
- c) developing writing habits of productive faculty
- d) publishing the results of previous scholarship (e.g., dissertation or post-doctoral);
- e) collecting pilot data in support of an application for external funding;
- f) collaboration with ORSP to identify and develop plans for an application; and,

- g) writing a proposal for external funding.

Selection for the Program: Tenure-track faculty in their first two years on campus will be encouraged to apply to the program. The application will include a statement of objectives related to their professional development and growth, a brief statement of their scholarly interests, the anticipated external funding focus, and their CV. The statement should be approved by the department chair and college dean to ensure that it is consistent with the objectives and RTP expectations of the department and college. A primary consideration in selection of faculty for participation in the program will be the potential to compete successfully for grants from funding sources that support indirect cost rates in accordance to Cal Poly Pomona’s federally negotiated indirect cost rate agreement. However strong proposals that have a lower probability of indirect cost return will be considered and could also be funded. Activities may include, but are not limited to, instructional innovation, workforce/pipeline development, and traditional scholarly research in the full range of disciplines. Awards will be made by the AVP for Research and Graduate Studies in consultation with the University Research Council.

Evaluation

At the beginning of every quarter, the faculty member will submit a one-page report of their progress (as defined by achievement of milestones listed in his/her PDP) during the preceding quarter and their plans for the next quarter. This report will be reviewed with the department chair to identify challenges to progress and develop ways to overcome these challenges. The report will be submitted via the college dean to the AVP for Research and Graduate Studies. These reports would be reviewed to determine whether there was a need for additional support from ORSP or from the Faculty Center. Funding for the second year of the program will be dependent upon satisfactory progress during the first year. Evaluation of progress will be made by the AVP for Research and Graduate Studies, the participants’ Chairs and Deans, and the University Research Council.

Funding Requested

The amount needed is based on the assumption of 10 faculty selected in each of three consecutive years. To provide summer support at a level competitive with teaching, funds are budgeted at \$5,000 for each participant in the first summer and \$6,000 in the second. The following is the expected budget for this program.

Year	1	2	3	4
1st year sal	50,000	50,000	50,000	
2nd year sal		60,000	60,000	60,000
TOTAL SAL	50,000	110,000	110,000	60,000
benefits	8,500	18,700	18,700	10,200
TOTAL COST	58,500	128,700	128,700	70,200

The total cost of the program would be \$386,100 over four years.

Return on Investment: the first and foremost returns on the investment will be faculty who are productive and successful in their teaching and scholarly activities and who are more likely to stay at CPP. There should also be a significant increase in grants and contracts activity and an increase in the amount of ICR available for distribution to the colleges. If one-third of the proposals were successful and yielded \$50,000/year of Direct Costs for an average of three years, the total Direct Costs would be \$1.5M and (assuming 30% indirect cost rate) the ICR would be an additional \$450,000. The increase in total activity would be \$1.95M, a five-fold return on investment over the three years the grants were funded. It would also result in an estimated net ICR of \$362,000 after paying the foundation fees (4.5% to total activity). These are very conservative estimates because one would expect that more than one-third of the faculty would eventually be successful in obtaining external funding and that many of them would be successful in subsequent years, so the ultimate return on investment would be many times this. Another return on investment would be the change in culture and attitudes towards PDPs.

**Cal Poly Pomona Foundation
Faculty Staff Cafe
Consolidated Budget Comparison Summary
For the 2015-16 Fiscal Year**

	2014-15 Approved Budget	2014-15 Forecast	2015-16 Proposed	\$ Change Forecast to Proposed Budget
Expenditures- Controllable				
Supplies	1,480	600	1,480	880
Other	624	300	624	324
Total Expenditures- Controllable	2,104	900	2,104	1,204
Expenditures- Non-Controllable				
Other	250	250	250	
Total Expenditures- Non-Controllable	250	250	250	
Labor Costs				
Salaries & Wages	11,970	9,815	11,970	2,155
Employee Benefits	1,335	1,086	1,364	278
Total Labor Costs	13,305	10,901	13,334	2,433
Total Expenses	15,659	12,051	15,688	3,637
Net Income	(15,659)	(12,051)	(15,688)	(3,637)

CAL POLY POMONA FOUNDATION, INC.

Memorandum



Date: February 16, 2015

To: Dr. Soraya M. Coley
President

From: G. Paul Storey
Executive Director

Subject: 2015-2016 Designated Gift Request

The Foundation is requesting a designated gift of \$79,500 for the fee to administer the operating endowment accounts from the W. K. Kellogg Foundation. As you may recall, the W.K. Kellogg Foundation awarded a \$42 million grant named the "Kellogg Legacy Project Endowment", a \$40 million endowment and an operating endowment of \$2 million. To date, the full \$42 million has been received for both the endowment and the operating account. The Grant provides Cal Poly Pomona Presidents flexibility to apply annual endowment earnings to the most timely and pressing institutional needs each year.

The goals and objectives of the W.K. Kellogg Legacy Project Endowment include:

Engage the geographic region and beyond by serving the local region as a center for scholarly activity and research.

Enhance the University's commitment to a population that reflects the diversity of California by preparing the students for success in diverse global communities.

Maintain existing and developing new facilities which will enable the University to be a leader in environmental stewardship.

Partner with political leaders to increase state support, develop a comprehensive campaign to increase philanthropic giving, and support applied research to increase grant funding.

Per the terms and conditions of the Kellogg Foundation Grant agreement, the administrative fee will be the lower of the two methods: (1) not to exceed \$50,000 per year (inflation adjusted based on the trailing "CPI" Consumer Price Index) or (2) 0.75 percent (75 basis points) of the "endowment value." In addition, these administrative fees can never be deducted from the principle balance of the endowment.

At the time the Grant was accepted, it was understood that the administrative fees would be earned by the Foundation for the administration of the endowment and therefore netted from the endowment earnings before the earnings are distributed to operating endowments.

Due to the requirements of this Grant, Foundation management decided the Foundation would administer the operating endowments in the Grants and Contracts Department. Currently the Foundation charges an administrative fee of 4.5 percent on all funds administered in grant and contract accounts at the time the funds are expended.

The Foundation is requesting a designated gift for the fee to administer the operating endowments. Based on the estimated spending of the distributed endowment earnings for FYE 2015/2016 of approximately \$1.76 million, the Foundation requests a designated gift for the administrative fee of \$79,500 for FYE June 30, 2016.

CAL POLY POMONA FOUNDATION, INC.
Schedule of Grants
July 1, 2014 through December 31, 2014

FOUNDATION ACCOUNT NUMBER 195000

Period of Award	Due Date	Account Number	Account Name	Awarding Agency	Previous	New	Total	School	Project Director	Total	Total
					Award Amount	Awards 14-15	Award Amount			Expenditures 07/01/14-12/31/14	
7/10-6/14	CLOSED	060070	Structure-Function Analysis of a Bacter	W.K. Kellogg Foundatio	5,000		5,000	SCI	Christos Stathopoulos	-	0.00
7/10-6/14	CLOSED	060090	Removal of Contaminants from Surface	W.K. Kellogg Foundatio	12,000		12,000	ENG	Monica Palomo	17.38	0.00
7/10-6/15	#####	060130	Graduation Initiative	W.K. Kellogg Foundatio	204,000		204,000	ACCAFF	Claudia Pinter-Lucke	199.38	93,628.71
7/10-6/15	#####	060150	Parent Institute for Quality Education	W.K. Kellogg Foundatio	100,000	25,000	125,000	PRES	J. Michael Ortiz	-	25,000.00
7/10-6/14	CLOSED	060170	Student Success Dashboard	W.K. Kellogg Foundatio	62,000		62,000	STUAF	Kathleen Street	-	0.00
7/11-6/14	CLOSED	060180	Minorities Study Group Project	W.K. Kellogg Foundatio	80,000		80,000	EDU	Sandra Dixon	-	0.00
7/11-6/15	#####	060190	Bronco Activity Record-Promoting, Meas	W.K. Kellogg Foundatio	160,000		160,000	STUAF	Rebecca Gutierrez-Keeton	14,423.78	16,785.58
7/11-6/14	CLOSED	060210	Enhancement of Difficult Courses to Inc	W.K. Kellogg Foundatio	110,000		110,000	ACCAFF	Claudia Pinter-Lucke	-	0.00
7/11-6/15	#####	060220	Enrollment Communication Plan	W.K. Kellogg Foundatio	100,000		100,000	STUAF	Kathleen Street	-	77,599.38
7/11-6/14	#####	060230	Foster Supportive Learning Environmen	W.K. Kellogg Foundatio	100,000		100,000	ENG	Winnie Dong	959.66	13,227.74
7/11-6/14	CLOSED	060240	First Year Experience Program Review	W.K. Kellogg Foundatio	35,000		35,000	ACCAFF	Claudia Pinter-Lucke	-	0.00
7/11-6/15	#####	060250	Kellogg Distinguished Public Lecture Se	W.K. Kellogg Foundatio	275,000	70,000	345,000	ACCAFF	Marissa Martinez	62,291.12	110,071.07
7/11-6/14	CLOSED	060260	Introduction of Learning Communities a	W.K. Kellogg Foundatio	100,000		100,000	ACCAFF	Claudia Pinter-Lucke	-	0.00
7/11-6/15	#####	060280	Expansion of the Maximizing Engineerin	W.K. Kellogg Foundatio	97,500		97,500	ENG	Lily Gossage	1,558.72	345.67
7/11-6/15	#####	060290	Provost's Awards	W.K. Kellogg Foundatio	27,000	11,000	38,000	ACCAFF	Marten denBoer	-	11,000.00
7/11-6/15	#####	060294	Provost's Awards-Jill Adler Moore	W.K. Kellogg Foundatio	3,000		3,000	SCI	Jill Adler-Moore	-	19.37
7/11-6/15	#####	060295	Provost's Awards-Angel Valdes	W.K. Kellogg Foundatio	3,000		3,000	SCI	Angel Valdes	2,002.70	997.30
7/11-6/14	CLOSED	060300	Reading to Improve Writing	W.K. Kellogg Foundatio	40,000		40,000	ACCAFF	Allison Douglas-Chicoye	4,098.88	0.00
7/11-6/15	#####	060310	Renaissance Scholars	W.K. Kellogg Foundatio	300,000	100,000	400,000	STUAF	Leticia Guzman Scott	41,513.70	79,339.55
7/11-6/14	CLOSED	060320	SEES Research and Mentoring Program	W.K. Kellogg Foundatio	60,000		60,000	SCI	Michael Page	-	0.00
7/11-6/15	#####	060330	Student Scholarship Administration	W.K. Kellogg Foundatio	35,000		35,000	STUAF	Diana Minor	-	6,611.93
7/11-6/14	CLOSED	060340	Summer Bridge	W.K. Kellogg Foundatio	60,000		60,000	STUAF	Monique Allard	-	0.00
7/11-6/15	#####	060350	Transformative Undergraduate Research	W.K. Kellogg Foundatio	130,000		130,000	SCI	Jeffrey Marshall	2,127.60	306.07
7/11-6/14	CLOSED	060360	Boots to Broncos-Student Veteran Trans	W.K. Kellogg Foundatio	95,000		95,000	STUAF	Kathleen Street	-	0.00
7/11-6/14	CLOSED	060380	WestEd Collaborative with LAUSD High	W.K. Kellogg Foundatio	80,000		80,000	EDU	Ron Leon	-	0.00
7/11-6/15	#####	060390	Kellogg Foundation General Expenditur	W.K. Kellogg Foundatio	7,435		7,435	PRES	J. Michael Ortiz	-	0.00
7/11-6/15	#####	060400	Genetic and Ecological Investigations in	W.K. Kellogg Foundatio	5,000		5,000	SCI	Paul Beardsley	1,359.57	(13.16)
7/11-6/14	CLOSED	060410	Regenerative Strategies Reference Guide	W.K. Kellogg Foundatio	5,000		5,000	ENV	Kyle Brown	-	0.00
7/11-6/14	CLOSED	060420	Elucidating the Active Component of the	W.K. Kellogg Foundatio	2,433		2,433	SCI	Nancy Buckley	-	0.00
7/11-6/14	CLOSED	060430	Parents, Diversity, and Voice	W.K. Kellogg Foundatio	2,565		2,565	EDU	Myriam Casimir	-	0.00
7/11-6/14	CLOSED	060450	#Temporeality: Mashup of the Analog a	W.K. Kellogg Foundatio	3,000		3,000	ENV	Melissa Flicker	-	0.00
7/11-6/15	#####	060480	Engineering Properties of Plant-Derived	W.K. Kellogg Foundatio	2,433		2,433	AG	Olive Yao Li	-	1,130.00
7/11-6/15	#####	060500	The Occupy Movement and the Future c	W.K. Kellogg Foundatio	5,000		5,000	CLASS	Dennis Loo	-	2,282.97
7/11-6/15	#####	060520	Determining Dietary and Behavioral Infl	W.K. Kellogg Foundatio	5,000		5,000	AG	L. Allen Pettey	-	1,181.39
7/11-6/15	#####	060540	Endowment Effect Experiment Design R	W.K. Kellogg Foundatio	4,180		4,180	CLASS	Greg Hunter	-	4,180.00
7/11-6/15	#####	060560	RSCA Summer Stipends for Research Fe	W.K. Kellogg Foundatio	165,894	120,000	285,894	ACCAFF	Frank Ewers	-	6,158.00
7/12-6/14	CLOSED	060650	Electrospinning Composite Nanofibers for Thermoelectric Energy Conversion	W.K. Kellogg Foundatio	7,200		7,200	ENG	Yong X. Gan	-	0.00
7/12-6/14	CLOSED	060660	Investigation of Plug-in Electric Vehicle Travel and Charging Behavior	W.K. Kellogg Foundatio	9,695		9,695	ENG	Xinkai Wu	-	0.00
7/12-6/14	CLOSED	060710	Influence of Obesity on Respiratory Muscle	W.K. Kellogg Foundatio	4,500		4,500	SCI	Robert Talmadge	-	0.00
7/13-6/15	#####	060720	An Innovative Approach To Recruit and Retain Students	W.K. Kellogg Foundatio	50,000	37,500	87,500	ENG	Cordelia Ontiveros	15,055.84	25,236.22
7/13-6/15	#####	060730	EOP Scholarships	W.K. Kellogg Foundatio	75,000	52,500	127,500	STUAF	Leticia Guzman Scott	-	52,500.00
7/13-6/15	#####	060740	Helping American Veterans With Educational Services	W.K. Kellogg Foundatio	68,500	51,375	119,875	STUAF	Kathleen Street	11,292.02	69,390.43
7/13-6/15	#####	060750	Assistive American Veteran Response to College	W.K. Kellogg Foundatio	32,800	24,600	57,400	EDU	Sandra Dixon	39,529.93	17,122.80
7/13-6/15	#####	060760	President Special Travel Funds for Students	W.K. Kellogg Foundatio	30,000	22,000	52,000	ACCAFF	Frank Ewers	2,500.00	22,899.29
7/13-6/15	#####	060770	Transfer Evaluation System	W.K. Kellogg Foundatio	35,000		35,000	STUAF	Dora Lee	10,684.88	8,548.12
7/13-6/15	#####	060780	Particle Surface Modification Characterization	W.K. Kellogg Foundatio	5,000		5,000	ENG	Laila Jallo	-	2,665.01
7/13-6/15	#####	060790	Investigation of a New Mechanism Regulating Breast Cancer Cell Invasion	W.K. Kellogg Foundatio	5,000		5,000	SCI	Junjun Liu	2,709.91	0.00
7/13-6/15	#####	060800	Quantifications of Allicin in Garlic Extract and Stability Study	W.K. Kellogg Foundatio	10,000		10,000	SCI	Yan Liu	6,122.20	2,796.75
7/13-6/15	#####	060810	Source of Waters and Salinity at the Dos Palmas Springs Preserve	W.K. Kellogg Foundatio	8,389		8,389	SCI	Stephen Osborn	-	8,389.00
7/13-6/15	#####	060820	Water/Energy Nexus in Desalination	W.K. Kellogg Foundatio	1,417		1,417	ENG	Ali Sharbat	1,341.10	75.90
7/13-6/15	#####	060830	Investigating The Contribution of Dopamine Receptor	W.K. Kellogg Foundatio	5,000		5,000	SCI	Andrew Steele	4,683.71	316.29
7/13-6/15	#####	060840	Family Capital: Mercantile Networks and Managing Family Drama in Early America	W.K. Kellogg Foundatio	5,000		5,000	CLASS	Rachel Tamar Van	5,000.00	-
7/13-6/15	#####	060850	A Study of the Corrosion Mechanisms Associated with Combustion of Renewal Fuels	W.K. Kellogg Foundatio	8,198		8,198	ENG	Vilupanur Ravi	2,190.81	436.50
7/14-6/15	#####	060860	Promoting Graduate Education for Hispanic and Other Low Income Students	W.K. Kellogg Foundation		69,500	69,500	ENG	Behnam Bahr	86.75	69,413.25
7/14-6/15	#####	060870	Enhancement of Student Learning in Roadway Safety	W.K. Kellogg Foundation		70,000	70,000	ENG	Wen Cheng	7,258.44	62,741.56
7/14-6/15	#####	060880	College Theme Communities	W.K. Kellogg Foundation		70,000	70,000	STUAF	Reyes Luna	3,677.68	66,322.32
7/14-6/15	#####	060890	Study Abroad Pilot Project for Underrepresented Students	W.K. Kellogg Foundation		70,000	70,000	CEU	Kraig Walkup	-	70,000.00
7/14-6/15	#####	060900	Sustainability for Undergraduate Research Funding	W.K. Kellogg Foundation		70,000	70,000	SCI	Jeffrey Marshall	8,840.79	61,159.21
7/14-6/15	CLOSED	060910	Steinway Initiative	W.K. Kellogg Foundation		500,000	500,000	CLASS	Sharon Hilles	500,000.00	0.00
7/14-6/15	#####	060920	Textbooks for Income Eligible Students	W.K. Kellogg Foundation		75,000	75,000	STUAF	Christi Chisler	-	75,000.00
					2,842,139	1,438,475	4,280,614			751,526.55	1,064,864.22

CAL POLY POMONA FOUNDATION, INC.
Schedule of Grants
July 1, 2014 through December 31, 2014

FOUNDATION ACCOUNT NUMBER 195000

EXPENDITURE ACTIVITY SUMMARY:

Expenditure Activity-Year 1 (10-11)	52,507.25
Expenditure Activity-Year 2 (11-12)	1,035,706.03
Expenditure Activity-Year 3 (12-13)	815,673.59
Expenditure Activity-Year 4 (13-14)	843,016.29
Expenditure Activity-Year 5 (14-15)	751,526.55
Total Expenditures Since Inception	<u>3,498,429.71</u>

TOTAL SOURCES OF INCOME: (192550)

Initial Funds Awarded by Kellogg Foundation	2,000,000.00
Funds Deposited to Account In Error	1,000.00
RSCA Accounts Closed Due to Faculty Leaving University	
060020	588.63
060120	12,000.00
Various (Closed September 2014--IDT20140924)	211,144.44
IDT215601 1/25/11 RSCA Awards (Reimbursing For Amount Awarded Over \$120,000 Limit For Year 1 per ORSP)	1,479.00
IDT294030 5/12/14 Transfer Funds to 460110	(5,000.00)
Interest Income Earned on Funds Since Inception	29,852.31
UET Earning Distribution for 10-11 Fiscal Year	477,108.64
Foundation Earning Distribution for 11-12 Fiscal Year	119,816.00
Foundation Earning Distribution for 12-13 Fiscal Year	1,334,791.16
Foundation Earning Distribution for 13-14 Fiscal Year	1,925,607.52
Total Sources of Income:	<u><u>6,108,387.70</u></u>

TOTAL FUNDS COMMITTED TO DATE:

Ending Balance of 7348 as of December 31, 2014 (Accounts Opened Since Inception)	4,707,189.00
14-15 Kellogg Legacy Projects Awarded But Not Opened to Date (060560)	120,000.00
	<u>4,827,189.00</u>

NET AMOUNT AVAILABLE TO DISTRIBUTE AS OF DECEMBER 31, 2014

1,281,198.70

NOTE:

Cash Balance as of December 31, 2014	1,401,198.70
14-15 Kellogg Legacy Projects Awarded But Not Opened to Date	(120,000.00)
TOTAL FUNDS AVAILABLE TO DISTRIBUTE:	<u><u>1,281,198.70</u></u>

B

Total Remaining To Be Spent As of December 31, 2014	A	1,064,864.22
Total Remaining To Be Distributed as of December 31, 2014	B	1,281,198.70
Total Funds Available to Spend		<u>2,346,062.92</u>
Estimated Expenditures in 15-16 (75 Percent of Funds Available to Spend)		1,759,547.00
Total Admin Fee for 15-16 (4.5 Percent of Remaining to be Spent)		79,180.00
Total Designated Gift For FYE June 30, 2016		<u><u>79,500.00</u></u>

OPERATING BUDGETS
GENERAL ACTIVITIES

ADMINISTRATION

Proposed Fiscal Year Budget

A

Cal Poly Pomona Foundation Administration Consolidated Budget Comparison Summary For the 2015-16 Fiscal Year

	2014-15 Approved Budget	2014-15 Forecast	2015-16 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Administrative Fees	4,215,600	4,385,226	4,489,550	104,324
Other	1,500	1,250	1,500	250
Sales	1,304	35,139	37,004	1,865
Total Revenues	4,218,404	4,421,615	4,528,054	106,439
Cost of Goods Sold				
Total Cost of Goods Sold				
Expenditures- Controllable				
Utilities	33,605	30,250	32,897	2,647
Repairs & Maintenance	173,312	193,325	197,644	4,319
Meals & Refreshments	23,084	14,930	18,816	3,886
Postage & Freight	12,854	21,340	21,728	388
Advertising	98,044	104,134	115,649	11,515
Rent/Commissions	2,040	2,500	4,800	2,300
Services	260,176	188,339	223,398	35,059
Supplies	124,332	105,172	131,630	26,458
Telephone	50,715	48,900	53,760	4,860
Travel	30,136	27,998	37,542	9,544
Other	68,762	65,907	61,747	(4,160)
Total Expenditures- Controllable	877,060	802,795	899,611	96,816
Expenditures- Non-Controllable				
Administrative Fees	91		91	91
Depreciation	150,672	154,407	203,976	49,569
Insurance	10,604	68,305	(7,025)	(75,330)
Interest Expense		100	120	20
Rent/Commissions	8,112	7,600	9,780	2,180
Bank Card Fees		4		(4)
Other	100,453	98,918	101,964	3,046
Total Expenditures- Non-Controllable	269,932	329,334	308,906	(20,428)
Labor Costs				
Salaries & Wages	2,391,944	2,512,508	2,595,988	83,480
Employee Benefits	1,489,938	1,481,280	1,735,438	254,158
Total Labor Costs	3,881,882	3,993,788	4,331,426	337,638
Total Expenses	5,028,874	5,125,917	5,539,943	414,026
Net Income	(810,470)	(704,302)	(1,011,889)	(307,587)

CAL POLY POMONA FOUNDATION, INC.

ADMINISTRATION FEE SUMMARY

<i>FISCAL YEAR</i>	Current Approved Budget 2014-2015	Forecast Budget 2014-2015	Proposed Budget 2015-2016	Variance
REAL ESTATE:				
TOTAL REAL ESTATE ADMIN FEE	150,897	195,426	173,084	(22,342)
ENTERPRISES:				
Bookstore	613,442	640,574	636,751	(3,823)
Dining Services	1,129,737	1,212,531	1,261,100	48,569
K.W. Conference Ctr. & Lodge	87,156	97,618	92,562	(5,056)
University Village	627,525	586,412	620,137	33,725
TOTAL ENTERPRISES ADMIN FEE	2,457,860	2,537,135	2,610,550	73,415
FUND 5, 8 10, UET, & RESEARCH:				
U.E.T.	528,269	480,894	472,129	(8,765)
Research Office	504,225	560,025	560,025	-
Fund 3 - Admin Philanthropic Grants	65,000	61,000	79,500	18,500
Fund 5 - Agriculture	139,007	140,582	138,351	(2,231)
Fund 8 - Campus Programs	177,240	218,732	167,226	(51,506)
Fund 10 - CEU	197,964	191,432	288,685	97,253
TOTAL 3, 5, 8, 10, UET, & RESEARCH ADMIN FEE	1,611,705	1,652,665	1,705,916	53,251
TOTAL FOUNDATION ADMIN FEE	4,215,600	4,385,226	4,489,550	104,324

*Note: The Foundation retains the first 0.50 basis points of interest earnings on investments in the general investment portfolio per Board Policy # 133 as follows:

146,897	165,806	165,806	-
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Cal Poly Pomona Foundation
 Cost Allocation Analysis
 For the fiscal year ended June 30, 2014

Fund	2013-14 Computer Transactions	% Accounting	2013-14 Acctg & MIS Actual Allocation	Adjustments For Time	Adjusted 2013-14 Acctg & MIS Actual Allocation	Administrative %	2013-14 Administration Actual Allocation	Human Resources %	2013-14 Human Resources Actual Allocation	2013-14 Actual Total Allocation	2013-14 Foundation Prg. 75% Total Allocation	2013-14 Amount Charged	Overage (Shortage) Variance Amount	Variance %
General	37,568	9.94%	222,321		222,321	9.94%	12,974	1.00%	5,756	241,051		-	(241,051)	-100.00%
Real Estate	13,685	3.62%	80,985		80,985	3.62%	12,974	1.00%	-	93,959		144,721	50,762	54.03%
Grants and Contracts	33,292	8.81%	197,016	59,703	256,719	11.48%	298,395	50.00%	287,819	842,933		515,726	(327,207)	-38.82%
Designated	4,552	1.20%	26,938		26,938	1.20%	-	-	-	26,938		39,421	12,483	46.34%
Enterprise	174,805	46.27%	1,034,465.41	(34,003)	1,000,462	44.75%	804,369	35.00%	201,473	2,006,305		2,381,743	375,438	18.71%
Agriculture	18,885	5.00%	111,758	(3,400)	108,358	4.85%	38,921	3.00%	17,269	164,548		123,463	(41,085)	-24.97%
Endowment	14,133	3.74%	83,637	20,000	103,637	4.64%	38,921	3.00%	-	142,558		370,598	228,040	159.96%
Programs/Scholarships	72,961	19.31%	431,770	(41,600)	390,170	17.45%	45,408	3.50%	11,513	447,091	335,318	371,057	35,739	7.99%
Continuing Education	7,935	2.10%	46,958	(700)	46,258	2.07%	45,408	9.00%	51,807.33	143,473		207,303	63,830	44.49%
Total	377,816	100%	2,235,849	-	2,235,849	100.00%	1,297,370	100.00%	575,637	4,108,856	335,318	4,154,032	156,949	3.820%

Programs/Scholarships Actual total allocation vs. amount charged (76,034)

Fund	2013-14 Allocated Actual Cost per Transaction	2013-14 Amount Charged per Transaction	Variance
General/Innovation Village	6.42	-	0%
Rental Buildings	6.87	10.58	154%
Grants	25.32	15.49	61%
Designated	5.92	8.66	146%
Enterprise	11.48	13.63	119%
Agriculture	8.71	6.54	75%
Endowment	10.09	26.22	260%
Foundation	6.13	5.09	83%
Continuing Education	18.08	26.13	144%
Avg. per Trans.	11.00	12.48	113%

Average Balance Quarterly

Amount Distributed	Foundation Prgs	Scholarships	Yield Returned	Foundation Prgs	Scholarships	Yield Withheld	Foundation Prgs	Scholarships	Total Withheld
Sept	91,946.92	10,622.47	0.37143%	24,754,844.79	2,859,884.77	0.12500%	30,943.56	3,574.86	34,518.41
Dec	81,579.48	9,744.48	0.30648%	26,618,206.73	3,179,483.16	0.12500%	33,272.76	3,974.35	37,247.11
Mar	80,715.88	9,139.38	0.28521%	28,300,508.40	3,204,438.83	0.12500%	35,375.64	4,005.55	39,381.18
June	106,410.82	11,856.63	0.37623%	28,283,448.95	3,151,431.31	0.12500%	35,354.31	3,939.29	39,293.60
	360,653.10	41,362.96					134,946.26	15,494.05	150,440.31

402,016.06

CAL POLY POMONA FOUNDATION, INC.

ADMINISTRATION

2015-2016

BUSINESS PLAN

APRIL 2015

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Cal Poly Pomona Foundation
Admin Executive
Consolidated Budget Comparison Summary
For the 2015-16 Fiscal Year

	2014-15 Approved Budget	2014-15 Forecast	2015-16 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Administrative Fees	4,206,800	4,356,626	4,482,750	126,124
Sales		34,139	36,000	1,861
Total Revenues	4,206,800	4,390,765	4,518,750	127,985
Expenditures- Controllable				
Utilities	33,605	30,250	32,897	2,647
Repairs & Maintenance	27,000	21,700	20,440	(1,260)
Meals & Refreshments	19,000	10,000	11,800	1,800
Postage & Freight	360	8,500	8,430	(70)
Advertising	40,540	34,200	51,500	17,300
Rent/Commissions	840	1,200	3,600	2,400
Services	54,000	31,920	41,040	9,120
Supplies	29,770	15,250	18,580	3,330
Telephone	38,200	35,000	38,200	3,200
Travel	5,400	4,220	6,000	1,780
Other	38,600	37,900	38,430	530
Total Expenditures- Controllable	287,315	230,140	270,917	40,777
Expenditures- Non-Controllable				
Depreciation	15,600	31,000	40,800	9,800
Insurance	10,604	68,125	(7,205)	(75,330)
Interest Expense		100	120	20
Rent/Commissions		1,600	3,600	2,000
Other	2,640	1,100	1,320	220
Total Expenditures- Non-Controllable	28,844	101,925	38,635	(63,290)
Labor Costs				
Salaries & Wages	315,260	319,000	346,116	27,116
Employee Benefits	112,362	132,300	136,600	4,300
Total Labor Costs	427,622	451,300	482,716	31,416
Total Expenses	743,781	783,365	792,268	8,903
Net Income	3,463,019	3,607,400	3,726,482	119,082

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

Forecasted Revenue is anticipated to be approximately \$4,390,765 million, primarily from administrative fees from operations for support. These fees help to support a wide range of necessary corporate functions under the leadership of the Executive Director. Administration is accountable for ensuring that support services are delivered and held accountable. Foundation Administration completed capital improvements during the fiscal year including: Exterior Painting and Upgrading the HVAC system of Building 55. HVAC system improvements should greatly reduce electricity usage. The Foundation has continued efforts to reduce paper waste and paper storage space. The Foundation will continue to use virtualization and cloud-based systems to expand storage, control costs and increase information recoverability.

Explanation of Proposed Fiscal Year Budget:

Foundation Administration will continue to make donations to student clubs and staff/faculty activities as in years past; budget cuts leave them relying on the Foundation now more than ever. The Foundation continues to support and collaborate with the University on the Capital Campaign through the monetary support and services we provide. The Foundation will look carefully at deferred maintenance issues which will include water conservation and lighting retrofit projects. The Foundation will review additional options to buy cloud-based services and turn to self-service and "bring-your-own-device" models. Foundation will carpet and paint building 55 in anticipation of our 50th anniversary. We have included extra monies for the 50th anniversary related activities. If the Lanterman Developmental Center (LDC) property is accepted by the CSU system, there will be a need for recurring support for this initiative.

Changes in Programs and Services for Proposed Fiscal Year:

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

Explanation of Proposed Fiscal Year Capital Requests:

Carpet and Paint Building 55. Remove outdated carpeted walls and paint and re-carpet building 55.

Changes in Staffing:

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

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

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

Major Projects and Business Goals for Proposed Fiscal Year

D

Action Steps	Person Responsible	Due Date
*Improve paperwork reduction and the use of electronic documents, forms and workflow.	All Foundation Areas	June 2016
*Assist the University in Reviewing Options related to the Lanterman Development Center	Admin. & Real Estate	June 2016
*Provide information and support to assist Advancement's implementation of Software .	Admin. and Financial Services	June 2016
*Innovation Village: marketing, and options for remaining land.	Admin. & Real Estate	June 2016
*Provide BOD training as related to CSU & non-profit laws and regulations via AOA training program	Admin.	June 2016
*Long-term plan-Kellogg West Conf. Ctr. & Lodge for financial and facility substantiality.		
for renovation of Main Lodge, additional rooms and inclusion of Collins curriculum.	Admin. & Kellogg West	November 2015
*Increase specialized training for managers including online performance management.	Employment Services	June 2016
*Dining Services - max innovation and talent to create customer tailored dining environments that support the university. Development of an updated Dining Services Master Plan .	Dining Services	June 2016
*Bronco Bookstore-provide savings to students thru an aggressive rental program and the implementation of the new CSU digital text media program.	Bronco Bookstore	June 2016
* Univ Village-maintain high occupancy, financial performance, competitive rates and facility maintenance that meets customer needs and expectations. Explore options for non-traditional student housing.	University Village	June 2016
Public Relations campaign-Foundation Gives back to the University	Admin & Marketing	June 2016
*Support Cal Poly Pomona's commitment to sponsored research and fund raising by providing resources and services tailored to assist the campus meets its performance goals.	Admin. and Financial Services	June 2016
*Implementations related to National Health Plan	All	July 2015
*Climate Neutral, Reduction of Greenhouse Gases - Investigate and implement ways for the Foundation to be climate neutral and reduce greenhouse gases in all operations. Be a role model for other to follow.	All	June 2016
*Presidential Order-The Foundation will use the Presidential Order to initiate opportunities to provide more services to the campus community and market the advantages in "reinvesting in ourselves."	Marketing et. al	June 2016
*Special planning and marketing associated with our 50th Anniversary celebrations	Admin. and Marketing	2015-2016
*Review options: Master Planning/Development of Spadra Farm, including student/faculty mixed housing	Univ Facilities/Design, Admin. RE	June 2016
*Implement water-reduction initiatives per the CA Emergency Water Conservation Regulations	All	June 2016
*Provide information to the incoming President related to the Foundation as an Auxiliary Organization and as a Non-Profit entity, and Financial Agendas	All	June 2015 and beyond
*Review effects of CSU salary inversion and compression on Foundation salary structure	CEO,CFO,ChiefEmploymentOfficer	June 2016

Mission/Vision Statement

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

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

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

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

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

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

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

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

Strengths and Challenges

Strengths

Strong Diverse Revenue Streams* Growth Oriented - \$50 Million in Net Worth and \$100 million in Assets * A Major Donor to University * Supporter of Fund Raising * Award-Winning Services * Bronco Card Purchasing Capability * Veteran Management Team is Stable, learning Centered - Always Improving * Recipient of Unqualified Audits * Capable of Managing Large Projects in Support of University such as Faculty Housing and Innovation Village * Independent, Self-Supporting and Operates with Minimal Risk to the University * Financial Services and Post Award Grant/Contract Support * A Recognized Leader and Innovator within the Industry * Board Representative of University

Challenges

Profitability of the Aging Kellogg West Conference Facility and Need to Retrofit the Center* Growing Cost of Employee Benefits * Lack of a Category to retain 30-35 Hour Per Week Employees * Lack of Retail Business during the Summer Months * Need to Maintain Cutting Edge Technology, Improve Efficiency and Integrate Systems * Need to Manage and Anticipate Risks of all Types * Meeting Customer Expectations for Low Prices and High Value * Need Green Strategies and Systems * Integration of Online /Viral Media Strategies into Traditional Marketing Campaigns * Anticipated flat enrollment * Challenging Economy and Retreat on Housing Prices * Supporting Lanterman property daily operations and possible development * Implementing increasingly restrictive water usage measures

Employee Survey

(Surveys were conducted at the unit level)



Customer Survey

(Surveys were conducted at the unit level)

Keys to Success

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

Corporate Culture

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

Business Controls and Vital Factors

H

EXECUTIVE DIRECTOR: * Oversees all programs, services and activities for program objectives * Develops administrative and personnel policies * Approves staff * Facilitates long-term and short-term planning * Prepares annual budget for Board approval * Approves expenditures * Serves as chief liaison with other organizations and key stakeholders

BOARD OF DIRECTORS: * Understands and supports mission of Foundation * Selects the Executive Director * Shares expertise and engages in decision-making * Engages in planning * Provides adequate resources * Prepares for and attends board and committee meetings * Understands and evaluates programs * Enhances the Foundation's public standing * Ensures legal and ethical integrity, and maintains accountability * Maintains the quality of the Board through careful recruitment and orientation * Evaluates the Executive Director and Board's performance

PARTNERSHIP: * Common expectations * Cooperative planning and evaluation * open and honest communications * Respect

Asset Protection/Risk Management

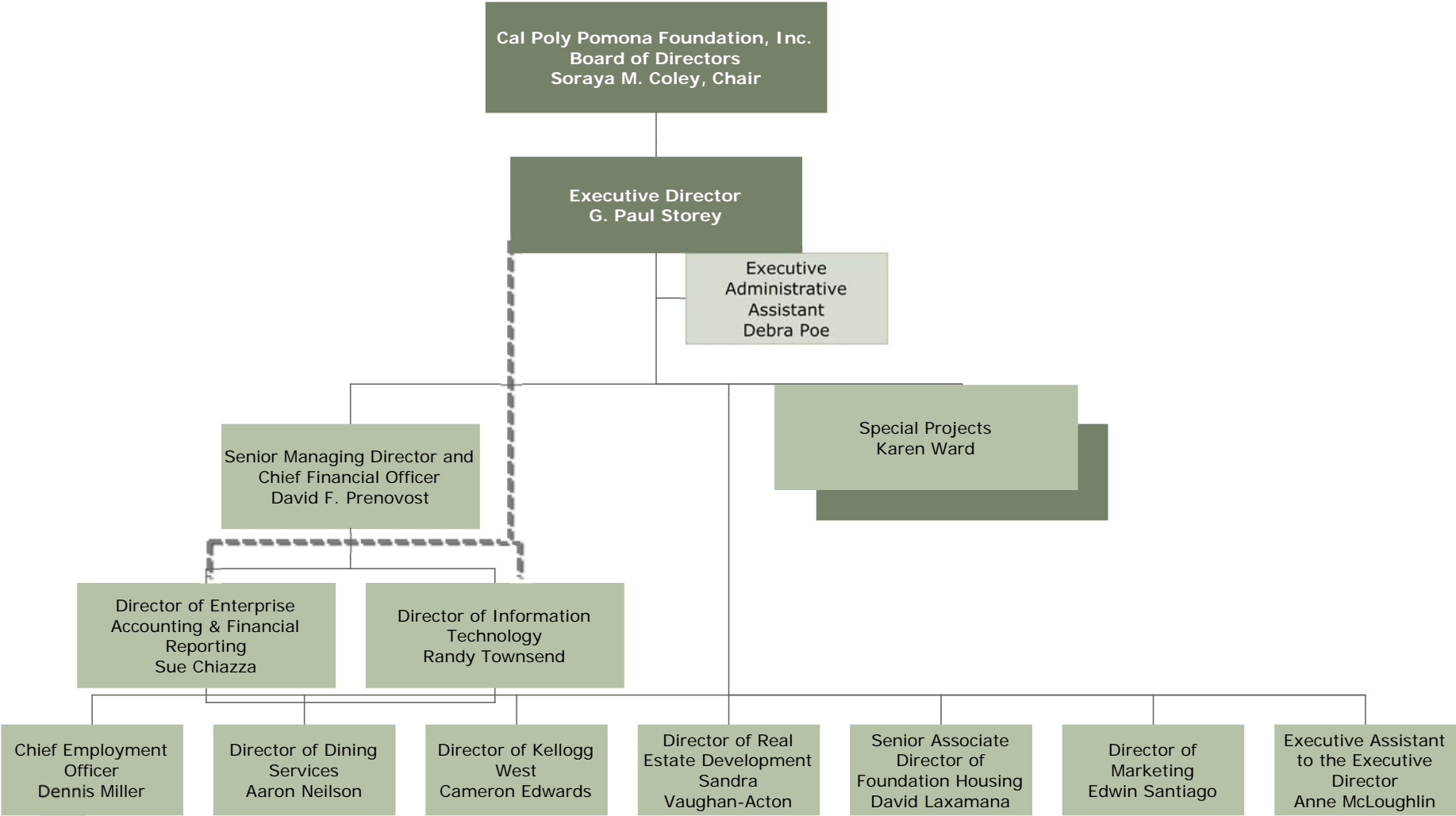
The Foundation has long practiced a conservative approach to risk management and has transferred risk of identifiable hazards to insurers through purchase of comprehensive insurance coverage. This approach and the practices to implement it are integrated into Foundation operations. The Foundation has conducted Risk Assessments and reports for the units in 2015 and will continue in 2016.

Organization Chart



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

EXECUTIVE MANAGEMENT TEAM



CAL POLY POMONA FOUNDATION, INC.

FINANCIAL SERVICES AND MIS

2015-2016

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2015

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Proposed Fiscal Year Budget

A

Cal Poly Pomona Foundation Financial Services Consolidated Budget Comparison Summary For the 2015-16 Fiscal Year

	2014-15 Approved Budget	2014-15 Forecast	2015-16 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Sales	804	500	504	4
Total Revenues	804	500	504	4
Expenditures- Controllable				
Repairs & Maintenance	142,512	168,110	174,104	5,994
Meals & Refreshments	2,184	2,040	4,116	2,076
Postage & Freight	11,844	12,100	12,468	368
Advertising	4,704	5,574	5,724	150
Services	161,326	127,650	142,858	15,208
Supplies	33,132	27,427	35,100	7,673
Telephone	5,700	6,300	6,300	
Travel	7,296	8,649	10,992	2,343
Other	3,912	4,049	4,092	43
Total Expenditures- Controllable	372,610	361,899	395,754	33,855
Expenditures- Non-Controllable				
Depreciation	131,112	119,386	159,204	39,818
Insurance		180	180	
Rent/Commissions	8,112	6,000	6,180	180
Bank Card Fees		4		(4)
Other	97,813	97,818	100,644	2,826
Total Expenditures- Non-Controllable	237,037	223,388	266,208	42,820
Labor Costs				
Salaries & Wages	1,308,732	1,348,491	1,395,720	47,229
Employee Benefits	491,190	506,039	547,644	41,605
Total Labor Costs	1,799,922	1,854,530	1,943,364	88,834
Total Expenses	2,409,569	2,439,817	2,605,326	165,509
Net Income	(2,408,765)	(2,439,317)	(2,604,822)	(165,505)

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

190010:

Bank Fees (7023) In 14-15, bank fees should see minimal increase as the vendor was changed from Brinks to Dunbar in January 2015.

Rental/Land and Building (7258): In 14-15, outside storage fees are lower than original budget due to reduced activity.

Travel/International (7357) In 14-15, includes travel to the NACUS conference.

190030:

Capital budgets are on track for vendor related projects in all systems; Maintenance costs are down; Auditing is up, and labor costs have risen due to demand for support services.

In fiscal year 2014-2015, project goals were met to perform the following: Financial system workflows and data encryption in OneSolution; Kronos v7 system upgrade; Solar/Electric Coffee Cart Mobile POS installation; Micros POS upgrade to P2PE readers; VM upgrade to v5.5; ECRS POS upgrade t v5.3; IT Policy Updates; Bookstore private switch integration; Solar Winds Log Management initiated; KW e-parking system; Dining Jamba, Brewworks, BroncoBowl POS installs; VDI installation and testing with Village; DocumentMall installation; Veam/Exagrid disk-to-disk backup and off-site Disaster Recovery setup; DataCenter re-certification; PCI SAQD completion; VOIP phone upgrade; Office365 e-mail migration; Foundation IT Website refresh.

Projects are still open for the following: VDI testing; Dining services analytics project; e-cart; Bookstore P2PE; PCI v3.0 updates.

Explanation of Proposed Fiscal Year Budget:

190010:

Employee Development (7090): Includes costs for a portion of the CPA review course for two financial services employees.

Meals/Refreshments (7185): Includes \$2,000 for the 50th Anniversary celebration.

Services/Audit (7285): Includes costs for a full actuarial study with Nicolay Consulting.

Services/Other (7291): Includes two year retainer fees for the collection services firm Transworld Services.

Travel/Local (7355): Includes travel to No. California for the AOA conference for a number of staff and a travel to Texas to the NACUS conference.

190030:

In the coming year there will be a continued reduction in the cost of computer maintenance and power consumption through the completion of projects to further virtualize servers and desktops, and to move backup/disaster recovery processes to hosted cloud services. Vendor software maintenance will increase due to increased outsourcing and cloud services, offset somewhat by lower inhouse maintenance costs and greater business continuity. Expenses associated with cellular wireless services will increase slowly as more tablets and smart phone devices become strategic to mobile business processes.

Increased demand for technology driven by business growth and security compliance requirements is pressing the need for additional student part-time labor hours.

Changes in Programs and Services for Proposed Fiscal Year:

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

190030:

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

Explanation of Proposed Fiscal Year Capital Requests:

190030: We are requesting funding for the following capital projects:

1. Windows 8 Updates - Pre-production testing initial rollout of new operating system to enterprise units.
2. Financial System enhancements to develop a data warehouse for Cognos reports, and expand workflow automation.
3. Big data consulting and licensing services to finalize business intelligence and analytics capability using our existing Cognos platform.
4. PCI 3.0 Updates - Including QSA gap assessment, EMV conversion, PCI training, and vendor monitoring.
5. Hybrid Cloud Service Expansion - For development of disaster recovery alternate processing service, and enterprise application infrastructure in conjunction with other AOA's using the common Microsoft Azure cloud services.
6. POS Private Network Buildout - SDSL hardware updates to begin building an isolated POS network for Foundation retail services to improve PCI compliance mandates.
7. Data Encryption Enhancements - To improve security on hard disks by adding encryption at the disk level, both on local drives and cloud based.

Changes in Staffing:

An additional 10hrs/wk in student staff part-time basic PC support work, to supplement our part-time Systems Administrator support time.

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

190010: Improve financial and information systems. Continue to support increased activity in sponsored project proposals and Kellogg Legacy projects; Support University Advancements capital campaign; Continue long term risk management program for cost savings and risk mitigation; Year (2016-2018) Wireless expansion, Workflow Tools; Software Update Automation. Server Software Upgrades (Windows server 2008); SANS Hardware/Server Virtualization, Emergency generator, Years (2016-2017) Implement Paperless Filing System, Facilities Expansion

190030: Over the next three years we will be performing further system consolidation; implementing VDI and Windows v8.1 and 9; adding new OneSolution workflow tools and reporting; increasing hybrid cloud hosting; enhancing disaster recovery services; extending wireless capability, improving credit card security through EMV and NFC reader updates; privatizing the POS system to meet PCI compliance, and implementing Big Data for reporting and predictive analytics to lower operational costs. Beyond 4 years we will be moving toward IPV6 networking; further encryption of databases; increased usage of embedded intelligence sensors/computer for enterprise operations (IOT); ongoing office automation, universal inbox, hybrid cloud solutions, and expanded or moved facilities.

Mission/Vision Statement

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

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

Strengths and Challenges

Strengths

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

Challenges

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

Employee Survey

F

This year's survey included the same 10 questions as the previous years and 16 out of the 20 employees responded to the survey. On a scale of 0 to 4, 4 being totally agree, 3 being agree, 2 being disagree, 1 being totally disagree, and 0 being don't know, there were a total of 21 responses who totally agree, 45 responses who agree, 22 responses who disagree, 8 responses who totally disagree and 1 responses who didn't know.

Financial Services received an overall score for 14-15 of 2.79 verses 13-14 of 3.08, 12-13 of 2.78, 11-12 of 2.71, 2.90 in 10-11, 2.95 in 09-10, 3.00 in 08-09, 3.13 in 07-08, 2.71 in 06-07, 3.46 in 05-06, and 3.21 in 04-05.

For 2014-15, the following totally agree or agree:

- 81% believe their supervisor considers them to be an important factor to their department's success;
- 75% feel they are treated with fairness, respect and equality as a whole;
- 56% feel other departments or employees react quickly to meet the needs of the other employees/departments;
- 50% feel there is a high level of trust between employees and direct supervisors;
- 63% feel there is a good level of trust between employees and upper management;
- 56% feel goals are communicated to all employee levels;
- 38% feel teamwork and communication within Foundation Financial Services is good;
- 31% feel their salary plus benefits is appropriate for the requirement of their position;
- 50% Foundation management is interested in their future and does all it can to develop their skills; and
- 81% enjoy working for Foundation Financial Services;

Customer Survey

There were 30 responses where we have used the same scale as the employee survey from 0 to 4. We received an overall score of 3.21 in 13-14 verses 2.77 in 12-13, 3.17 in 11-12, 2.98 in 10-11, 3.25 in 09-10, 3.13 in 08-09 year, 2.52 in 07-08 year, 3.37 in 06-07, 3.30 in 05-06 year, and 3.28 in 04-05 year. There were a total of 504 responses of which 160 totally agree, 254 responses who agree, 66 responses who disagree, 3 responses who totally disagree and 21 responses who didn't know.

The following totally agree or agree:

- 90%--employees are courteous, helpful, knowledgeable and service oriented;
- 77%--faced with new projects or demands, Financial Services reacts quickly to meet the needs of the customer;
- 87%--produces a consistently superior level of accuracy in all of the work we perform;
- 83%--consistently completes assignments on time;
- 67%--incorporates current technology in servicing our customers;
- 83%--organized, professional organization that conducts transactions in a business-like manner;
- 93%--the services provided is an asset to the University;
- 73%--forms are easy to understand and use;
- 90%--the staff is always efficient when answering their questions;
- 73%--computer information is current and accessible;
- 67%--computer systems are fast, reliable and efficient;
- 73%--MIS staff respond to service requests in a timely manner;

Foundation Financial Services Procedures are comprehensible:

- 90%--Wells Fargo Purchasing Card
- 93%--Disbursement Voucher Form
- 83%--Travel Form
- 90%--Deposit
- 79%--Purchasing

Keys to Success

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

Corporate Culture

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

Business Controls and Vital Factors

H

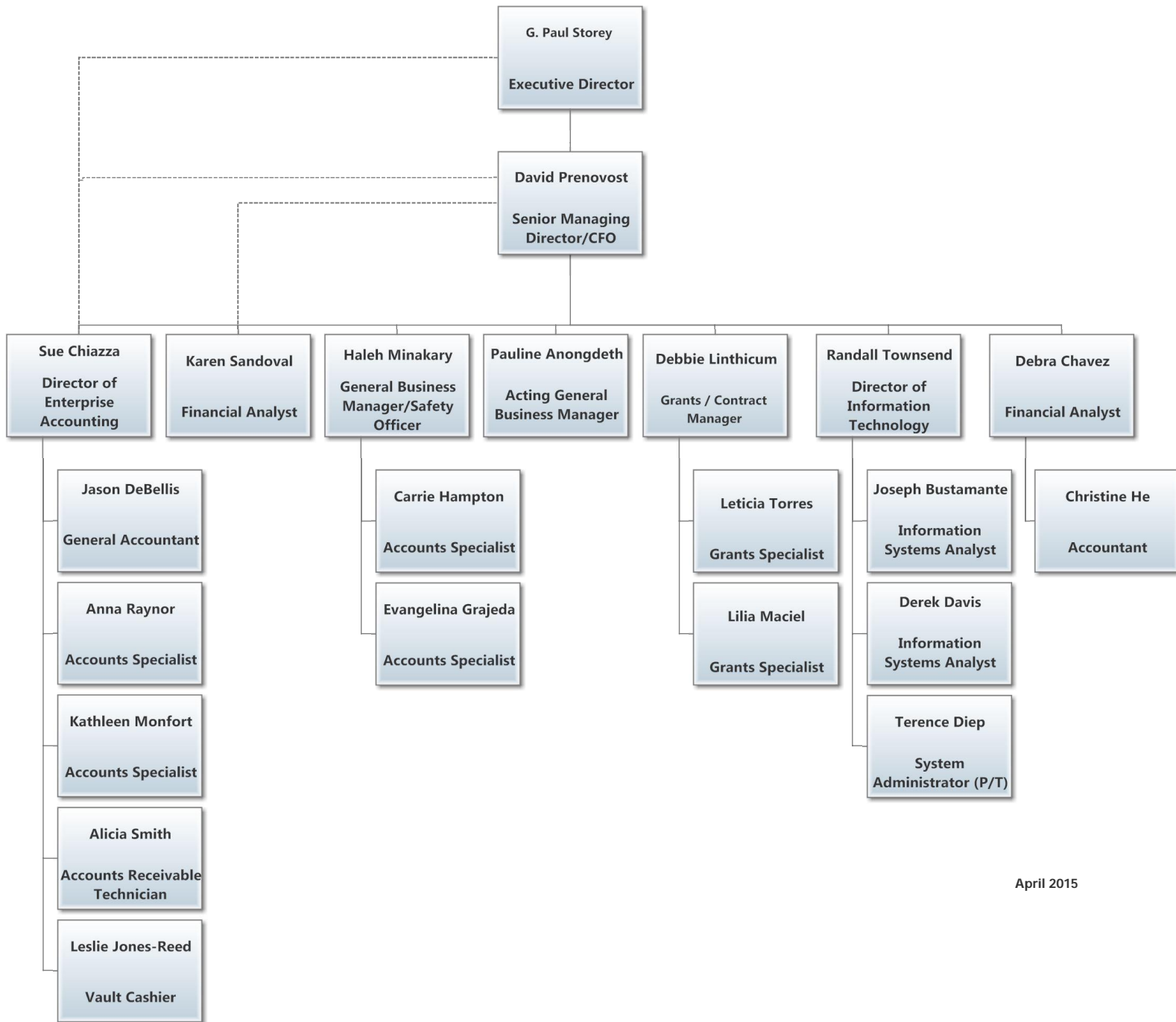
We control our business and vital factors by managing our time, providing timely service, accuracy and accessibility to information. We manage our time and projects through our 30 day goals process, weekly manager meetings, bi-weekly one on one manager meetings and monthly department meetings. We manage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

Asset Protection/Risk Management

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

Organization Chart

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



April 2015

CAL POLY POMONA FOUNDATION, INC.

EMPLOYMENT SERVICES

2015 - 2016

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2015

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Proposed Fiscal Year Budget

A

Cal Poly Pomona Foundation Employment Services Consolidated Budget Comparison Summary For the 2015-16 Fiscal Year

	2014-15 Approved Budget	2014-15 Forecast	2015-16 Proposed	\$ Change Forecast to Proposed Budget
Expenditures- Controllable				
Repairs & Maintenance	300	15	300	285
Meals & Refreshments	1,200	1,440	1,500	60
Postage & Freight	300	450	480	30
Advertising	900	14,710	925	(13,785)
Rent/Commissions	1,200	1,300	1,200	(100)
Services	39,000	20,729	29,700	8,971
Supplies	7,800	15,910	17,400	1,490
Telephone	2,400	3,000	3,300	300
Travel	6,900	3,709	7,200	3,491
Other	24,250	21,918	16,150	(5,768)
Total Expenditures- Controllable	84,250	83,181	78,155	(5,026)
Expenditures- Non-Controllable				
Total Expenditures- Non-Controllable				
Labor Costs				
Salaries & Wages	323,532	389,400	364,216	(25,184)
Employee Benefits	191,520	253,189	228,847	(24,342)
Total Labor Costs	515,052	642,589	593,063	(49,526)
Total Expenses	599,302	725,770	671,218	(54,552)
Net Income	(599,302)	(725,770)	(671,218)	54,552

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

The 2014 - 2015 budget year was a fairly typical year. We continue to leverage technology to conduct routine clerical tasks. We continue to focus on improving existing processes, and continue to work toward a paperless function.

Employment Services completed its third year of offering a self-insured healthcare benefit program and also presented a new tier of benefits through Kaiser. We now offer three benefit plans for employees including the self-insured plan and two plans from Kaiser. One Kaiser plan is the traditional HMO plan, and the other plan is the "deductible" Kaiser plan which is a plan that lowers the monthly premium for employees and then has a deductible that must be paid before some services are covered.

While the self-insured healthcare benefit is still a viable approach, as healthcare reform continues to impact the health insurance market we will continue to consider all options for providing quality and affordable healthcare benefits to our employees and retirees while ensuring the cost of those benefits remains sustainable.

Explanation of Proposed Fiscal Year Budget:

There are no material changes to the budget for the upcoming year.

Changes in Programs and Services for Proposed Fiscal Year:

The online performance management process is operational and applies to all full time regular staff.

Kronos Mobile licenses for smart devices will continue to be deployed where feasible.

The existing services will be reviewed and improved or modified where needed.

Explanation of Proposed Fiscal Year Capital Requests:

We are proposing to employ an external consultant for the purpose of evaluating our payroll system configuration and processes. The key outcomes of this project will be focused on providing recommendations on system and/or process improvements related to payroll.

This request was approved for the current fiscal year and will be carried forward to the 2015-2016 fiscal year.

Changes in Staffing:

None.

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

During the near term there will be very minor changes in the services delivered by Employment Services. During the next 3 years Employment Services will continue to focus on providing a Foundation wide mechanism for employee development for Foundation supervisory employees, and will continue to remain efficient and cost effective for Foundation.

Sustaining the training and development for the next generation of supervisory employees is our most critical long term objective.

Looking ahead the next 2 - 5 years, improvements in the overall economy will not have a huge impact on Foundation although will impact the employment landscape in a positive manner, generally, both within and external to Foundation. Health Care Reform continues to evolve and we do not anticipate a materially impact on Foundation employees. We anticipate a loss of talent (Foundation wide) during the next 3 to 5 years in key positions, and within 8 to 9 years it is highly likely the majority of our existing senior management team will have turned-over.

Mission/Vision Statement

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

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

The Core Values of the Employment Services Department include:

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

Strengths and Challenges

Strengths

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

Challenges

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

Employee Survey

Survey not completed this year.



Customer Survey

Survey not completed this year.

Keys to Success

<u>Keys to Success Items</u>	<u>Rank in Importance 10 to 1</u>
Quality employee services	10
Positive staff and employee relations	10
Timely, clear, and thorough communications	10
Sets example of high ethical standards	10
Fiscal accountability	10
Responsiveness	10
Setting the appropriate professional example	10
Open door policy	9
Timely and accurate database information	9

Corporate Culture

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

Business Controls and Vital Factors

H

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

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

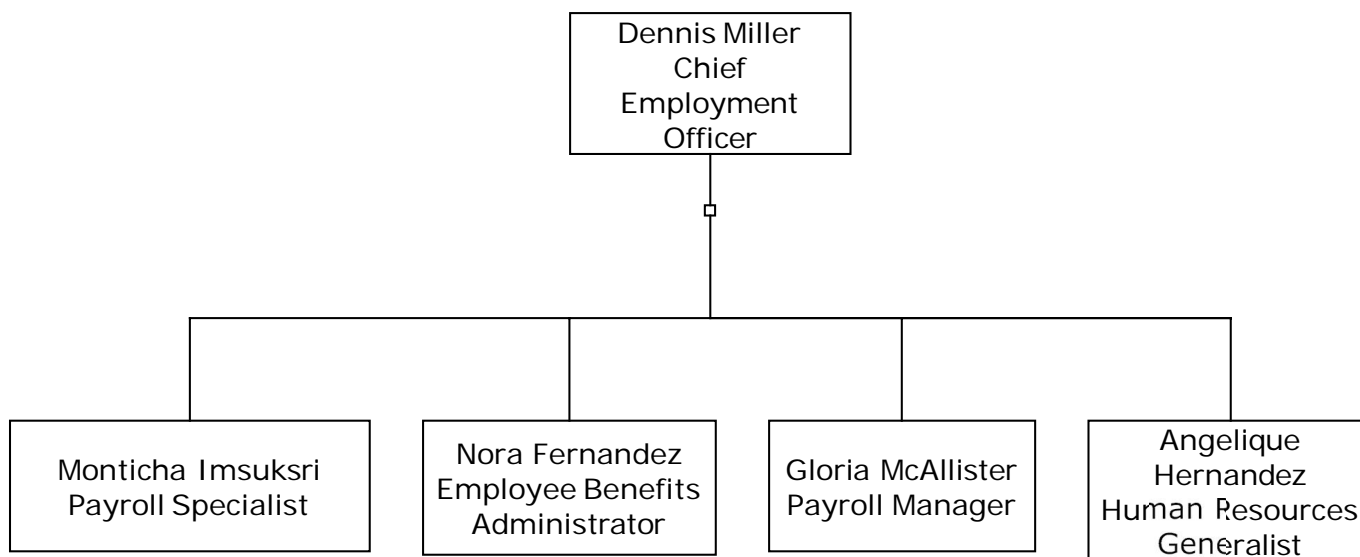
Timely and thorough collaboration / communications with unit Directors on matters of importance applicable to their units.

Continue to improve all employment processes.

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

Asset Protection/Risk Management

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



April 2015

CAL POLY POMONA FOUNDATION, INC.

MARKETING

2015-2016

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2015

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Proposed Fiscal Year Budget

A

Cal Poly Pomona Foundation Marketing Consolidated Budget Comparison Summary For the 2015-16 Fiscal Year

	2014-15 Approved Budget	2014-15 Forecast	2015-16 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other	1,500	1,250	1,500	250
Sales	500	500	500	
Total Revenues	2,000	1,750	2,000	250
Expenditures- Controllable				
Repairs & Maintenance	3,500	3,500	2,800	(700)
Meals & Refreshments	600	700	1,200	500
Postage & Freight	250	190	250	60
Advertising	51,450	49,000	56,900	7,900
Services	4,750	6,210	8,100	1,890
Supplies	53,030	45,000	58,950	13,950
Telephone	2,975	3,600	4,520	920
Travel	7,640	8,140	8,400	260
Other	1,650	1,300	2,425	1,125
Total Expenditures- Controllable	125,845	117,640	143,545	25,905
Expenditures- Non-Controllable				
Administrative Fees	91		91	91
Depreciation	2,760	2,477	2,472	(5)
Total Expenditures- Non-Controllable	2,851	2,477	2,563	86
Labor Costs				
Salaries & Wages	274,260	288,441	299,748	11,307
Employee Benefits	109,096	109,096	116,777	7,681
Total Labor Costs	383,356	397,537	416,525	18,988
Total Expenses	512,052	517,654	562,633	44,979
Net Income	(510,052)	(515,904)	(560,633)	(44,729)

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

We will be within our budget by the end of fiscal year 2014-2015. Hotdog Caper (#7245) was a major success and we were able to stick within our budget. This was an important project for the Foundation and we are glad that we were able to keep the expenses at a minimum.

Our supplies (#7328), marketing (#7180), equipment purchases (#7105) and printing (#7230) should also be within budget.

We are a bit over on furniture (#7125) because we fixed up the extra room by our office and salaries/temporary (#7274) because we had many projects. But overall, we should be within budget.

Explanation of Proposed Fiscal Year Budget:

2015-16 MARKETING BUDGET:

- 1) 3% Increase in salaries and benefits
- 2) Signed up for an online photo stock company (\$1,500)
- 3) Public Relations increase
 - a) Hot Dog Caper increased for Foundation's 50th Anniversary (up by 10%)
 - b) 50th Anniversary Campaign (\$4000)
- 4) Orientation Marketing increase due to shirt give away (up by \$500)
- 5) Banner holder updates throughout several units (\$3000)
- 6) Employee Development for Lily, Amanda and Darren (\$3500)

Changes in Programs and Services for Proposed Fiscal Year:

There will be no major changes in our programs and services.

Explanation of Proposed Fiscal Year Capital Requests:

Changes in Staffing:

We are hiring part time student employees for summer orientation outreach and Foundation Anniversary. Also hiring another Marketing student for the summer totaling \$3200.

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

1. Promote the new Innovation Brew Works
2. Increase use of Social Media (Facebook/Twitter/YouTube) to increase awareness to the campus community.
3. Reach 40% occupancy rate for University Village during Summer '15 and 99% remainder of the year
4. Increase our FB "likes" across the board by 40%
5. Re-brand Kellogg House
6. Increase profitability for Poly Trolley, Vista, Brewery, Jamba Juice, Denny's and Einstein.
7. Increase occupancy and conference sales at KW Hotel by 15%
8. Increase bookstore ONLINE sales by 20% and computer sales by 30%
9. Look at profitability of Bronco Gear and Verizon
10. Promote BroncoChannel.com
11. Win another Loyal Horton Award
12. Increase overall website hits from 600,000 hits per year to 750,000

Major Projects and Business Goals for Proposed Fiscal Year

D

Action Steps	Person Responsible	Due Date
Hot Dog Caper	Edwin/Amanda	Oct
Summer Orientations	Amanda	July/Aug
Campus Map	Edwin	December
Computer and technology sales at Bookstore	Edwin/Alex	Ongoing
Constant Contact Option	Alex/Edwin	June
Update faulty/staff/student email database	Alex	Oct
Priest Scholarship and Pepsi Scholarship 2015 Marketing	Amanda	Oct
NACUFS Dining Customer Service Survey	Alex	Oct
Develop Video Usage for The Foundation	Darren	Nov
Innovation Village/Real Estate Website Rebrand	Alex/Amanda	May
Village Summer Occupancy	Edwin	Ongoing
Increase use of Social Media	Edwin/Alex/Darren/Lily	Dec
Create campaign for Bridal at Kellogg House	Edwin/Alex	July
Increase Dining Services' FB "likes" by 40%	Lily/Darren	June 2015
Re-Do Dining Services Website	Alex	Dec 2015
Promote Verizon Store	Edwin	June
Loyal Horton 2015	Edwin/Amanda	July
Atrium Display for the Village	Edwin	July
Campus Catering campaign	Alex/Edwin	Ongoing
GET Funds Campaign	Alex/Amanda	June
Accessibility Act website conformation	Alex	ongoing
Wedding at KH Campaign	Edwin/Amanda	Nov
Promote Peet's Coffee & Einstein	Lily/Darren	June

Mission/Vision Statement

E

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

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

Strengths and Challenges

Strengths

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

Challenges

1. University's email policy (Constant Contact)
2. Enrollment numbers down
3. Limited budget of clients
4. Lack of planning from unit

Employee Survey

An employee survey was not conducted



Customer Survey

Marketing Customer Survey was not conducted

Keys to Success

<u>Keys to Success Items</u>	<u>Rank in Importance 10 to 1</u>
Quantity of Projects	10
Quality of Projects	9
On-Time Delivery	9
Creative Content	9
Customer Relations	8
Use of emerging technology to reach our target market	10
Marketing Options	9

Corporate Culture

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

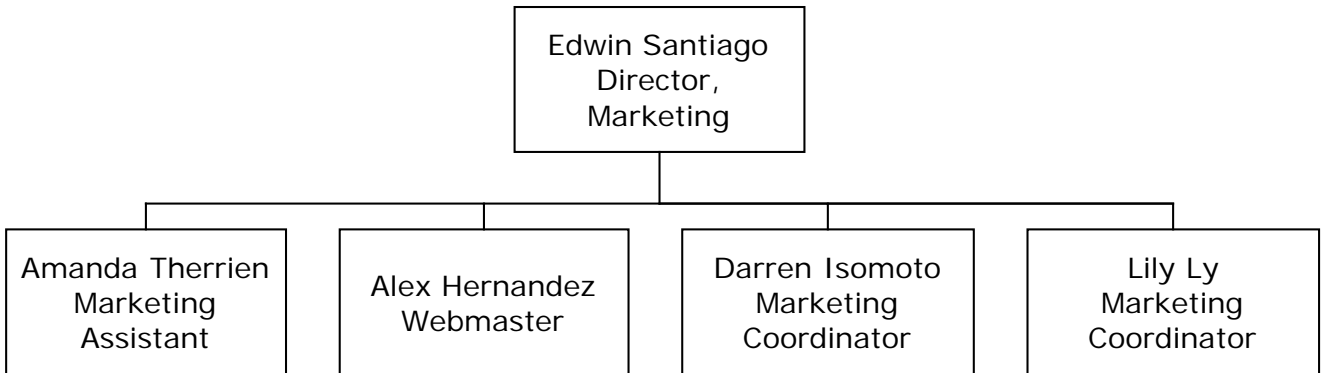
Business Controls and Vital Factors

H

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

Asset Protection/Risk Management

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



April 2015

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

4 to 10 years and beyond:

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

Continued -No Continuations

Cal Poly Pomona Foundation
Real Estate Admin
Consolidated Budget Comparison Summary
For the 2015-16 Fiscal Year

	2014-15 Approved Budget	2014-15 Forecast	2015-16 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Administrative Fees	8,800	28,600	6,800	(21,800)
Total Revenues	8,800	28,600	6,800	(21,800)
Expenditures- Controllable				
Meals & Refreshments	100	750	200	(550)
Postage & Freight	100	100	100	
Advertising	450	650	600	(50)
Services	1,100	1,830	1,700	(130)
Supplies	600	1,585	1,600	15
Telephone	1,440	1,000	1,440	440
Travel	2,900	3,280	4,950	1,670
Other	350	740	650	(90)
Total Expenditures- Controllable	7,040	9,935	11,240	1,305
Expenditures- Non-Controllable				
Depreciation	1,200	1,544	1,500	(44)
Total Expenditures- Non-Controllable	1,200	1,544	1,500	(44)
Labor Costs				
Salaries & Wages	170,160	167,176	190,188	23,012
Employee Benefits	63,422	55,656	61,102	5,446
Total Labor Costs	233,582	222,832	251,290	28,458
Total Expenses	241,822	234,311	264,030	29,719
Net Income	(233,022)	(205,711)	(257,230)	(51,519)

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

Real Estate Administration

Overview of Current Fiscal Year:

With more real estate activity in the areas of housing, Innovation Village expansion, gift real estate and other potential developments, we were able to increase the hours of the Assistant Property Manager from 80% to 100%. As a result we have been able to catch up on projects we have held pending for some time, including a number of deferred maintenance items at CTTi such as the roof maintenance. In addition, we are close to launching our data base program to assist the department in tracking critical lease data.

The Department has experienced growth in demand for our services due to the unanticipated decision to begin preliminary planning for the Spadra Farm 150 acres, the potential acquisition of Lanterman and several properties that are in the process of being donated to the Foundation as gifts. All of these activities have shifted the roles within the department. As more time is given to large projects such as Lanterman and Spadra, more is required of the Property Manager and Assistant Property Manager to take on tenant improvements and coordination

Explanation of Proposed Fiscal Year Budget:

Proposed Fiscal Year budget assumes that the current projects in place continue and demand for real estate services, both within the faculty/staff housing program and the Innovation Village project, along with the additional projects currently under way remain the same. Should we find ourselves in the fortunate position of adding other projects, such as one or two build-to-suit projects at Innovation Village, it is likely we will need to add an administrative staff member to the team. An added position is not proposed at this time, but may be necessary depending on the demands with Lanterman and Spadra.

Changes in Programs and Services for Proposed Fiscal Year:

The only changes in programs and services will come about as a result of successful marketing strategies at Innovation Village in attracting a new build to suit tenant and/or additional donations of real property that needs due diligence and disposition. We are aware of as many as 5 new gift properties that could be added to our portfolio in the coming year and we are involved with the monetization of 2 and possibly 3 gift properties that are ready for re-sale. In addition, the faculty-staff housing program has reached a level of maturity and we are experiencing more turn over in the housing product than in recent years. The campus is scheduled for as many as 47 faculty-new hires in the Fall, which will add to our volume of inquiries and requests for housing assistance.

Explanation of Proposed Fiscal Year Capital Requests:

No capital requests in Real Estate Administration

Changes in Staffing:

No known staffing changes, but potential for adding an administrative staff member exists should all or most of the pending projects begin.

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

Assuming no major changes in programs and scope of projects currently in place, the outlook for the next 4 to 10 years appears to be one of growth and possible need for added staff. Because of the nature of this business and the changing needs of the campus, it is very difficult to predict how much demand there will be for additional real estate resources outside the existing program. While we are taking a conservative approach and assuming that no other projects other than the current projects will demand additional resources, we are aware that Lanterman and Spadra may increase the demand of our services very quickly and require an immediate need for an added staff member.

OPERATING BUDGETS
GENERAL ACTIVITIES
∞∞∞
POST RETIREMENT
MEDICAL BENEFITS

**Cal Poly Pomona Foundation
EPO Claims & CalPERS UAL
Consolidated Budget Comparison Summary
For the 2015-16 Fiscal Year**

	2014-15 Approved Budget	2014-15 Forecast	2015-16 Proposed	\$ Change Forecast to Proposed Budget
Labor Costs				
Employee Benefits	522,348	425,000	644,468	219,468
Total Labor Costs	522,348	425,000	644,468	219,468
Total Expenses	522,348	425,000	644,468	219,468
Net Income	(522,348)	(425,000)	(644,468)	(219,468)

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

EPO Medical Benefits & CalPERS UAL

Overview of Current Fiscal Year:

The purpose of this project was to accumulate the post retirement medical benefit obligation (GASB 43 and 45) and pay the Foundation's obligation for the retiree's premium. We have since decided to charge the projects that have benefited employees with the annual OBEP cost of \$672,582 since the VEBA trust is approximately 50% funded. We have also decided to use a majority of the \$614,273 2014-15 budget for the EPO claims forecasted to be \$425,000 from calendar year 2014.

Explanation of Proposed Fiscal Year Budget:

The proposed budget includes the EPO claims for 2015 estimated at \$500,000 and the CalPERS 2015-16 Unfunded Actuarial Liability (UAL) of \$143,793 for the 2% at 55 pool and \$678 for the 2% at 60 pool. In future budgets we propose incorporating the CalPERS UAL amounts for these pools to the various projects based upon the benefit rate.

OPERATING BUDGETS
GENERAL ACTIVITIES
∞∞∞
REAL ESTATE DEVELOPMENT

CAL POLY POMONA FOUNDATION, INC.

REAL ESTATE

2015-2016

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2015

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**Cal Poly Pomona Foundation
Real Estate Development
Consolidated Budget Comparison Summary
For the 2015-16 Fiscal Year**

	2014-15 Approved Budget	2014-15 Forecast	2015-16 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Investment Returns	68,016	74,340	74,220	(120)
Other	23,421	422,835	322,084	(100,751)
Sales	2,716,150	2,770,017	2,886,435	116,418
Total Revenues	2,807,587	3,267,192	3,282,739	15,547
Cost of Goods Sold				
Cost of Goods Sold	10,000	105,500		(105,500)
Total Cost of Goods Sold	10,000	105,500		(105,500)
Expenditures- Controllable				
Utilities	329,064	352,782	371,370	18,588
AGR/RE Fees	39,996	67,766	50,004	(17,762)
Repairs & Maintenance	99,930	223,046	199,309	(23,737)
Meals & Refreshments		100	300	200
Postage & Freight	120	80	120	40
Advertising	6,890	6,436	6,300	(136)
Rent/Commissions	8,500	13,500	9,000	(4,500)
Services	289,964	316,950	831,207	514,257
Supplies	22,520	29,547	33,524	3,977
Telephone	9,600	5,556	6,000	444
Travel	3,650	2,150	4,225	2,075
Other	100,385	98,514	103,428	4,914
Total Expenditures- Controllable	910,619	1,116,427	1,614,787	498,360
Expenditures- Non-Controllable				
Administrative Fees	142,097	166,826	166,284	(542)
Depreciation	945,312	936,601	894,069	(42,532)
Insurance	51,600	38,971	42,492	3,521
Interest Expense	142,184	255,023	265,852	10,829
Other	32,600	22,051	23,550	1,499
Total Expenditures- Non-Controllable	1,313,793	1,419,472	1,392,247	(27,225)
Labor Costs				
Salaries & Wages	116,820	168,519	179,052	10,533
Employee Benefits	52,968	68,352	75,934	7,582
Total Labor Costs	169,788	236,871	254,986	18,115
Total Expenses	2,404,200	2,878,270	3,262,020	383,750
Net Income	403,387	388,922	20,719	(368,203)

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

DESCRIPTION	Actual YTD 3/31/14	2013-14 Actual	2013-14 Forecast	2013-14 Approved Budget	Actual YTD 3/31/15	2014-15 Forecast	2014-15 Approved Budget	2015-16 Proposed Budget
REAL ESTATE DEVELOPMENT								
220080 Center for Training Technology & Incubation	(6,515)	(117,114)	(188,284)	(112,799)	1,572	(121,425)	(121,170)	(86,353)
220010 Innovation Village - see Note 1	389,753	378,650	388,246	454,211	387,610	257,262	442,702	335,653
220050 Innovation Village/American Red Cross	5,413	(3,926)	-	-	6,687	-	-	-
220052 Innovation Village/Tramel Crow	569	(769)	-	-	(854)	-	-	-
220070 Innovation Village Common Areas	(66,347)	-	-	4	(63,974)	-	-	4
220250 Trammel Crow/I.V. Phase IV	10,738	9,723	-	-	(1,015)	-	-	-
459540 Spadra Farm	-	(65,291)	-	-	-	-	(15,300)	-
460760 Real Estate Campus Improvement	-	-	-	-	-	-	-	-
461890 Innovation Village Phase V	-	-	-	-	69,022	-	-	-
461900 Innovation Village Phase VI	-	-	-	-	-	-	-	-
462140 Support for Lanterman Operations	-	-	-	-	-	-	-	(500,000)
Total Real Estate Development	333,611	201,273	199,962	341,416	399,048	135,837	306,232	(250,696)
RENTAL Buildings								
200660 Building # 66 - Classrooms & Offices	84,450	121,124	107,804	108,356	72,315	102,904	97,368	94,124
190970 Building # 97 - Offices	100,862	128,034	127,718	121,002	93,260	116,623	127,986	121,509
200220 CTTi Building # 220A - College of ENV Studio	(82,478)	(112,592)	(109,510)	(102,476)	(107,469)	(146,376)	(117,676)	(137,600)
190330 Downtown Pomona Building	-	-	-	-	-	-	-	-
Total Rental Buildings	102,834	136,566	126,012	126,882	58,106	73,151	107,678	78,033
FACULTY/STAFF HOUSING								
Fund 11 Faculty/Staff Housing	46,208	63,351	(8,030)	(77,085)	153,480	179,934	(10,523)	193,382
Total Faculty/Staff Housing	46,208	63,351	(8,030)	(77,085)	153,480	179,934	(10,523)	193,382
GRAND TOTAL REAL ESTATE	482,653	401,190	317,944	391,213	610,634	388,922	403,387	20,719

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

The residential real estate market has finally seen signs of growth this past year and it appears continued growth can be expected. In addition, the program has matured to the extent that we are starting to see our homeowners "graduate" out of the program by purchasing other homes. We expect to have several homes sold back to us in the coming year and are fortunate to have as many as 47 faculty new-hires on a list to market to coming into Fall 2015. In addition, we are seeing home prices rising modestly, which may encourage some of the homeowners who purchased early and have been waiting for the market to rise in order to break even on their 2007 and 2008 purchases. We still own 4 units that are currently leased, however, the intent is to sell those as buyers present themselves.

On the commercial real estate side Innovation Village is progressing right on schedule with the start of construction for Phase V this year and anticipated completion in the 4th quarter of 2016.

Expenses for the most part are steady with some exception in Innovation Village at CTTi due to unanticipated sewer line repair. Additionally we are finding the need to increase our maintenance schedule for trees and other plant material in the common areas at Innovation Village, thus driving the annual cost higher.

Explanation of Proposed Fiscal Year Budget:

All Real Estate operations are anticipated to operate in 2015-16 at similar levels experienced in 2014-15 with the exception of our faculty/staff housing program. We will continue to sell more homes in our program as the values are beginning to increase. There is more confidence with our buyers in committing to purchase, however, challenges remain in the lending environment. That said, our rental stock will decline as we qualify buyers to purchase.

We anticipate an increase in the number of new hires at the University compared to the last five years which will give us a larger pool of new buyers resulting from faculty recruiting. We believe the level of demand will be enough to support the program. Interest rates will be an influencing factor, however, and we do anticipate that rates will begin to increase, thus pushing some of our buyers out of the market. We no longer offer buy-back options now that the market has improved, however, we continue to use the silent second program to support our sales due to our buyers lack of cash and trouble qualifying for the higher loan amounts.

Innovation Village is holding steady. Phase V rent will kick in at year end 2016 and CTTi is now 100% leased.

We have additional expenses now anticipated at Innovation Village 2 (Spadra Farm). Our EIR is on schedule to go before the Board of Trustees in November 2015, which will allow us to start moving on plans for infrastructure improvements. We have one build-to-suit client that could place us in a position to start building on a portion of the site without much infrastructure to support it. It is unknown at this time when that will happen, but it is expected in the next year or two.

Changes in Programs and Services for Proposed Fiscal Year:

We anticipate an increase in demand for our services due to the Spadra project progress. This project has already experienced interest from the marketplace, thus allowing the campus to move forward on the EIR which will be complete in November 2015. Additionally we continue to experience an increase in real estate donations to the University.

Explanation of Proposed Fiscal Year Capital Requests:

Capital requests have decreased from prior years with the exception of the added project at Spadra Farm. The Center for Training, Technology and Incubation has stabilized and we anticipate only needing capital next year for one wet lab needing HVAC upgrade. Building 66 will experience a tenant change over on the first floor, similar to 2014 when the second floor tenant changed. We anticipate a refresh of the tenant space, including lighting retrofit, paint, ceiling refresh, etc.

Innovation Village 2 (Spadra Farm) is where most of our capital funds will be spent for pre-construction expenses relating to CEQA process, master planning and preliminary infrastructure planning.

Innovation Village has one final phase of common area landscaping along Kellogg Drive that will be converted to the new planting plan.

Changes in Staffing:

The department is not expected to have any changes, but depending on the increased activity mentioned above, we may need to add an administrative staff member to the team to provide support for all of the added activity.

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

ADMINISTRATION: Real Estate Administration is anticipated to operate consistent with its current operations over the next 3 years and beyond. It possible that staffing may change beyond the current organization chart, depending on the demand for services as it relates to campus initiatives such as Spadra Farm and Lanterman.

HOUSING: The residential real estate environment will require another year or two to reach full stabilization and many economists predict we will not see the levels of increase we experienced in 2004-2007 ever again. As such, affordable housing is much more prevalent in the marketplace today at levels our faculty and staff can now afford. It is possible that the University will desire more work force housing closer to the campus to support the President's climate commitment, however. Lanterman will be the likely location for this development to take place. We believe there may be room for work force rental housing in the future. That is unlikely to happen for at least 3 to 5 years.

Mission/Vision Statement

E

It is the Real Estate Department's vision to be the premier source of real estate support and information to the Foundation and the University. By providing support to those seeking housing within the family of faculty and staff, as well as services relating to the commercial real estate industry, we hope to be the first place the campus looks for support in real estate. We are doing this by responding to inquiries regarding housing not just within the housing program, but also outside our program. While we cannot offer sales support to everyone looking to purchase a home, we can assist in the information gathering stage and refer to outside resources for both short term and long term housing needs. Where office or lab space is needed, our first resource is Innovation Village. We are working with both campus personnel as well as the private sector to find tenants that complement the research park and support the mission of the University.

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

Finally, we continue to operate as the source for the campus Development officers for due diligence, valuation, acceptance, management and ultimate disposition of donated real estate. In the past 6 years we have assisted in the acquisition of several properties - some have been held and managed by us, others have been immediately monetized. There continues to exist a solid pipeline of properties currently being assessed for potential donation.

Strengths and Challenges

Strengths

- Well trained, knowledgeable, seasoned, and licensed professional personnel
- Support from Foundation administration and management
- Support from campus administration and management
- Culture of cooperation within the department
- Recognition and reward of staff achievement by management
- Knowledge and experienced beyond the CSU system
- Community involvement in Pomona and surrounding areas

Challenges

- More demands on our time due to an ever changing real estate market and internal administrative/management changes.
- Required to take on new projects (donated property, Spadra, Lanterman) which require additional time and resources.
- Real Estate market that is still challenging and a lending environment that continues to create obstacles.
- Lack of system support in accounting for a reliable data base for real estate department.

Employee Survey



Customer Survey

Keys to Success



Keys to Success Items	Rank in Importance 10 to 1
Supportive campus administration	10
Supportive Foundation administration and management	10
Talented and committed staff with vision and understanding of their field	10
Effective communication between staff and customers	10
Effective progress measurement tools	9
Culture of cooperation within the Department	9
Recognition and reward of staff achievement by management	8
Access to tools to perform efficiently and effectively	8
Education and personal development of staff	7
Experience in performing duties and years of serving campus	5
Contact and knowledge of general marketplace beyond the CSU system	5
Periodic review of workforce and demands on staff to maintain the highest level of service to our customer	5

Corporate Culture

Customer/Client Perception	Unit Perception
Pleased with high level of customer service	A campus Asset
Need to be more flexible with the components of the housing program	Providing the best available in the market today within our capability
Need to be more flexible with existing homeowners who have purchased in the program prior to the market downturn	Providing as much as we can with the resources available today but we have our own constraints and are subject to the market along side them
Institutional and Rigid	Entrepreneurial and service oriented
	Taking on more and more without added support
	Given more responsibility and work without added compensation

Business Controls and Vital Factors

H

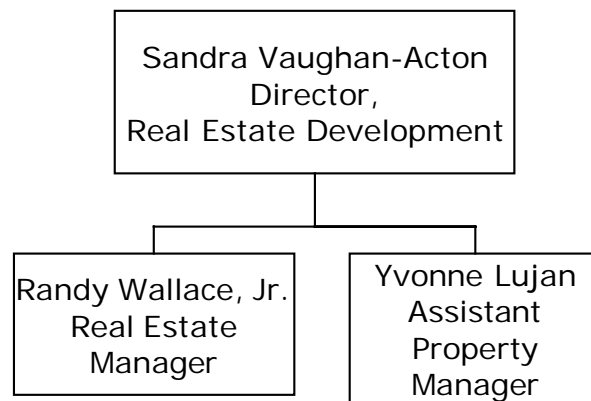
- Business Plan
- 30 day goals
- Capital and operating budgets
- Board of Director input
- Monthly P&L reports and management review
- Periodic updates to budget forecast
- Bi-weekly one on one meetings with Executive Director
- Monthly department meetings to go over all activities
- Current market indicators and real estate reports on trends in the market
- Lender data on interest rates and loan programs being offered today
- CAR data on median housing prices, sales trends and inventory
- Various brokerage reports on the commercial trends
- Real Estate Research Council at Cal Poly Pomona - quarterly housing report and meetings
- IREM data on operating costs of commercial product and ongoing training and education
- IREM, NAR and CAR updates on legislation effecting the industry
- Department of Real Estate updates on laws impacting the sale and leasing of real estate and agents handling these transactions
- CAR forms and templates for use in residential transactions
- IREM and AIR forms and templates for use in commercial transactions
- Pomona Chamber of Commerce information on the business climate in the region

Asset Protection/Risk Management

Real Estate Department in the past has solely been focused on for sale housing and ground lease real estate at Innovation Village. As the Department has expanded to include oversight of marketing and managing CTTi, management of buildings 66 and 97, development of Spadra Farm and planning of Lanterman as well as real estate donations and other ad-hoc assignments, we have begun looking at Asset Protection and Risk Management of all facilities.

Depending on our responsibilities at Lanterman, this could be our largest challenge in terms of risk management.

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



April 2015

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

INNOVATION VILLAGE: On the commercial real estate side at Innovation Village, we continue to market the remaining acreage for development and discussions continue with various users interested in locating at Innovation Village. It is possible we could land a deal for another build to suit by 4th quarter of this fiscal year, however, much depends on the competitive market we face. In addition, we will be discussing potential speculative development with our development partner, Trammell Crow as the market continues to improve. It is likely that Innovation Village will reach 100% occupancy within the projected 10 year period, however, with the campus taking 4 acres off line for use as overflow parking, this impacts our ability to complete the project quickly.

Continued -No Continuations

OPERATING BUDGETS
GENERAL ACTIVITIES
∞∞∞
INVESTMENTS

Cal Poly Pomona Foundation
General Investments
Consolidated Budget Comparison Summary
For the 2015-16 Fiscal Year

	2014-15 Approved Budget	2014-15 Forecast	2015-16 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Investment Returns	1,226,246	9,139	1,181,071	1,171,932
Total Revenues	1,226,246	9,139	1,181,071	1,171,932
Expenditures- Non-Controllable				
Other	78,555	89,649	96,487	6,838
Total Expenditures- Non-Controllable	78,555	89,649	96,487	6,838
Total Expenses	78,555	89,649	96,487	6,838
Net Income	1,147,691	(80,510)	1,084,583	1,165,093

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

GENERAL INVESTMENT PORTFOLIO

Overview of Current Fiscal Year:

We are forecasting the general investment portfolio to generate a net deficit of \$81 thousand and have a value of \$46.5 million by June 2015. The forecasted gain on equity and real assets for the remainder of the year is 0.0%; fixed income is 0.0%; dividends is 1.2% and interest is 1.97%. Forecasted additions to the portfolio include a total of \$2.0 million: \$1.0 in April and \$1.0 in May 2015. Distribution of the yield (interest) to the programs and scholarships is \$473,000. Graystone's fees are 20 basis points and the Foundation's administrative fee is 50 basis points off the yield (interest).

Explanation of Proposed Fiscal Year Budget:

The proposed budget for the General Investment portfolio will generate a surplus of \$1.1 million and has a value of \$53.4 million in June 2016. The annual gain on equity and real assets is 4%; fixed income is 1%; dividends is 1.2% and interest is 1.97%. Additions to the portfolio include a total of \$4.0 million: \$1.0 in January, \$1.0 in March, \$1.0 in April and \$1.0 in May 2016. Distribution of the yield (interest) to the programs and scholarships is \$473,000. Graystone's fees are 20 basis points and the Foundation's administrative fee is 50 basis points off the yield (interest).

Changes in Programs and Services for Proposed Fiscal Year:

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

Explanation of Proposed Fiscal Year Capital Requests:

None

Changes in Staffing:

None

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

We anticipate the equity markets to improve and interest rates to increase as the economy continues to recover from the recession and will position the portfolio accordingly to take advantage of these opportunities within the target asset allocation of the General Investment policy.

**Cal Poly Pomona Foundation
Endowments
Consolidated Budget Comparison Summary
For the 2015-16 Fiscal Year**

	2014-15 Approved Budget	2014-15 Forecast	2015-16 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Investment Returns	5,355,497	(61,856)	5,247,196	5,309,052
Donations	8,999,996	9,368,110	1,020,000	(8,348,110)
Total Revenues	14,355,493	9,306,254	6,267,196	(3,039,058)
Expenditures- Controllable				
Other	4,112,462	4,280,892	1,395,955	(2,884,937)
Total Expenditures- Controllable	4,112,462	4,280,892	1,395,955	(2,884,937)
Expenditures- Non-Controllable				
Administrative Fees	528,269	480,894	472,129	(8,765)
Other	343,035	190,149	352,958	162,809
Total Expenditures- Non-Controllable	871,304	671,043	825,087	154,044
Total Expenses	4,983,766	4,951,935	2,221,042	(2,730,893)
Net Income	9,371,727	4,354,319	4,046,154	(308,165)

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

Endowment Activities

Overview of Current Fiscal Year:

The forecast is projected to generate a surplus of \$4.4 million due to donations and portfolio returns. The endowment portfolio's value is forecasted to be \$91.5 million as of June 2015. Working with our investment advisor at Graystone Consulting, a division of Morgan Stanley, we have forecasted a gain of 0.0% for the equity and real assets portion of the portfolio excluding dividends for the remainder of the year. Dividends and interest are forecasted to return 1.01% and 3.56% respectively. Total investment fees are forecasted to be 0.38 basis points (10 basis points to Graystone Consulting and the balance to third party account managers). There are two internal fees charged per Policy # 133, a 5% fee on all donations and 0.75% fee for administration (excluding any terms specific to an endowment). Donations are forecasted to be \$9.8 million per the Division of Advancement. We have included the 5.0% or \$4.3 million endowment earnings distribution from September 2014.

Explanation of Proposed Fiscal Year Budget:

The proposed budget generates a surplus of \$4.0 million mainly due to donations and portfolio returns. The endowment portfolio's value is projected to be \$95.6 million as of June 2016. Working with our investment advisor at Graystone Consulting a division of Morgan Stanley, we have proposed an annual gain of 5.9% for the equity portion of the portfolio excluding dividends. Dividends and interest are forecasted to return 1.01% and 3.56% respectively. Total investment fees are forecasted to be 0.38 basis points (10 basis points to Graystone Consulting and the balance to third party account managers). There are two internal fees charged per Policy # 133, a 5% fee on all donations and 0.75% fee for administration (excluding any terms specific to an endowment). Donations are projected to be \$1.0 million per the Division of Advancement. We anticipate a 3.0% or \$1.4 million endowment earnings distribution in October 2015.

Changes in Programs and Services for Proposed Fiscal Year:

No changes are anticipated

Explanation of Proposed Fiscal Year Capital Requests:

No capital budget requested

Changes in Staffing:

No changes are anticipated

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

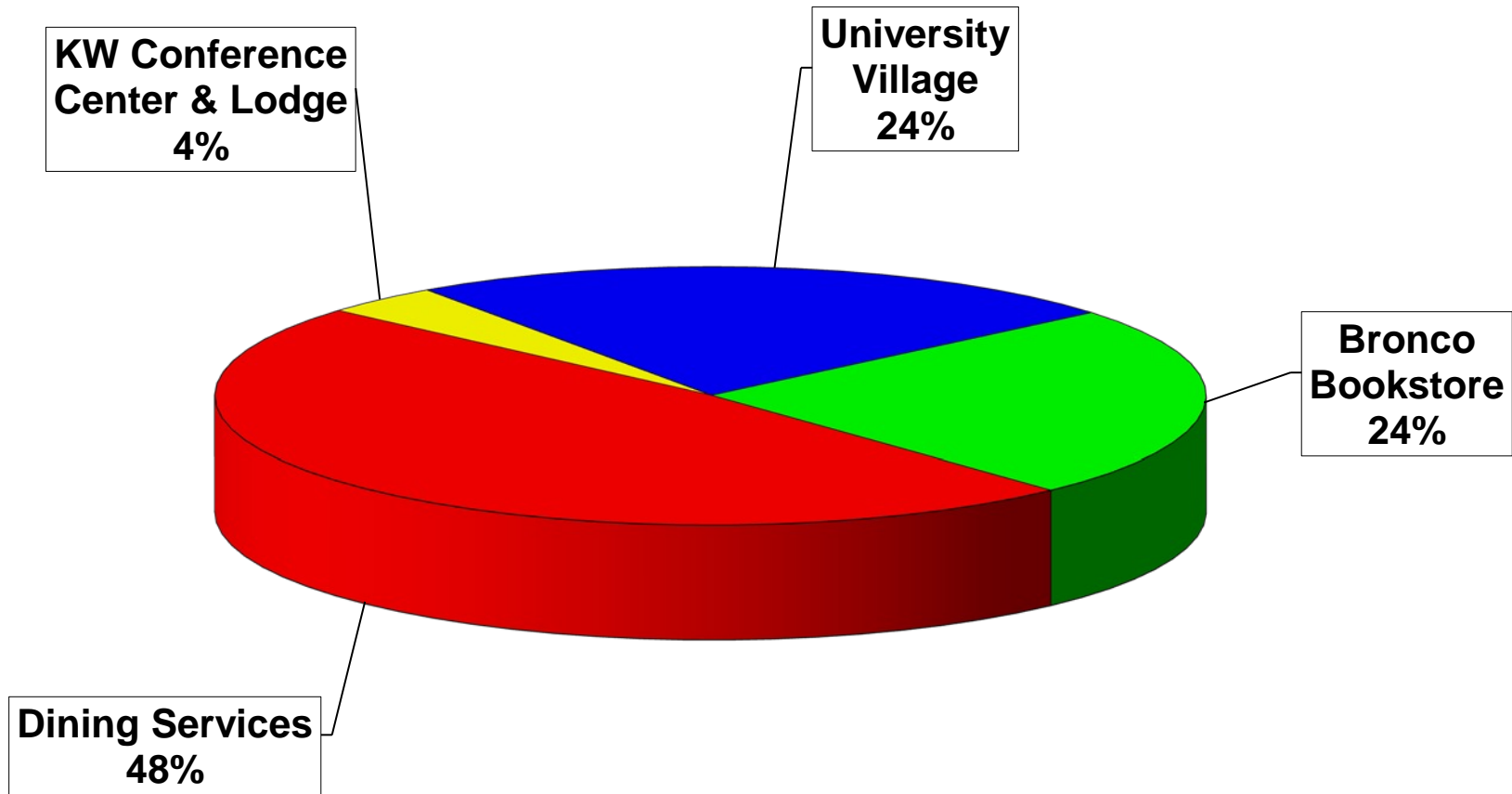
It is anticipated that \$1.0 million each year will be received in donations to the endowment based on past trends and existing pledges for the next 3 years and the 4 to 10 years beyond. Recorded and known pledges at this time are predominately all planned gifts including bequests which makes it difficult to predict at what point in time they will be received by the Foundation. There are no known long range items expected at this time.


OPERATING BUDGETS ENTERPRISES

Cal Poly Pomona Foundation
Enterprises
Consolidated Budget Comparison Summary
For the 2015-16 Fiscal Year

	2014-15 Approved Budget	2014-15 Forecast	2015-16 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other	587,027	612,325	593,053	(19,272)
Sales	37,510,093	38,680,106	39,834,281	1,154,175
Total Revenues	38,097,120	39,292,431	40,427,334	1,134,903
Cost of Goods Sold				
Cost of Goods Sold	12,981,270	13,460,507	13,509,332	48,825
Total Cost of Goods Sold	12,981,270	13,460,507	13,509,332	48,825
Expenditures- Controllable				
Utilities	1,203,318	1,220,086	1,249,416	29,330
AGR/RE Fees	1,000	350	480	130
Insurance		28	1,740	1,712
Repairs & Maintenance	721,641	777,335	725,835	(51,500)
Meals & Refreshments	8,845	15,961	12,185	(3,776)
Postage & Freight	53,938	58,621	58,590	(31)
Advertising	70,306	66,745	74,876	8,131
Rent/Commissions	506,140	500,747	514,153	13,406
Services	668,781	681,150	778,932	97,782
Supplies	786,388	991,767	869,377	(122,390)
Telephone	368,147	423,102	420,759	(2,343)
Travel	34,723	38,958	40,174	1,216
Laundry	185,581	234,400	206,832	(27,568)
Other	227,934	113,000	113,043	43
Total Expenditures- Controllable	4,836,742	5,122,250	5,066,392	(55,858)
Expenditures- Non-Controllable				
Administrative Fees	2,457,769	2,537,135	2,610,459	73,324
Depreciation	3,346,026	3,243,783	3,439,419	195,636
Insurance	199,140	160,753	170,306	9,553
Interest Expense	1,080,528	1,020,990	925,965	(95,025)
Rent/Commissions	573,479	623,504	635,889	12,385
Bank Card Fees	450,931	527,021	538,168	11,147
Other	516,578	510,455	534,374	23,919
Total Expenditures- Non-Controllable	8,624,451	8,623,641	8,854,580	230,939
Labor Costs				
Salaries & Wages	7,059,363	7,817,087	7,908,733	91,646
Employee Benefits	2,236,944	2,187,988	2,400,177	212,189
Total Labor Costs	9,296,307	10,005,075	10,308,910	303,835
Total Expenses	35,738,770	37,211,473	37,739,214	527,741
Net Income	2,358,349	2,080,958	2,688,120	607,162

Enterprise Proposed Budget Revenues



OPERATING BUDGETS
ENTERPRISES

BOOKSTORE

CAL POLY POMONA FOUNDATION, INC.

BRONCO BOOKSTORE

2015-2016

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2015

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Proposed Fiscal Year Budget

A

Cal Poly Pomona Foundation Bookstore Consolidated Budget Comparison Summary For the 2015-16 Fiscal Year

	2014-15 Approved Budget	2014-15 Forecast	2015-16 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other	160,234	158,497	162,500	4,003
Sales	9,327,766	9,669,779	9,601,280	(68,499)
Total Revenues	9,488,000	9,828,276	9,763,780	(64,496)
Cost of Goods Sold				
Cost of Goods Sold	6,716,177	6,897,880	6,826,841	(71,039)
Total Cost of Goods Sold	6,716,177	6,897,880	6,826,841	(71,039)
Expenditures- Controllable				
Utilities	54,630	56,900	65,180	8,280
Repairs & Maintenance	25,033	25,033	30,614	5,581
Postage & Freight	50,475	46,500	53,280	6,780
Advertising	10,250	10,255	10,250	(5)
Rent/Commissions	11,680	11,806	11,680	(126)
Services	56,325	35,360	51,550	16,190
Supplies	29,455	33,166	32,955	(211)
Telephone	10,800	13,800	12,800	(1,000)
Travel	1,200	1,200	1,200	
Other	12,148	12,848	15,148	2,300
Total Expenditures- Controllable	261,996	246,868	284,657	37,789
Expenditures- Non-Controllable				
Administrative Fees	613,442	640,574	636,751	(3,823)
Depreciation	150,672	142,176	162,000	19,824
Insurance	12,181	12,181	12,181	
Bank Card Fees	166,040	173,719	170,869	(2,850)
Other	220	220	220	
Total Expenditures- Non-Controllable	942,555	968,870	982,021	13,151
Labor Costs				
Salaries & Wages	996,229	982,259	1,022,522	40,263
Employee Benefits	285,162	339,962	330,340	(9,622)
Total Labor Costs	1,281,391	1,322,221	1,352,862	30,641
Total Expenses	9,202,119	9,435,839	9,446,381	10,542
Net Income	285,881	392,437	317,399	(75,038)

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

Bronco Bookstore is on target for and expects to meet or exceed forecasted net income for 2014-15.

Sales in non-technology general merchandise classes all show steady growth. Clothing and gift sales have benefited from increased enrollment, and supplies sales are up in spite of the continued decline of textbook revenue when in the past course materials and supplies tended to mirror each other.

Sales/rentals of course materials are down slightly, but that has been offset by increases in rental rebates and better margins achieved from maximizing various used book sourcing streams and use of tools such as Verba and other programs. Gross margin dollars from course materials are up slightly for the year to date.

In technology classes computer/hardware sales are holding steady to least year, this is a low margin category so has little net impact. Sales in software/accessories category are down about 15%, largely because most software is now licenses vs. hard media and increasingly available as cloud-based subscriptions. However, a shift to more sales in the higher margin categories within this class such as earbuds and other accessories, as well as high margin impulse items, have helped preserve net income in technology. GM/clothing sales had double digit growth from FY 12-13 to 13-14, and thanks in part to the new Bronco logo are on track to grow as much this year, passing the \$1million mark in clothing sales for the first time.

Explanation of Proposed Fiscal Year Budget:

We do not expect and have not forecasted for any significant budget fluctuations for the 2015-2016 fiscal year. Revenue from used course materials sales will continue to decrease slightly while new will increase, and continued emphasis on maximizing rebate opportunities and higher margin sourcing strategies will preserve course materials gross margin amounts. GM sales should continue to increase. Removing the dressing room and continuing to rearrange the space previously occupied by the customer service counter should allow us to add additional square footage for apparel and gifts.

Explanation of Proposed Fiscal Year Capital Requests:

1. Replace elevator
2. Sales floor upgrades/refresh.
3. POS register updates to meet PCI requirements

Changes in Staffing:

No need to hire additional staff is anticipated for 2015-16. However, we will continue to evaluate existing positions and how they fit with the changing nature of collegiate retail and may revise position descriptions and job duties as needed.

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

The course materials ecosystem will continue to evolve as the impact of rentals plateaus while the role of digital/licensed content will gain wider acceptance. The store will still have a role to play in aggregating/curating adoption and usage data, and facilitating transactions. Sales of printed textbooks will continue to decline but still be a significant percentage of overall revenue. However, changes in staffing and space allocation may be necessary if they decline to less than half of store sales. GM categories will continue to have growth potential particularly for student lifestyle needs as new housing and dining come online. However space allocation changes will have to be made to support much more growth in these categories, and some office space may need to be converted to sales floor by 2017-18.

Store systems will also need to stay current with customer expectation for both in-store and online shopping and interaction. Significant reinvestment in our technology infrastructure will be crucial to maintaining standards of customer service and store performance.

Mission/Vision Statement

E

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

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

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

Strengths and Challenges

Strengths

Reputation for high Customer Service Standards
Pleasing and Inviting Shopping Environment
Product Mix Experienced & Knowledgeable Staff
Provide Requested Academic Merchandise on Time
Financially Sound
Departmental Teamwork
Speedy Service at Registers
Lean Operation

Inventory Management

Challenges

Change in textbook technologies, online competition
Pressure to provide affordable learning solutions
Maintaining Margins, Market Share & Textbook Sell Through
Campus Relationships and Communications
Industry/CSU System Developments
Technology- aging store system
Store security, student pirating

Staffing Pressures-Fewer FT positions & PT/Student hours
Burnout
Mentoring and Staff Development

Employee Survey

F

The Bookstore employee survey has not been completed since 2010. A new survey format needs to be established and sent to bookstore staff for next year

Customer Survey

The bookstore's annual Customer and Faculty Satisfaction Surveys were administered by the On Campus Research service of indiCo, a subsidiary of NACS. OCR's survey service includes benchmarking data from the entire college retail industry. Both surveys were both offered online in January 2015.

The overall ranking in the Customer Survey was 3.92 (on a scale of 1 (lowest) - 5 (highest) exactly the same as in 2014, and higher than the industry average of 3.81. As in previous years, satisfaction was high on questions related to the store's appearance and service, but lower on questions related to textbook pricing and buyback. Since the store has actually worked very hard on innovative ways to increase textbook affordability, this may present an opportunity to market to students about the steps we've taken.

The ranking from the Faculty Survey was 3.9, down from 4.05 last year and compared to an industry average 3.89. Store staff rate as very knowledgeable and friendly and the store as responsive and easy to work with. However, responses showed that faculty are not as aware of the affordable options in course materials the store offers as we would like - nearly half were neutral or disagreed with the statement "The campus store offers students a variety of course materials options at different price points". Additionally, faculty indicated an interest in the store facilitating discussion and negotiation with publishers regarding affordable options, and interest in learning about Open Educational Resource options from the store. Focusing on faculty outreach should be a key goal for the textbook staff this year.

In addition to the satisfaction surveys, the store participated in the Large Store Group benchmarking survey which compares financial and operational performance across participating stores. Bronco Bookstore ranked extremely well in store operational efficiency as measured by the operating expenses ratio metric. Within our sales range cohort we ranked 2nd most efficient (17.7%), and across all stores in the survey only 7 stores had better ratios.

link to survey:

http://foundation.csupomona.edu/content/d/Meeting%20Packets/Bronco_Bookstore_Cust_Exp_Final_Report_2015.pdf

Keys to Success

Keys to Success Items	Rank in Importance 10 to 1
Campus Partnerships/Communication (Faculty/Students/Staff)	10
Course Supplies and Materials on Time	10
Effective Marketing/Branding (Store Perception)	10
Exceptional Customer Service	9
Staff Development/Knowledge	9
Current in Regards to Technology (Infrastructure/Course Content)	9
Control Operating Costs (Expenses and Labor)	8
Stay Responsive to New Markets/Products/Services	8
Remain Competitively Priced	8
Maintain Appropriate Inventory	8
Merchandise Selection	7
Stay Responsive to Customer Wants/Needs/Expectations	7

Corporate Culture

Customer/Client Perception	Unit Perception
High Margins	Net Income Meeting Budget Requirements
Not Part of Campus	Campus Partner
Profit Oriented	Service Oriented
Efficient Operation	Efficient Operation
Knowledgeable and Helpful Staff	Knowledgeable and Helpful Staff
Not Enough Operating Hours	Open to Meet Customer Needs
Inconvenient Customer Parking	Inconvenient Customer Parking

Business Controls and Vital Factors

H

BUSINESS CONTROLS

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

VITAL FACTORS

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

Asset Protection/Risk Management

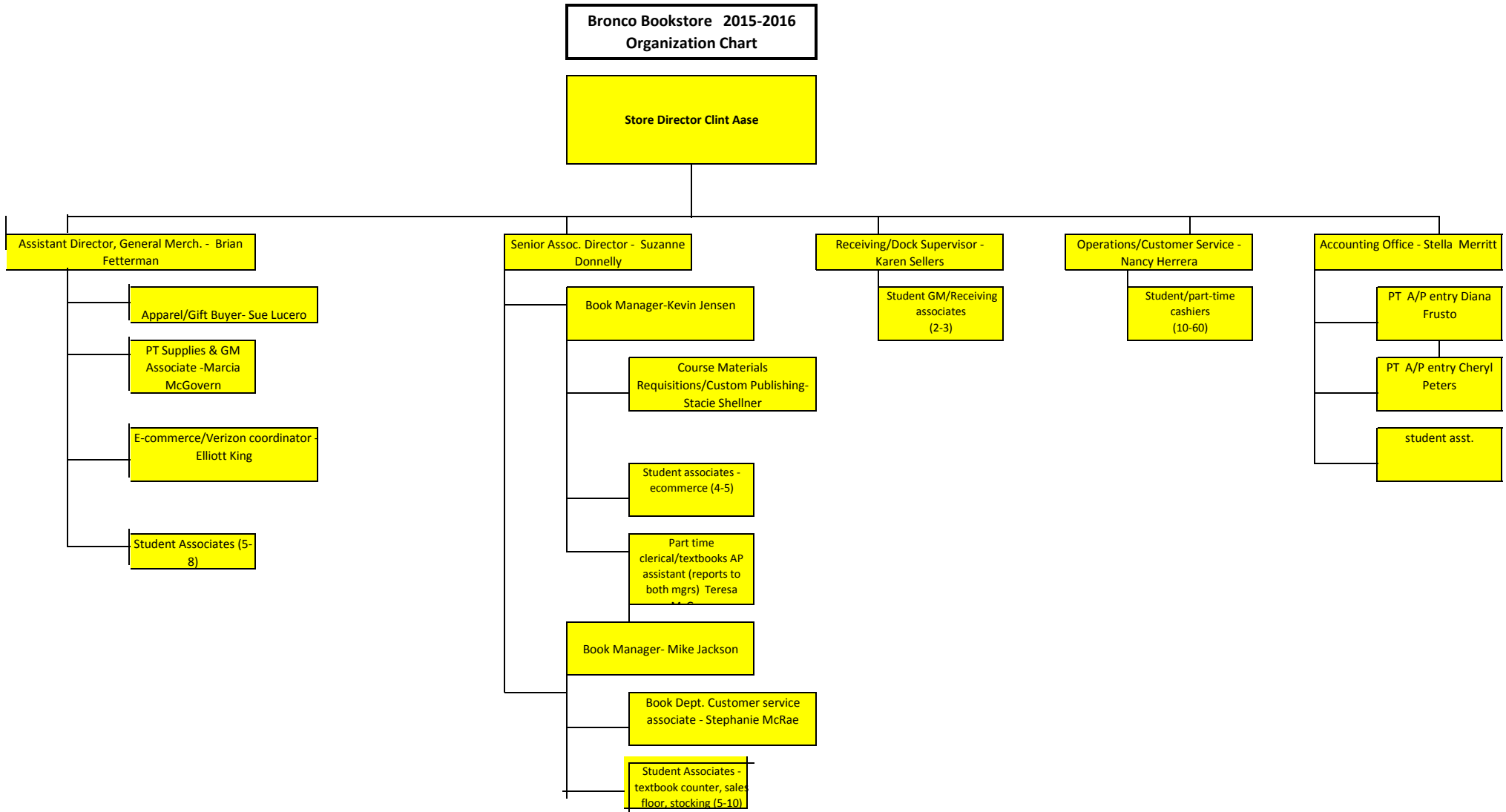
Physical Safety and Security


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

Data Security

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

Organization Chart



OPERATING BUDGETS
ENTERPRISES

DINING SERVICES

CAL POLY POMONA FOUNDATION, INC.

FOUNDATION DINING SERVICES

2015-2016

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2015

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Proposed Fiscal Year Budget

A

Cal Poly Pomona Foundation Dining Services Consolidated Budget Comparison Summary For the 2015-16 Fiscal Year

	2014-15 Approved Budget	2014-15 Forecast	2015-16 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other	297,585	330,018	299,883	(30,135)
Sales	17,255,705	18,485,439	19,280,386	794,947
Total Revenues	17,553,290	18,815,457	19,580,269	764,812
Cost of Goods Sold				
Cost of Goods Sold	6,265,093	6,562,627	6,682,491	119,864
Total Cost of Goods Sold	6,265,093	6,562,627	6,682,491	119,864
Expenditures- Controllable				
Utilities	379,171	373,815	384,666	10,851
Insurance		24		(24)
Repairs & Maintenance	179,966	256,642	198,462	(58,180)
Meals & Refreshments	4,535	6,502	3,185	(3,317)
Postage & Freight	300	6,933	150	(6,783)
Advertising	34,396	33,867	34,346	479
Rent/Commissions	485,782	477,050	490,007	12,957
Services	346,333	313,470	412,402	98,932
Supplies	638,934	827,323	702,425	(124,898)
Telephone	27,221	47,347	45,220	(2,127)
Travel	23,503	22,410	31,574	9,164
Laundry	106,539	125,177	104,554	(20,623)
Other	38,260	16,513	14,116	(2,397)
Total Expenditures- Controllable	2,264,940	2,507,073	2,421,107	(85,966)
Expenditures- Non-Controllable				
Administrative Fees	1,129,646	1,212,531	1,261,009	48,478
Depreciation	607,901	529,291	550,457	21,166
Insurance	39,745	32,591	35,899	3,308
Rent/Commissions	572,879	622,904	635,289	12,385
Bank Card Fees	203,955	248,978	251,644	2,666
Other	348,308	336,665	358,254	21,589
Total Expenditures- Non-Controllable	2,902,434	2,982,960	3,092,552	109,592
Labor Costs				
Salaries & Wages	4,337,864	4,781,434	4,941,649	160,215
Employee Benefits	1,316,033	1,197,386	1,415,306	217,920
Total Labor Costs	5,653,897	5,978,820	6,356,955	378,135
Total Expenses	17,086,364	18,031,480	18,553,105	521,625
Net Income	466,925	783,977	1,027,164	243,187

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

Enrollment increase along with Remodeling International Grounds and Pony Express at Campus Center in the summer of 2014 has drive revenues at those two operations. Overall Campus Center revenue has helped increased by over 26% year over year. This is noteworthy, as revenues at the Campus Center Marketplace had been in decline over the past few years.

BSC Operations revenue has shown an increase of over 20%, driven primarily by catering out of QDoba, Subway, and Round Table Pizza. Combined, catering revenue out of BSC is forecasted to exceed \$450k.

Kellogg West dining has shown an impressive turnaround with a YOY revenue increase of over 40%, driven by increased service charges and Wedding activity at Kellogg House.

Our forecasted revenue for FY 2013-2014 shows and excess to budget of over \$400k, (\$18 mil vs. budgeted \$17.3 mil) and an excess to budgeted net income of \$650k (\$1.1 mil vs. budgeted \$450k)

Explanation of Proposed Fiscal Year Budget:

The upcoming Fiscal year we will be challenged with managing our food and labor costs. With the California Drought and significant minimum wage increases, managing the middle of the page will be critical. On a positive note, forecasted enrollment increases of another 1.7% will help our retail operations grow their sales.

Labor costs are budgeted to increase by 4.2% to forecast driven by the minimum wage increase, and the proposed addition of 3 full-time benefitted positions (see below).

Shop24 at the University Village is not performing as expected. A rework of the product offering was completed in partnership with Shop24 in March with the aim of providing products our customers want at the prices they are willing to pay.

We are projecting a significant increase in revenue at CTTI with the implementation of Keg sales and Educational Programming through the CEU at Innovation Brew Works. We will continue to modify the menu offerings to keep things new and fresh at the location. will be needed to better reflect this atmosphere as well as modifications to the kitchen to accommodate these menu changes.

A 3% increase in Board rates is anticipated.

Overall, dining operations are budgeted for \$18 mil in revenues with a \$600k contribution.

Changes in Programs and Services for Proposed Fiscal Year:

Los Olivos: None

CCMP: Taco Bell Catering, GET at FS Cafe

BSC: Implementation of Hibachi-San, a japanese teppan grill with a unique tea bar and grab n' go sushi

IBW: Keg sales and distribution

Explanation of Proposed Fiscal Year Capital Requests:

\$80K- POS Credit Card Compliance Project

\$25k- CCMP Cashroom remodel (security)

\$35k- Refresh side upper patio at CCMP

\$20k- COGNOS project

\$45k - Refresh Faculty Staff Cafe

\$70k - Resurface kitchen floor at CCMP

\$40k Patio enhancements at IBW

Changes in Staffing:

(See Organizational Chart)

- Addition of a BSC Floor Operations Supervisor
- Addition of KW Dining Catering Captain
- Addition of Starbuck's Floor Supervisor

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

Implications of the semester conversion in fall of 2018 will need to be studied

The design of the new Dining Commons on campus scheduled to open the fall of 2018 is underway. A demand study has been completed, as well a a proforma for funding the new Dining Commons

With no funds to implement LPA space study of BSC, opportunities will arise with Freshen's and RTP over the coming years

Beyond 2016: the possibility of CCMP being replaced,

A food service operation may be installed at the third SCE building at Innovation Village, we will be invited to bid on this piece of business. Implications for increased sales at Innovation Brew works in the evenings.

Mission/Vision Statement

The mission of Foundation Dining Services is to provide an exceptional dining experience in a clean, friendly, enjoyable, and socially accountable environment in which the services and goods exemplify the cutting edge of industry trends. The services and goods are to be provided at a reasonable and competitive cost in an ethical manner, while generating funds that contribute to the overall campus community that we serve on the Cal Poly Pomona.

Our Vision Statement:

- To provide outstanding service to the campus community in clean and attractive facilities
- To encourage dedication in all employees through recognition, training, respect, listening, and understanding
- To listen and be flexible and responsive to the needs of customers and the organization
- To provide a variety of valued and competitively priced products, quality services, and healthy choices to our customers
- To partner with the University
- To be financially successful
- To be ethical in our business procedures and decisions
- To be environmentally aware and responsible
- To be proactive and willing to change for the needs of today

Strengths and Challenges

Strengths

"A" grade maintained with the L.A. County Health Department; Variety better and enhanced; convenient locations - constantly expanding; teamwork within Dining Services (team unity); Listen to customers - try to respond as best we possibly can; fiscal responsibility; "Blended Solutions" - diversity of management, varied backgrounds and experience; relationship with and support of campus community; product quality and consistency; stability of management - support of each other; lower staff turnover; commissary development; Campus Catering; Presidential Order on Use of Foundation Services & Central Support Resources; increased enrollment and operational efficiencies driving retail revenues up, amazing turnaround of KW Dining operations

Challenges

Presidential Order on Use of Foundation Services & Central Support Resources; Technology-POS/reporting systems; managing to the 1000 Hour Rule AND the 25 hour rule; development of effective training; development of ongoing in-unit training; completion of tasks in a timely fashion; react more quickly to changes in the market (cost of goods presently in dramatic escalation); aging infrastructure at CCMP and Los Olivos; cleanliness of dining rooms/areas ; Seating quantity and comfort; campus requests for additional unprofitable "micro-operations". Continuing demands for PCI compliance, credit card issuers placing fraud liability on merchants. \$1 increase in minimum wage effective 1/2016.

Employee Survey

-No employee survey was taken this year

Customer Survey

We had over 1100 respondents to the NACUFS survey making the data gathered valid. We exceeded the scores in all categories when compared to last year AND the year prior. Overall, we scored 4.18 vs. the Pacific Region's 3.8.

We will be developing unit-specific action plans to address the survey results during the summer months for fall 2015 implementation.

Overall, Foundation Dining exceeded the satisfaction of our peers in the Pacific Region by 10% in Overall Satisfaction. We continue to be far superior in Taste as well, beating the region by over 12%.

Generally, we trail our peers by 1-2% in the categories of "Available Seating" and "Comfortable Seating". This validates the BSC Space Study conclusions conducted for ASI by LPA two years ago. We will continue to look for opportunities to address this, particularly at BSC and Campus Center.

Though our year-over-year results were relatively flat overall, we have set a very high bar in comparison to like institutions and universities in our region. Our focus was on Fresh and Availability of Healthy Items this year. We exceeded the prior year's scores in each of these categories.

link to survey:

http://foundation.csupomona.edu/content/d/Meeting%20Packets/Dining_Services_NACUFS_Survey_2015.pdf

Business Controls and Vital Factors

H

- 1) Establish MPLH or SPLH labor goals for each operation that can be measured daily against actuals
- 2) Provide leadership training opportunities for key staff
- 3) Set measurable annual goals with each operating unit that tie in to the overall goals of the division, providing frequent feedback on progress throughout each operating period
- 4) Continue to expand P&L responsibility to front-line supervisors
- 5) Work toward analytical tools to assist in predicting the future instead of looking back to see how we did
- 6) Cashier Audits
- 7) Continue to monitor product cost & adjusting purchasing patterns and pricing on a constant basis.

Asset Protection/Risk Management

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

PCI Assessment complete. Taking affirmative action with POS systems, 95% complete (see MIS)

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

Los Olivos: Improvement in employee locker security, building perimeter, building egress, video system, safe combo, authorized drivers, ensuring that current insurance and indemnification language are in all new contracts, data security procedures are in place.

CCMP, C-Stores & Starbuck's: Provide employee training of E Phone, Repaired Fire Alarms, Video system, Fire extinguisher training for staff, facilities repairs, staff training by Employment Services, installed non-skid floor in Carl's Jr.

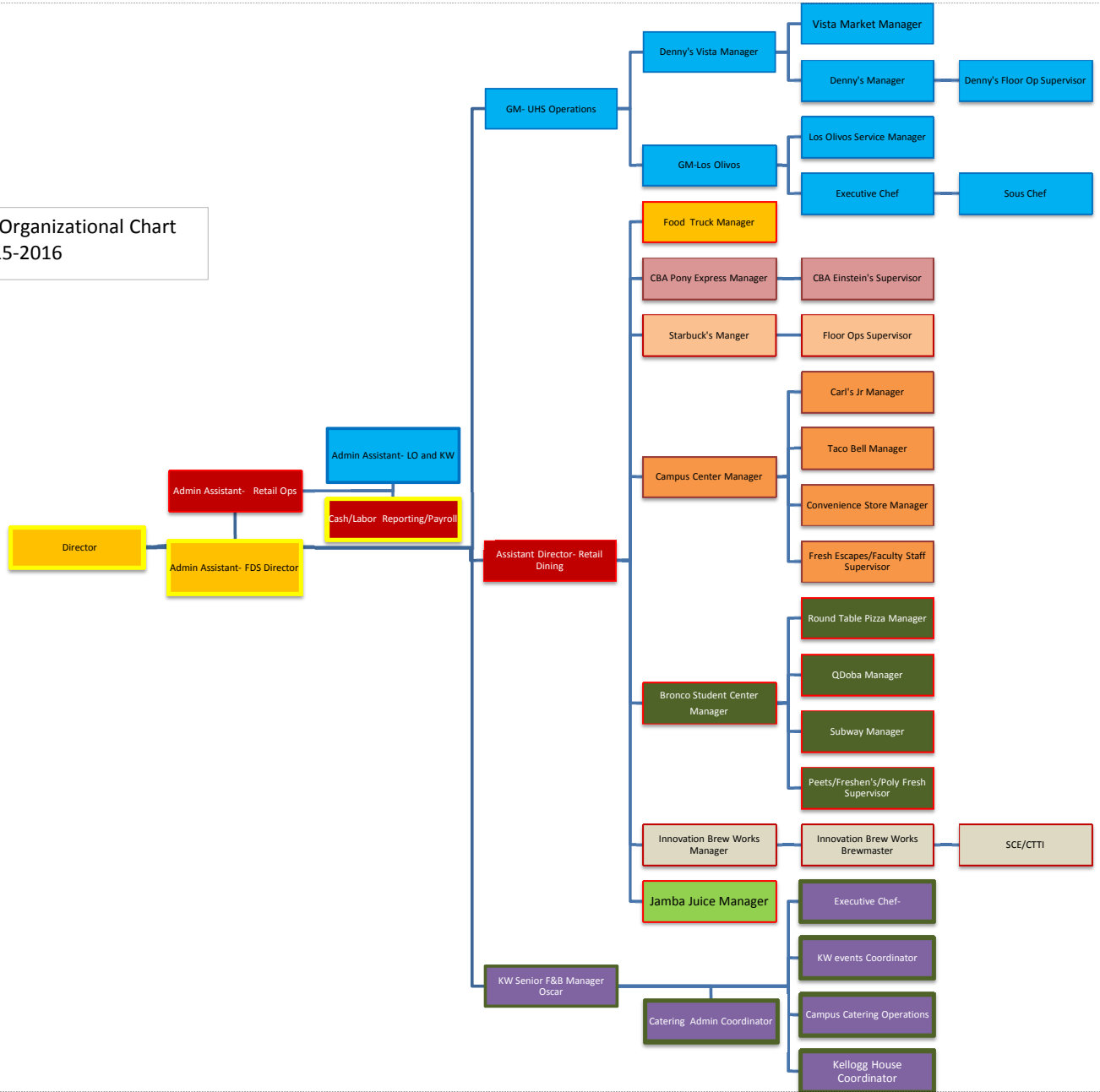
KW Food and Beverage: replaced walk-in doors, Improve employee locker security, provide staff training for safety protection equipment, repair safety locks on walk-ins, improve security of safe combo, staff training of check and credit card acceptance per FDN policies. Improved credit card processing at Kellogg House Pomona (3g reader).

IBW- Prevention training, alcohol service training, inventory

Organization Chart



Dining Services Organizational Chart
2015-2016



OPERATING BUDGETS
ENTERPRISES

KELLOGG WEST
CONFERENCE CENTER & LODGE

CAL POLY POMONA FOUNDATION, INC.

Kellogg West Conference Center & Hotel Rooms, Conferences & Sales

2015 - 2016

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2015

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Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation
Kellogg West Conference Center
Consolidated Budget Comparison Summary
For the 2015-16 Fiscal Year**

	2014-15 Approved Budget	2014-15 Forecast	2015-16 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Sales	1,452,619	1,626,969	1,542,709	(84,260)
Total Revenues	1,452,619	1,626,969	1,542,709	(84,260)
Expenditures- Controllable				
Utilities	147,153	143,221	143,785	564
AGR/RE Fees	1,000	350	480	130
Repairs & Maintenance	125,472	97,500	98,249	749
Meals & Refreshments	960	2,784	1,800	(984)
Postage & Freight	2,323	4,348	4,320	(28)
Advertising	14,920	11,623	18,630	7,007
Rent/Commissions	6,638	10,791	11,026	235
Services	162,697	228,968	214,437	(14,531)
Supplies	52,699	53,878	61,842	7,964
Telephone	42,126	45,555	44,739	(816)
Travel	300	548	300	(248)
Laundry	78,442	108,573	100,278	(8,295)
Other	7,446	13,374	9,599	(3,775)
Total Expenditures- Controllable	642,176	721,513	709,485	(12,028)
Expenditures- Non-Controllable				
Administrative Fees	87,156	97,618	92,562	(5,056)
Depreciation	58,105	43,568	55,282	11,714
Insurance	24,694	24,745	26,226	1,481
Bank Card Fees	20,336	22,124	20,055	(2,069)
Total Expenditures- Non-Controllable	190,291	188,055	194,125	6,070
Labor Costs				
Salaries & Wages	447,646	492,386	475,460	(16,926)
Employee Benefits	148,557	156,411	151,290	(5,121)
Total Labor Costs	596,203	648,797	626,750	(22,047)
Total Expenses	1,428,670	1,558,365	1,530,360	(28,005)
Net Income	23,949	68,604	12,349	(56,255)

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

Through the first three quarters of the 2014 - 2015 fiscal year Kellogg West Rooms & Conferences revenue is up \$222K from prior year and up \$162K from budget. YTD expenses are \$94K over budget and \$95K over prior year due primarily to the significant increase in business levels. HOWEVER , 2014 - 2015 YTD expenses are lower as a percentage of revenue to prior year and to budget. YTD actual net income is \$63,305 versus a YTD budgeted net income of (\$4,733) and a YTD prior year net income of (\$63,096) which is \$68K better than budgeted and \$126K better than prior year.

2014-15 EOY net income is forecasted to come in at \$68,604 or \$105K better than EOY net income prior year (\$36,586) and \$44,654 better than the budgeted EOY net income of \$23,950.

Explanation of Proposed Fiscal Year Budget:

With the proposed 2015 complete renovation of all hotel guest rooms, Kellogg West is budgeting that meeting/conference demand and revenues will increase slightly in 2015-2016 with a continued demand for more affordable facilities that offer the "service" meeting planners expect. As has been the case for several years now, Kellogg West continues to see returning clients who are still faced with budget constraints and who are still seeking out affordable alternatives, such as Kellogg West, for small to medium meetings.

Along those same lines Kellogg West is also seeing a much more competitive market place - especially from upper-end, up-scale properties who are still trying to "hold on to the business" (or in many cases bring it back) no matter what the costs.

Controllable Expenses as well as Labor Expenses for 2015-2016 will continue to be tightly controlled and the financial "bottom line" is still the focus.

With completion of the 2015 guest room renovations Kellogg West will make appropriately marginal lodging rate increases however we remain committed in our ongoing efforts to being "affordable" and competitive in a market that has a great many newer hospitality alternatives and who (as stated above) have really become much more competitive in their meeting rates.

Changes in Programs and Services for Proposed Fiscal Year:

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

Explanation of Proposed Fiscal Year Capital Requests:

The noticeable capital improvements of the past two fiscal years (hotel lobby, conference center, dining room and exterior changes to our Crestview Building) have been very favorably received by all of our Guests. Proposed capital improvements for 2015-2016 will consist of the complete renovation of all hotel guest rooms as well as some minor exterior improvements the Hillside Bldg and the Woodview Bldg.

Changes in Staffing:

For 2015-2016 there are no changes planned in Staffing.

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

Demand for "affordable" meeting and training facilities will continue to be high due to lessons learned during the past several years as well a continued "tight" budgets and tighter audits.

With the majority of our business coming from within California and State's basically "unchanged" economy, it is obvious that "as California goes" so also do KW revenues go.

Other factors which will have an affect on Kellogg West's business over the next three to five years are some of the key issues that have been repeatedly discussed over the last several years. Those are the seismic upgrade, the in-progress Collins College expansion, an aging Kellogg West and, of course, the University Master Plan, all of which could or already impact Kellogg West as a whole.

Mission/Vision Statement

The recent past several years have brought surprising new opportunities as well as new ways of thinking and new ways of doing for Kellogg West. Along with those new ways of thinking and doing, Kellogg West has evolved into a business that makes sense financially and that will enable us to carry on our long history and valuable partnership with Cal Poly Pomona University and The Foundation.

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

Strengths and Challenges

Strengths

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

Challenges

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

Employee Survey

F

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

Customer Survey

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

Business Controls and Vital Factors

H

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

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

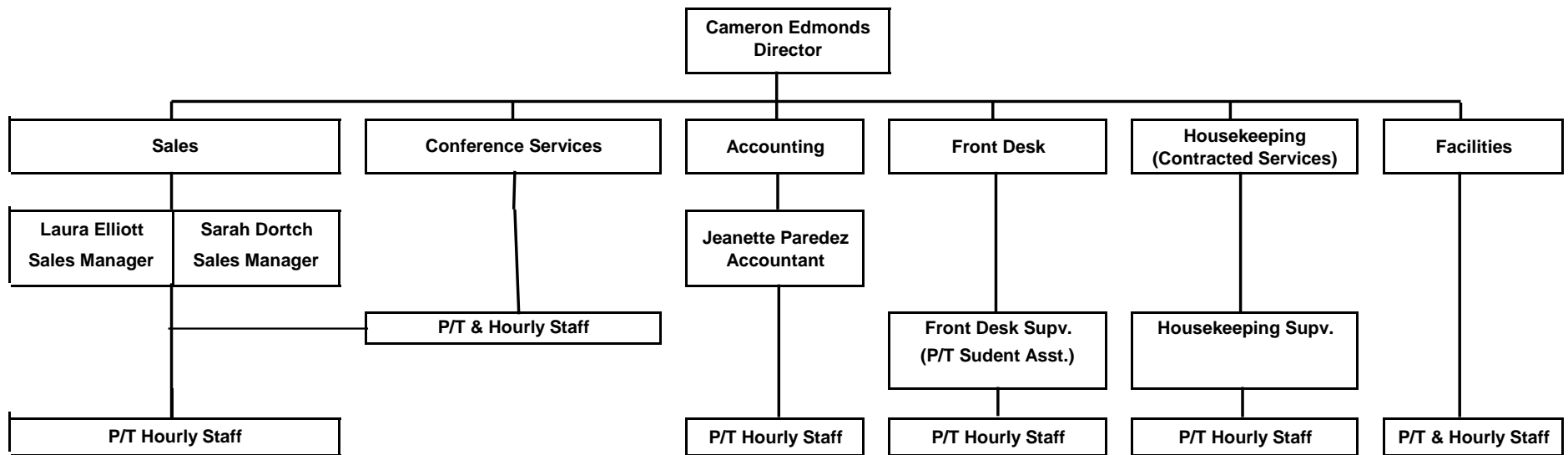
Asset Protection/Risk Management

1. Suggestion to install video security cameras - No plans to install such at this time for financial reasons
2. Update of KW Emergency Procedures and manuals - Completed and updated annually or as needed.
3. Separation of duties with KW Director - Completed with KW Accountant placing orders and Director reviewing/approving.
4. Change safe combinations and keep a record of who has access and knowledge of combination - Completed. Record of who has access and safe combination now in sealed envelope in Foundation safe.

Organization Chart



Kellogg West Conference Center & Lodge 2015-2016 Organizational Chart



OPERATING BUDGETS
ENTERPRISES

FOUNDATION HOUSING SERVICES

CAL POLY POMONA FOUNDATION, INC.

Foundation Housing Service

2015-2016

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2015

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Proposed Fiscal Year Budget

A

Cal Poly Pomona Foundation Foundation Housing Services Consolidated Budget Comparison Summary For the 2015-16 Fiscal Year

	2014-15 Approved Budget	2014-15 Forecast	2015-16 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other	129,208	123,810	130,670	6,860
Sales	9,474,003	8,897,919	9,409,906	511,987
Total Revenues	9,603,211	9,021,729	9,540,576	518,847
Expenditures- Controllable				
Utilities	622,364	646,150	655,785	9,635
Repairs & Maintenance	373,530	395,460	393,470	(1,990)
Meals & Refreshments	3,050	6,500	6,900	400
Postage & Freight	840	840	840	
Advertising	10,740	11,000	11,650	650
Rent/Commissions	1,800	1,000	1,200	200
Services	434,262	442,100	461,380	19,280
Supplies	58,400	71,950	63,750	(8,200)
Telephone	282,000	308,000	309,600	1,600
Travel	9,600	14,800	6,800	(8,000)
Laundry	600	650	2,000	1,350
Other	168,880	70,165	73,280	3,115
Total Expenditures- Controllable	1,966,066	1,968,615	1,986,655	18,040
Expenditures- Non-Controllable				
Administrative Fees	627,525	586,412	620,137	33,725
Depreciation	2,525,748	2,525,748	2,668,680	142,932
Insurance	120,780	91,236	96,000	4,764
Interest Expense	1,080,528	1,020,990	925,965	(95,025)
Bank Card Fees	60,600	82,200	95,600	13,400
Other	168,050	173,570	175,900	2,330
Total Expenditures- Non-Controllable	4,583,231	4,480,156	4,582,282	102,126
Labor Costs				
Salaries & Wages	1,072,174	1,339,008	1,244,538	(94,470)
Employee Benefits	400,140	399,644	395,891	(3,753)
Total Labor Costs	1,472,314	1,738,652	1,640,429	(98,223)
Total Expenses	8,021,611	8,187,423	8,209,366	21,943
Net Income	1,581,600	834,306	1,331,210	496,904

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

The current fiscal year has been surprising, challenging and gratifying. Summer occupancy was low, as expected. Academic year occupancy hovered around 98% during the fall quarter but has risen to 99% during this current academic term. Retaining/recruiting students from Cal Poly this year-post fall continues to be a challenge. Our annual fall wait list dissipated quickly during the quarter. Mount SAC students added to our population numbers and also to the richness of our community. We seem to be attracting a larger number of international students each year. Capital funded refurbishing of Phase I and Phase II has resulted again in greater customer satisfaction and a notable reduction in work orders during the fall term. Changes in personnel, job descriptions, terms of service and newly developed student services brought significant success to our organization again this year. Reorganization and enhancements to our services (Business Operations, Community Development, Information Technology, and Residential Education) have proven to be very impactful - judged by student feedback at town hall meetings, the Residential Experience Survey, and attendance at Village programs.

Explanation of Proposed Fiscal Year Budget:

The 2015-2016 budget has been designed to continue the growth and development experienced over the past several years while increasing the use of best practices and also maintaining fiscal accountability. A sense of reality as to what we need to do to maintain success and continue development of each project unit continues to guide the latest financial plan. Student occupancy drives the development of this budget. As a result of our overall success in employing a 98% academic year occupancy guide, we've decided to once again base our bottom line and revenue projections on this percentage. In light of the continued evolution of the summer mission of the University, we've maintained our expectations of summer occupancy at 30% of available bed spaces with a proposed special reduced summer rate for students living in the open buildings. This fiscal year, we propose the closing of part of Phase III for the summer months to allow for painting, cleaning, and general repairs. We expect full or nearly full occupancy during 2015-2016 academic year, however it's important to consider changes in the University, national and international economy, enrollment and financial aid funding, etc. and also allow for some cushioning against any sudden economic and budgetary downturns. The 2015-2016 budget is based (largely) on the end of year forecast provided for 2014-2015. We've maintained sensible spending, however we no plans for additional staff this year, though we would like to reclassify two positions. We'll continue to enhance all existing and recently added services for our students including the Tech. Center, laundry room, Shop 24 vending, refurbishment of the pool, the Living/Learning Community building (105), and community sustainability.

In light of our Major Goals,we believe that this is a balanced and focused budget capable of continuing forward movement during a time of national recovery from recession and extraordinary changes in higher education. The 2015-2016 budget continues to be somewhat less lean than previous budget submissions. We've restored some funding for professional development and related travel. We also don't want to lose ground on the progress that we've made both maintaining and upgrading facilities. We're thankful that we can rely on years of growth and economic success during difficult and uncertain times, however we believe that we must continue the vigorous maintenance and facility enhancement program (outlined in the 10 year cash flow plan) in order to satisfy our residents and prevent a greater, more long term and costly decline in residential facilities. All Phases are increasingly in need of costly on-going maintenance. Phase III (9 years old) is quickly deteriorating with both cosmetic and structural facade repairs required. We believe this is a good budget allowing for a necessary 4% increase in license fee rates in all Phases while preserving an economic first rate quality of life offered to our residents. We've also decided in 2015-2016 to continue to provide our students full use of an open laundry room by including a \$10 monthly fee as part of their license fees. This program has been generally successful. We'll also still provide apt. cleaning and on-going restoration and refurbishment of apartment furniture and fixtures, while stressing economic efficiency and sustainability. The development of summer/conference housing options and additional housing for currently unhoused populations is ESSENTIAL to our mission, University expectations, and financial stability and growth as an auxiliary service. A consultant has visited the Foundation/Village to research and develop a summer housing/conferences plan.

Changes in Programs and Services for Proposed Fiscal Year:

In 2015-2016 we plan on continuing to develop computer support services by adding academic and computer related supplies and providing skill building workshops for the community. We will also continue to expand the student services provided by the Residential Education and Community Development teams, such as the Village Programming Board, Living/Learning Communities, Community Development Programming: sustainability, health and wellness, and transitional life skills education, and housing for international students.

Explanation of Proposed Fiscal Year Capital Requests:

1. Painting the interior of Phase III apartments to maintain our facilities.
2. Replacement of carpet in apartments as needed to maintain our facilities.
3. Installation of service doors in Phase III soffits.
4. Installation of more secure bike racks in all Phases to deter bike theft.

Changes in Staffing:

The Director of Housing position is vacant, but should be filled by Fall 2015.

The Assistant Director for Residential Education & Community Standards will serve as the Senior Associate Director.

No additions to staffing, however one Operations staff position is proposed to be reclassified.

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

Overall, University Village facilities have been well maintained over the past 25+ years. Village facilities are structurally and cosmetically appealing because maintenance has been rarely deferred and capital funding for upkeep and renovation has been available. The Village Management Team believes that as the result of the aforementioned, the Village is in a good position to withstand the Universities' economic uncertainties and looming reduction in resources, that we must now accept. We must recognize that we must proceed in funding some of the bigger ticket issues facing this aging complex. We need to look at revising our mission to accommodate future currently under served populations including: domestic partners, families/ veteran's, faculty/staff (short-term), ADA, and international students. We advocate for the building of a new complex (to house the aforementioned) in stages and over the next several years. The development of a technology program with support services for students and staff is necessary as we continue to integrate new technologies into daily management and financial operations within the Village. Upgrades and use of tablet and mobile technology will encourage better communication, greater security, efficiency, and better customer service. Current and future financial management computer program enhancements should enable us to evaluate the use of staffing in the Operations area.

Major Projects and Business Goals for Proposed Fiscal Year

D

Action Steps	Person Responsible	Due Date
Participate in activities associated with the development of additional housing options.	Dave/Sherry/Regina	On-Going
Assess observation of security camera system.	Owen Leads	On-Going
Develop opportunities to "link" the Village to the larger campus community.	David Leads	On-Going
Review consultant's report and follow recommendations for developing a summer conference program.	Regina/Sherry/Beau Lead	3/15
Review budget/s monthly with managers and research necessity of yearly rate increases.	All Managers	On-Going
Continue development of File Maker mobile device software.	Owen Leads	On-Going
Repaint and refurbish Phase III.	Sherry/Steve Lead	9/15
Conduct "shelter in place" training for the University Village.	Kenny/Debbie McFall Lead	3/15
Tech Center develops "DIY" informational workshops and computer based activities.	Owen/Ryan/Nam	On-Going
Assess all operations processes for paperless conversion.	Owen/Sherry Lead	On-Going
Purchase and install more secure bike racks.	David/Steve	9/15
Increase computer diagnostic and support services in the Tech Center.	Ryan/Owen Lead	On-Going
Develop opportunities for student leadership development and on-going student staff training.	Kyle Leads	On-Going
Organize all professional staff development sessions for 2015-2016.	David/Sherry	On-Going
Foster the creation of community outreach education and service program for Village residents and staff.	Brad	On-Going
Hold Quarterly Village Town Hall Meetings.	David/Sherry Lead	Quarterly
Write plan for steel door replacement.	Owen/Steve Lead	9/15
Update 2 year project list for IT services within all Village operations.	Owen & IT Team	12/15
Expand social justice training opportunities for residents, student and professional staff.	Dave/Kyle/Beau Lead	On-Going
Promote sustainability within all Village functions. Support/Promote sustainability garden.	Liz/Beau/Sustainability Advisors	On-Going
Research and purchase public address solution.	Owen/Kenny	12/15
Enhance Wellness Program initiatives through Health and Wellness Advisors.	Liz Leads	On-Going
Continue development and integration of tablet/mobile devices into all Village operations.	Owen Leads	On-Going
"Grow" intentional housing communities (LLC)	Beau/Regina/Dave/Beau	On-Going
Contract and administer SkyVector (formerly EBI) Apartment Residential Experience Survey.	Dave Leads	1/16
Develop mission statement and goals for the Res. Ed and Community Development Units.	Kyle/Liz Lead	12/15
Explore alternative student staffing options.	Kyle/Dave Lead	9/15
Replace/upgrade staff computers.	Owen & IT Team	12/15
Migrate computer lab workstations to VDI.	Owen & IT Team	9/15
Overhaul Village website.	Director/Owen/Alex Hernandez	9/15
Research expansion/upgrade of security cameras.	Owen Leads	12/15
Train Nancy in all month-end and year-end procedures.	Sherry	On-Going
Cross-train Monica in daily deposits and accounts payable batches.	Sherry	6/15

Mission/Vision Statement

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

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

Strengths and Challenges

Strengths

*quality of staff *financially responsible and profitable*affordable housing*technology/help desk with full-time manager
 *web site with on-line services*student customer focus*quality of student life*occupancy (new and retained)*facilities (flexible design options)and well cared for facilities*comprehensive training program for building staff*24 hour emergency response (maintenance and student crisis)*flexible and responsive approach to "change" and organizational development*student leadership development in transitional housing environment*students report high satisfaction with the quality of life (overall-RES)*staff creativity, motivation, professionalism and commitment to mission(s) of the University, Foundation and University Village

Challenges

*security*general operating costs*maintaining rates at affordable levels*physical "aging" of Phases I and II-deteriorating facilities*necessary current and future capital projects-large scale replacement of kitchens, heating and cooling systems etc.* communication between various departments (overall)*developing a Village staff team (all units)*student recreation and study space*effective communication of policies, procedures and general information to student residents*student leadership-students taking responsibility for their community*staff investment in operational changes and introduction of new systems/staff roles/objectives/mission*computerization of administrative systems*maintaining positive and equal relationships with campus offices*diversifying business "plan" and adding business and living options*effects of national and international economic conditions on student application and retention*University enrollment and retention*

Employee Survey

An employee survey has not been conducted since 2012.

Customer Survey

The Residential Experience Survey was administered through an outside vendor, SkyVector (formerly Educational Benchmarking, Inc.) SkyVector provides national benchmarking data/comparative features. The survey was provided via email to 1251 residents (99% occupancy).

Following are the major results of the survey:

*Overall Satisfaction: 95.9%

Satisfaction Rates:

*Residents live at the Village due to location 94.4% and cost 92.4% value 90.2%

*Interactions: Positive/Very Positive: Student Leaders (RA's, MA's, CSLA's, HWA's, SA's) 97.5%, Facilities 95.3%, IT 95%, Front Office 94.6%, Mailroom 95.9%

*Resident Experience With: Check-In 95.8.1%, Room Assignments 50.4%, Laundry Room 81.3%, Monthly Cleaning Service 93.6%, WIFI 64.3%, Study Area 90.8%, Computer Lab 93.9%, Condition of Apartment 93.3%

We are extremely pleased by the responses to our staff and programs by our student customers. We will continue to move forward in an effort to raise the satisfaction levels higher as we continue to listen to the needs and wants of our constituents. The University Village has been a labor of love for staff and students. The community is strong, progressive, diverse, intelligent, innovative, kind, happy, and motivated.

link to survey results:

http://foundation.csupomona.edu/content/d/Meeting%20Packets/Village_Res_Experience_2015_Survey.pdf

Keys to Success

Keys to Success Items	Rank in Importance 10 to 1
Positive resident/customer relations	10
Safety and Security	10
Maintain Facilities	10
Staff and Students Committed to the Retention of Customers	10
Overall High Customer Satisfaction as Indicated by the Residential Experience Survey	10
Marketing	9
Inclusive Community	9
Management and Staff Productivity	8
Positive Staff Relations(internal and external)	8
Effective Verbal and Written Communication (internal and external)	7
Enhancing Technology for Students and Staff	9
Positive Relations with University and Foundation Colleagues	7
Investment in the "growth" of the Foundation Housing Program and Understanding of Short and Long Term Obj.	9
A Business Plan reflecting strategic objectives for planned growth and based upon student and staff input,	10
-evaluation, enhancement of the mission statements of the Foundation, Foundation Housing and the University.	
Clear job descriptions and responsibilities led by individual managers.	10
Focus on community and student development.	8

Corporate Culture

Customer/Client Perception	Unit Perception
Supportive-Positive (overall)	Helpful
Staff Do A Good Job-Good Role Models (overall)	Supportive-Fair-Honest-Flexible
Insensitive (at times) to Student Needs (Especially with Financial Issues)	Customer Service Focused
Fair/Justified (Overall)	Professional and Skilled
Customer Service Oriented	Consistent (for the most part)
Concerned with Safety and Security	Caring
Focused on Improving the Quality of Life (with exceptions)	Greater Need (exists) to Get Feedback From Fellow Staff and Customers
The Village (overall) is sensitive to diversity	A "value" for the money (cost/benefit)
Comfortable, Safe and Well Cared For Facilities-Generally, a value for the money	Innovative
	"Test Bed" for Technological Enhancements and Organizational Change

Business Controls and Vital Factors



BUSINESS CONTROLS

*Budget Prep/P&L Reviews*Departmental Meetings*30 Day Goals*Position Descriptions*Individual Supervisory Meetings*Business Plan Preparation and Quarterly Reviews*Incident/Judicial Database*CPPD Logs*Daily Res. Ed Duty Logs*Review of Pending Disbursement Vouchers*Maintenance Work Orders* Quarterly Reports*Contractor Performance Reviews*Scheduled and Non-Scheduled Property Inspections*Annual Staff and Customer Surveys*Occupancy Reports*Each individual unit area led by a designated manager.

VITAL FACTORS

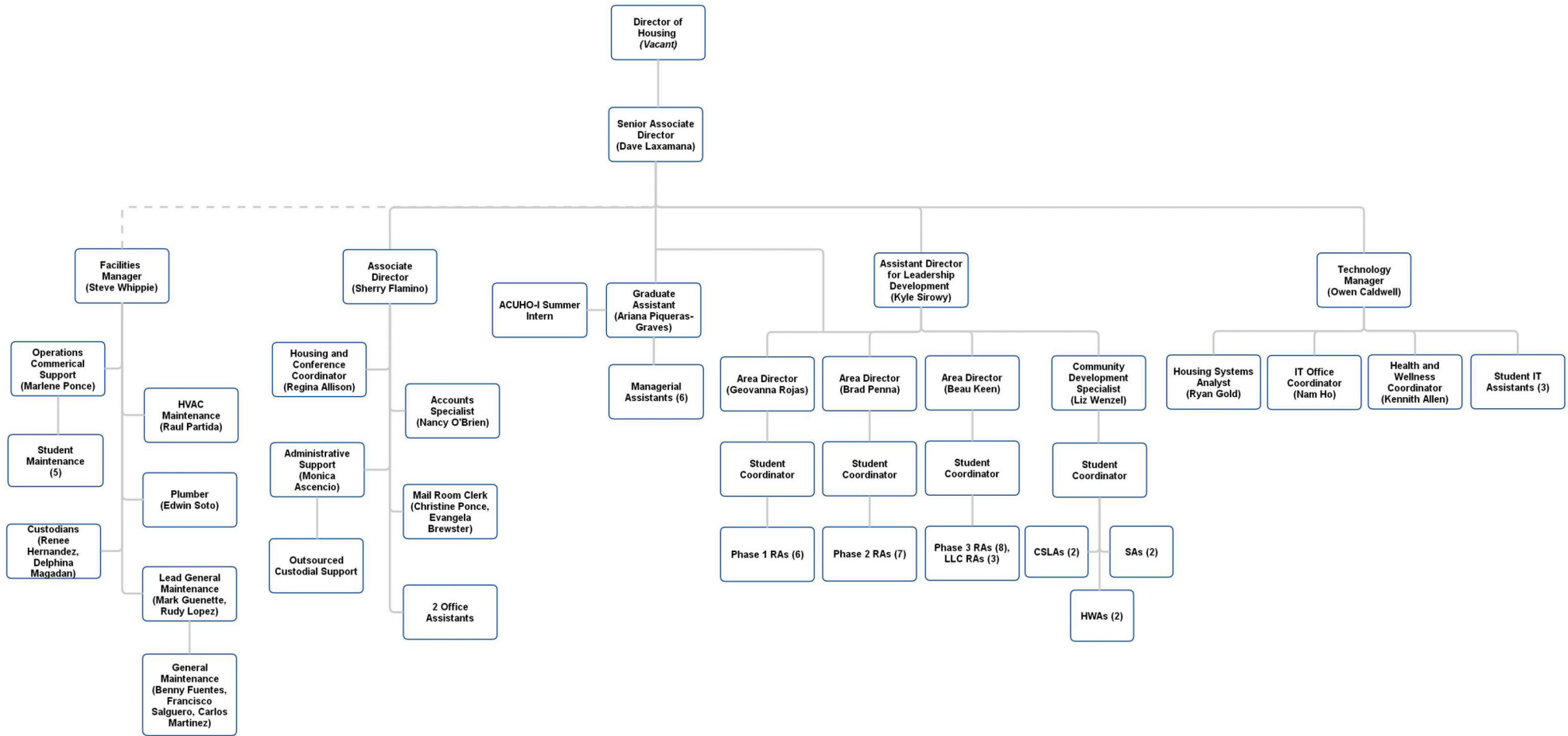
Actual to Budget Comparisons*Net P&L Compared to Budget*Occupancy-Retention and New Applicants*Consistency in Policy Implementation*Resident Accountability-Accountability to Residents (License Agreement-Student Handbook)
*Incident Follow-Up*Follow-Up to student initiated appeals and grievances

Asset Protection/Risk Management

None identified in 2015-2016

Organization Chart

UNIVERSITY VILLAGE ORGANIZATIONAL CHART 2015-2016



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

The University Village Staff needs to apply the program's new mission statement and decide on a course for the development of the transitional housing program.

After reviewing the Long Term Cash Plan, it becomes apparent that we have some expensive projects that will need to be funded over the next ten years. The facilities continue to age and are becoming increasingly dated. Phase III will be 10 years old in 2015 adding to the aging quotient. In addition, with the emphasis on becoming more sustainable and efficient, completing some of the listed projects has an added importance and in some cases a greater sense of urgency. Projects such as the on-going replacement of kitchen appliances, water heaters and HVAC units to high efficiency models is important not only from a "green" perspective but also from a financial one. We save money (in the long-term) when we replace items that use a lot of energy.

Students are far more discerning in deciding whether or not to reside in commercial off-campus properties. Living off-campus has become more economically feasible as commercial properties become more of an attractive alternative to campus housing, offering greater amenities and competitive rents. This is concerning all around.

Sustainability and wiser use of resources is essential. We'll continue to reupholster and restore current apartment furnishings instead of the traditional equipment replacement program. This approach provides a more sustainable and less costly alternative to the traditional furniture replacement process. Phase III (newest Phase) has been requiring more maintenance than Phases I and II. Carpet replacement is a constant thing. Security, adequate study space, additional housing for new populations is essential for our growth and for meeting the needs of the larger institution and students. We must build again - diverse facilities for our diverse and needs-oriented populations. Summer deficit reduction through the development of summer business in addition to "belt tightening" is critically important.

Continued -Explanation of Proposed Fiscal Year Budget:

*We've continued to "hold the line" on license fees with a minimal 4% increase for 2015-2016.

*Our relationship with the University continues to improve with staff participating in various partnerships and committees. We continue to seek feedback and ideas from our University colleagues.

*Well over 2/3 of our students are using the 24 hour on-line services to receive billing information and to make payments. This has reduced the overall work load on the Operations Staff, late payments, returned checks and has enhanced efficiency and self-service.

*Skill building programs and activities planned and facilitated by the Residential Education Staff remain focused on the development of adult living skills and have enhanced the value and effectiveness of the transitional housing program.

*The Star Rez software/operating system has enabled us to move our operation in a technologically forward direction. Students are able to manage their financial accounts, obtain current information on all services and choose their housing assignments from the comfort of their rooms.

*The Village Tech Team will continue to develop File Maker software to augment the use of mobile devices in the operation of the Village. Additional services will be added to the Tech Center and mobile kiosks. Check-in and check-out will continue to be developed-facilitated through the use of iPads with File Maker and Star Rez working in concert with one another.

*Despite financial realities the University Village consistently meets budgetary goals and financial expectations.

OPERATING BUDGETS
ENTERPRISES

FACILITIES MANAGEMENT

CAL POLY POMONA FOUNDATION, INC.

FACILITIES MAINTENANCE

2015 - 2016

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2015

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Proposed Fiscal Year Budget

A

Cal Poly Pomona Foundation Facilities Management Consolidated Budget Comparison Summary For the 2015-16 Fiscal Year

	2014-15 Approved Budget	2014-15 Forecast	2015-16 Proposed	\$ Change Forecast to Proposed Budget
Expenditures- Controllable				
Insurance		4	1,740	1,736
Repairs & Maintenance	17,640	2,700	5,040	2,340
Meals & Refreshments	300	175	300	125
Rent/Commissions	240	100	240	140
Services	(330,836)	(338,748)	(360,837)	(22,089)
Supplies	6,900	5,450	8,405	2,955
Telephone	6,000	8,400	8,400	
Travel	120		300	300
Other	1,200	100	900	800
Total Expenditures- Controllable	(298,436)	(321,819)	(335,512)	(13,693)
Expenditures- Non-Controllable				
Depreciation	3,600	3,000	3,000	
Insurance	1,740			
Rent/Commissions	600	600	600	
Total Expenditures- Non-Controllable	5,940	3,600	3,600	
Labor Costs				
Salaries & Wages	205,450	222,000	224,564	2,564
Employee Benefits	87,052	94,585	107,350	12,765
Total Labor Costs	292,502	316,585	331,914	15,329
Total Expenses	6	(1,634)	2	1,636
Net Income	(6)	1,634	(2)	(1,636)

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

Facilities Maintenance is projecting to end the year slightly under budget.

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

Explanation of Proposed Fiscal Year Budget:

There are minor budget variations when comparing budgets from the current 2014-2015 budget year to the 2015-2016 budget year. At the end of 2013 a full time employee retired and we chose to leave that position unfilled. As a result and as expected, student labor slightly increased for 2014-2015 to help address part of that workload, and we will continue to leave that position vacant for the upcoming budget year.

Changes in Programs and Services for Proposed Fiscal Year:

There are no planned changes to services provided this fiscal year.

Explanation of Proposed Fiscal Year Capital Requests:

One Extractor / Upholstery Cleaner at a cost of approximately \$6,000 is planned for purchase this year.

Changes in Staffing:

No planned changes in staffing for this budget year.

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

Facilities Maintenance will continue to evaluate all areas for process improvement and cost control opportunities. During the next 2 - 3 years the two key areas to review for improvements include our approach for tracking the purchases and uses of consumable supplies and an inventory system for parts.

Evolution of the Facilities Maintenance function regarding their use of technology in the overall administration of their services continues. The desired outcomes continue to be providing quicker response times and more complete and timely feedback to those who submit work requests.

In years 2 through 10 we expect to replace 3 vehicles

Mission/Vision Statement

Foundation Facilities Management formed in July 1998:

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

Strengths and Challenges

Strengths

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

Challenges

- Improving communication with customers and staff
- Completing projects in the time frame expected by management
- Educating customers on role of Facilities Management in terms of projects versus repairs
- Trying to do accomplish more work with fewer employees
- Understanding how to apply technology based solutions to areas in Facilities Management

Employee Survey

None completed.



Customer Survey

None completed this year. The last customer satisfaction survey completed in 2013 conducted at University Village of the maintenance staff showed an overall trend of improvement when compared with prior years.

Business Controls and Vital Factors

H

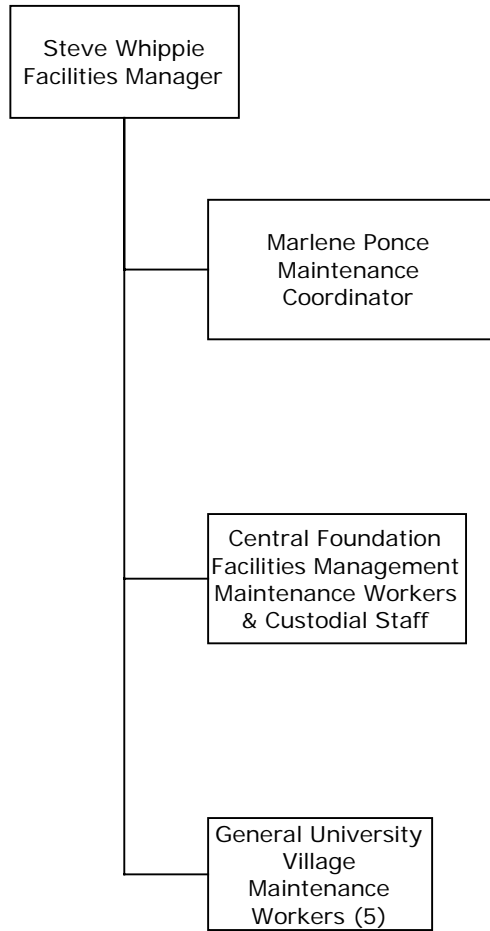
- Review budget and P&L's monthly, effect adjustments where necessary
- Review, prioritize, and respond to work orders daily and throughout each day
- Manage services agreements with contractors (e.g. boiler maintenance and HVAC maintenance)
- Review, prioritize, and complete projects and 30 day goals
- Respond to work orders within 24 hours of request
- Implement new work order system
- Attend monthly MMHR meeting and deliver updated status report on Facilities Maintenance
- Actively participate in scheduled meetings with University Management Team

Asset Protection/Risk Management


Pending.

Organization Chart

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



April 2015

OPERATING BUDGETS
ENTERPRISES

BRONCO BUCKS OFFICE

CAL POLY POMONA FOUNDATION, INC.

BRONCO BUCKS OFFICE

2015-2016

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2015

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Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation
Bronco Bucks Office
Consolidated Budget Comparison Summary
For the 2015-16 Fiscal Year**

	2014-15 Approved Budget	2014-15 Forecast	2015-16 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Sales	167,903	161,159	178,154	16,995
Total Revenues	167,903	161,159	178,154	16,995
Cost of Goods Sold				
Total Cost of Goods Sold				
Expenditures- Controllable				
Repairs & Maintenance		805		(805)
Meals & Refreshments	400	200	200	
Advertising	1,000	203	1,000	797
Services	1,000	3,465		(3,465)
Supplies	42,408	41,602	41,208	(394)
Telephone	1,200	1,300	1,200	(100)
Travel	6,200		4,000	4,000
Other	400	410	400	(10)
Total Expenditures- Controllable	52,608	47,985	48,008	23
Expenditures- Non-Controllable				
Bank Card Fees	10,093	6,636	10,093	3,457
Total Expenditures- Non-Controllable	10,093	6,636	10,093	3,457
Labor Costs				
Salaries & Wages	69,388	76,051	77,608	1,557
Employee Benefits	33,711	30,602	42,870	12,268
Total Labor Costs	103,099	106,653	120,478	13,825
Total Expenses	165,800	161,274	178,579	17,305
Net Income	2,103	(115)	(425)	(310)

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

We are currently forecasted to end the year on budget.

Explanation of Proposed Fiscal Year Budget:

Traditional board meal plans remain the primary source of funding for this operation. Dining has a proposed board increase of 4%, this is the increase in the budgeted revenue for the Bronco Card Office.

Changes in Programs and Services for Proposed Fiscal Year:

The "managemyID" program has been upgraded to "Get." Get program is expanded maintaining the add money to the card portion but also allows the card holder to order food - although the units are limited to 2 at this time. The campus is also working on using Get to add photos to ID cards for incoming students. Access by the new students will make them familiar with the site and hopefully promote continued use. The campus is also taking steps towards a "one card" school which also should promote use of the bronco card.

Explanation of Proposed Fiscal Year Capital Requests:

N/A

Changes in Staffing:

The part time staff position has been increased to full time, the card office now has 3 full time employees however 1 employee is currently attending college and she is also shared with AR - real estate.

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

Mission/Vision Statement

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

Strengths and Challenges

Strengths

The ID office decision to allow students to upload their pictures for their campus ID cards using "Get photo" is a step towards promoting the card.

Challenges

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

Employee Survey

N/A



Customer Survey

N/A

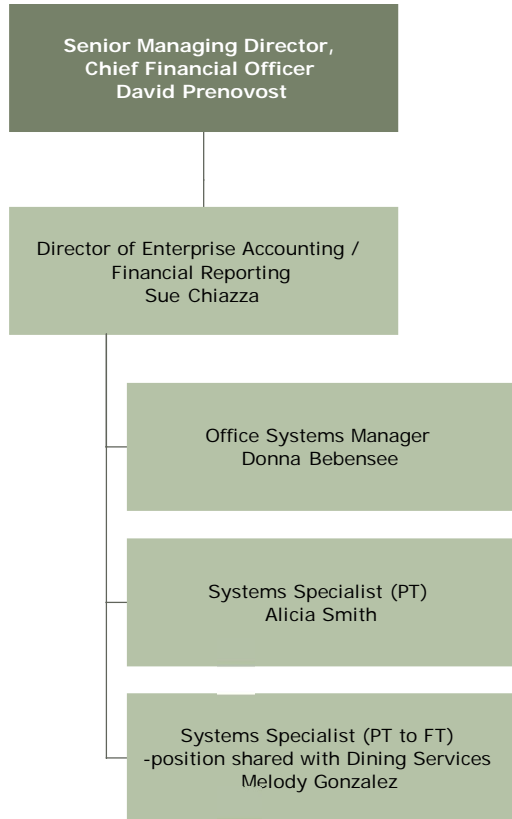
Asset Protection/Risk Management

Organization Chart




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

BRONCO CARD OFFICE



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

**OPERATING BUDGETS
SUPPLEMENTAL PROGRAMS**



**CONTINUING EDUCATION
PROGRAMS**


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

DESCRIPTION	Actual YTD 3/31/14	2013-14 Actual	2013-14 Forecast	2013-14 Approved Budget	Actual YTD 3/31/15	2014-15 Forecast	2014-15 Approved Budget	2015-16 Proposed Budget
COLLEGE OF EXTENDED UNIVERSITY - Programs								
283500 Administration	212,679	582,097	120,093	327,553	184,708	259,045	225,790	139,794
283071 Computer Programs	-	-	-	-	-	-	-	-
283072 Certificate Programs	(2,070)	(3,801)	-	-	-	-	-	-
283080 English Language Inst.	-	48	-	-	-	-	-	-
283610 Int'l Workshop and Training	-	-	-	-	-	-	-	-
283620 Six Sigma Program	10,724	3,616	(179)	35,886	12,861	5,435	5,161	7,824
283630 Professional Project Management Program	14,197	5,318	10,776	10,836	10,969	8,515	9,916	11,765
283790 On Site Training Programs	18,439	12,607	5,331	8,480	5,838	10,055	2,016	10,333
283060 Start-Up Programs	(12,208)	-	-	-	-	-	-	-
283076 Technical Programs	23,574	9,991	23,971	9,228	8,796	20,800	22,760	29,996
283073 Test Prep Programs	34,253	18,012	21,572	3,646	17,359	21,888	13,680	12,584
460280 Summer Support @ CEU	(518)	(1,604)	(2,514)	-	(243)	(602)	(525.00)	(9,174)
460920 Business Comm & Grant Writing	(372)	(278)	-	286	-	-	-	-
460930 Accounting & Finance	-	-	-	223	(781)	5,036	555	15,707
460940 Math & Science	(2,919)	3,536	(2,976)	1,685	(2,285)	(6,269)	2,444	(2,908)
460950 Hospitality & Service Industry	6,891	5,904	9,513	2,480	3,276	4,257	6,211	(1,336)
460960 Supply Chain Management	1,197	157	1,197	612	(298)	(4,475)	10,900	(1,374)
460970 Human Resources Management	10,031	8,760	(4,834)	3,540	17,315	4,589	1,800	2,365
460980 Building & Construction Management	15,377	14,667	(1,522)	9,216	20,785	10,446	17,152	15,091
460990 Ed2Go	(177,684)	(26,691)	(244,108)	(90,440)	(28,974)	(10,770)	(245,808)	(11,355)
461000 Art, Media, & Design	-	-	-	2,236	1,642	1,642	-	-
461010 Global Ed Programs Standard	(61,809)	(122,777)	(54,460)	11,783	58,313	(35,437)	13,898	132,415
461020 Global Ed Programs Camps	-	14,791	-	-	-	-	-	-
461030 CPELI Camps	163,553	98,815	84,798	119,503	116,596	1	81,931	57,539
461040 CPELI Standard	420,954	905,194	487,834	436,292	474,901	131,082	303,815	188,745
461820 Program Development	-	(212,112)	-	-	(128,840)	(281,455)	-	(380,959)
461840 Summer Camps	-	-	-	-	(7,104)	-	-	-
461950 IT, Web & Social Media	-	-	-	-	-	-	-	-
462120 CEU CPP Aviation Hospitality	-	-	-	-	-	-	-	20,391
Total College of Extended Univ Programs	674,289	1,316,250	454,492	893,045	764,834	143,783	471,696	237,443

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

DESCRIPTION	Actual YTD 3/31/14	2013-14 Actual	2013-14 Forecast	2013-14 Approved Budget	Actual YTD 3/31/15	2014-15 Forecast	2014-15 Approved Budget	2015-16 Proposed Budget
<u>COLLEGE OF ENGINEERING</u>								
381500 Non-Credit Learning Admin	512	1,182	30	48	680	49	30	48
381675 Civil Engineering Review	13,827	5,088	4,446	4,333	15,020	5,632	4,446	6,064
Total College of Engineering	14,339	6,270	4,476	4,381	15,700	5,681	4,476	6,112
<u>COLLEGE OF SCIENCE</u>								
406440 Chemistry Agilent Project	(1,539)	(2,032)	4,624	16,333	(1,478)	4,623	2,383	2,388
Total College of Science	(1,539)	(2,032)	4,624	16,333	(1,478)	4,623	2,383	2,388
<u>COLLEGE OF LETTERS, ARTS, AND SOCIAL SCIENCES</u>								
362030 GIS Certificate Program	11,306	10,841	-	-	(4,824)	-	-	-
Total College of Letters, Arts, and Social Sciences	11,306	10,841	-	-	(4,824)	-	-	-
<u>COLLEGE OF ENVIRONMENTAL DESIGN</u>								
460200 CCLAWS CERTIFICATE L+RS	(4,077)	(4,077)	-	-	(3,472)	-	-	-
Total College of Environmental Design	(4,077)	(4,077)	-	-	(3,472)	-	-	-
GRAND TOTAL CONTINUING EDUCATION	694,318	1,327,252	463,592	913,759	770,760	154,087	478,555	245,943

**OPERATING BUDGETS
SUPPLEMENTAL PROGRAMS**



**COLLEGE OF THE
EXTENDED UNIVERISTY**

CAL POLY POMONA FOUNDATION, INC.

COLLEGE OF EXTENDED UNIVERSITY

2015-2016

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2015

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Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation
College of Extended University
Consolidated Budget Comparison Summary
For the 2015-16 Fiscal Year**

	2014-15 Approved Budget	2014-15 Forecast	2015-16 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other	35,125	24,741	25,625	884
Sales	4,311,774	4,190,166	5,699,694	1,509,528
Total Revenues	4,346,899	4,214,907	5,725,319	1,510,412
Expenditures- Controllable				
Utilities	47,500	59,500	65,500	6,000
Insurance		500	500	
Repairs & Maintenance	33,000	23,600	34,000	10,400
Meals & Refreshments	56,886	94,980	36,104	(58,876)
Postage & Freight	11,750	14,858	14,700	(158)
Advertising	106,521	102,540	201,145	98,605
Rent/Commissions	70,195	68,574	261,276	192,702
Services	523,656	363,400	437,548	74,148
Supplies	202,725	119,648	212,835	93,187
Telephone	9,400	14,400	13,800	(600)
Travel	76,135	110,388	134,420	24,032
Laundry	200	250	1,000	750
Other	98,127	472,210	575,162	102,952
Total Expenditures- Controllable	1,236,095	1,444,848	1,987,990	543,142
Expenditures- Non-Controllable				
Administrative Fees	196,041	189,490	286,742	97,252
Depreciation	30,648	26,278	31,278	5,000
Insurance	12,380	3,944	10,173	6,229
Rent/Commissions	39,000	30,162	38,900	8,738
Bank Card Fees	20,764	35,677	29,433	(6,244)
Other	6,740	35,429	68,804	33,375
Total Expenditures- Non-Controllable	305,573	320,980	465,330	144,350
Labor Costs				
Salaries & Wages	1,806,044	1,799,801	2,339,996	540,195
Employee Benefits	527,491	505,495	694,560	189,065
Total Labor Costs	2,333,535	2,305,296	3,034,556	729,260
Total Expenses	3,875,203	4,071,124	5,487,876	1,416,752
Net Income	471,696	143,783	237,443	93,660

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

CEU's revenues in 2014-15 are being negatively impacted (5.2% less than budget) by two major unanticipated challenges: 1) unexpected retirements of senior marketing and registration staff that resulted in postponing many of our existing Career & Professional Development programs by one or more quarters plus a full year's delay in launching new C&PD programs; and, 2) suspension by the Kuwaiti government of student enrollments in CPELI at least until 2015-16 (affects all Southern California institutions; the impact at CPELI was ~160 students). Planned year-on-year increases in expense for staff include a Marketing and Public Communications Officer, an Associate Director in CPELI, and creation of the first four full-time instructor positions in CPELI. In an unplanned expense increase, CEU is taking advantage of a tremendous opportunity to dramatically increase our Global Education Programs (GEP) business by hiring a Director and two additional staff for GEP. While this staffing expense was not anticipated, our GEP revenue is projected to increase 82.5% this year versus budget. Overall, managing both the planned and unplanned changes in revenues and expenses will still allow CEU's Foundation programs to show a 2.4% net revenue for 2014-15.

In 2014-15, CEU's focus is on identifying the organization's needs that will support a culture that produces sustainable growth and profitability. This will be accomplished through the recently developed CEU Strategic Plan that will be supported by annual business and marketing plans. In addition, CEU will focus on market needs and design new programs that support those fields that closely align with CPP's core strengths.

Continued

Explanation of Proposed Fiscal Year Budget:

The 2015-16 budget reflects an anticipated resumption of growth, with gross revenue increasing 38.8% to \$5,720,944. This is based on conservative projections for potential new, expanded and revitalized programs and offerings (see following section for more details). Expenses will include the cost of developing new programs to replace many of CEU's existing programs (those with declining health and viability); continuing the implementation of the Jenzabar system; addition of contractual services to improve customer service levels; leasing four additional classrooms in the Bookstore; and continued investment in expanding our marketing efforts to support both existing and new programs. Even considering these planned expenses, net revenue is projected to increase ~180% to \$239,765 (versus \$85,826 in 2014-15). This increase in net revenue from 2% (2014-15) to 4% (2015-16) moves us in the right direction toward our desired goal of regularly earning 6-8% net revenue.

A significant opportunity for growth in CPELI in 2015-16 is anticipated to take place in the new Academic Studies Program (ASP) that is being piloted with a small group in Winter and Spring 2015. ASP combines English language study in CPELI with academic classes offered through CEU's Open University program, thus providing individual international students with the opportunity to experience actual CPP courses and gain academic credit without requiring formal admission to the University. Partnerships with the College of Engineering, the College of Business Administration and with the College of Letters, Arts and Social Sciences allow for student cohorts to gain credit for either specific general education sequences or for preparation for master's programs in business administration or engineering. ASP could add meaningful revenues not currently reflected in the proposed budget.

We have already seen increased interest for this attractive offering in the international marketplace. This program allows our GEP and CPELI units to work collaboratively on growing our international student population which also directly supports campus initiatives. To meet the anticipated growth needs of our international programs (including CPELI), CEU continues to seek additional space options on and near campus.

Changes in Programs and Services for Proposed Fiscal Year:

CEU has developed a new Aviation Training Program designed for international students in the aviation and hospitality industries to learn and improve their English language skills, gain an understanding of international etiquette standards, become effective members of a team, build interpersonal skills and learning the US culture while experiencing the CPP campus life. This program will support up to 100 students at a time in the 4-month program, and the program will run twice per year. This new program has provided CEU with a new opportunity regarding confirmed housing at the University Village for 25 rooms that each house 4 students. To support this new commitment by CEU with the University Village on an annual basis, CEU is planning to expand our short-term camp programs during the Winter and Summer quarters to keep all 25 units filled throughout the year.

Continued

Explanation of Proposed Fiscal Year Capital Requests:

Based on the recent information from Administrative Affairs regarding the potential cost to install additional temporary buildings for CPELI at their existing site, and due to CEU's current year budget status, the previous plans to expand the CPELI classroom facilities through the purchasing of additional modular buildings has been put on hold. CEU has been provided the opportunity to lease 4 existing classrooms in Building 66 to meet the needs of the new Aviation Training Program as well as assist with the needs of CPELI classroom scheduling. Therefore, the prior capital request will be on hold until later in 2015-16 when CEU can better re-assess the overall space needs of our programs.

Changes in Staffing:

A new Program Coordinator will be hired to coordinate details and activities for the new Aviation Training Program. Once this position is in place, CEU staffing levels should be structured to meet the anticipated needs of our organization for the coming year. However, CEU will continue to review and reassess based on the growth patterns and new program staffing needs in the year ahead.

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

Two years ago we began with a goal to double the size (revenue) of CEU's Foundation programs within five years. Achieving that goal would require revenue to reach ~\$6,500,000. During the next 3 years CEU will achieve that goal with annual revenue growth of ~4-5%. Our goal for the next three years is to maintain >= 7-10% profitable annual growth by focusing on key initiatives including: 1) implementing and leveraging the capabilities provided by the new Jenzabar system; 2) applying appropriate program management methodologies to refine our current 'menu' of program offerings; 3) developing a plan for new classrooms and office space needed to accompany anticipated growth; 4) increasing marketing efforts - CEU's image and visibility across campus and in the regional community; 5) update and improving CEU's website and technology; 6) establishing a pipeline of new programs based on CPP competencies.

Continued

Major Projects and Business Goals for Proposed Fiscal Year

D

Action Steps	Person Responsible	Due Date
Expansion of Global Education Programs	GEP Dir and Team	FY 15-16
Implement new international marketing strategies for CPELI and GEP	MPRO, GEP Dir, CPELI Dir	FYs 15-17
Initiate and diversify summer and winter camps under CPELI and GEP	CPELI Dir, GEP Dir, Prog Mgrs	FY 15-16
Continue implementation of new Jenzabar system	Dir Bus Ops and Team	ongoing
Launch new academic credit programs, including: • MS Systems Engineering	Ex Dir Global Int, Sr. Prog Mgr	Fall 2015
Provide professional development opportunities for staff	Dean, Ex Dir Global Int, Dir Bus Ops	FY 15-16
Grow existing, and launch new Career & Professional Development programs, including:(see Section C)	Ex Dir Global Int, Sr. Prog Mgrs	FY 15-16
Expand CEU marketing and branding efforts and mediums for CEU and all programs	Dir Bus Ops, MPRO and Team	FY 15-16
Equip CTTi and CPELI classrooms with technology tools for teaching (ex: tablets & current technology)	Dir Bus Ops and CEU IT	FYs 15-17
Continue to pursue CEU/CPELI space options (a new location, or add. buildings at current location)	Dean, Ex Dir Global Int, CPELI Dir	FY 15-16
Expand Academic Studies Program (ASP) and CPELI instruction	Dean, Ex Dir Global Int, CPELI Dir	FY 15-16
Initiate the Aviation Training Program	GEP Dir, CPELI Dir, ATP Coord	Fall 2015
Revise and improve websites for CEU, IC, CPELI	Dir Bus Ops, MPRO and Team	FY 15-16
Initiate implementation of CEU Strategic Plan	Dean, All CEU	FY 15-16
Establish a pipeline of programs under development	Ex Dir Global Int, Sr. Prog Mgrs	FY 15-16
Establish improved business processes and strategies for Accounting, Registration, & Marketing depts.	Dir Bus Ops and Team	FY 15-16
Develop custom reports to automate and support business needs	Dir Bus Ops and CEU IT	FY 15-16

Mission/Vision Statement

The Mission and Vision of the College of the Extended University directly align with, and support, the Mission and Vision of Cal Poly Pomona.

CEU's Mission Statement:

"Extending Opportunities through Education"

CEU's Vision Statement:

"The College of the Extended University and International Center will be recognized as a leader in preparing students for lifelong learning, leadership and careers in an increasingly interconnected world."

The above Mission and Vision Statements are based on revisions accompanying a Strategic Plan developed this year. The plan, along with these new Statements, will be formalized this spring.

Strengths and Challenges

Strengths

CEU continually retains the capability of being self-sustaining with significant control over internal business operations. Additionally, CEU has the capability and flexibility to develop and launch quality programs. As part of the CPP campus and community, CEU benefits from the reputation of CPP. Location makes CEU an attractive destination-of-choice for international constituencies. Organizational restructuring and new personnel are contributing to making CEU a collaborative, capable interactive team. Building relationships with CPP faculty and administrators is developing a positive perception of CEU by campus constituencies. International contacts and relationships are increasing and strengthening.

Challenges

CEU's most significant challenges include: 1) the need for CPP competency-based content in courses and programs; 2) new programmatic offerings; 3) online availability of programs and courses; 4) marketing; 5) visibility in the community, the region and among applicable national and international constituencies.

Employee Survey

CEU continues to be guided by the comprehensive employee-driven SWOT analysis conducted last fiscal year. Additionally, all employees are engaged in providing input for developing the CEU Strategic Plan. The Strategic Plan is therefore a consensus reflection (not just the opinions and ideas of the Dean and senior management team) of where CEU should be headed, the culture that should exist, and how we should get there. The Plan will be presented to the CEU team in February to solicit final comments and consensus approval. This activity is taking the place of a formal employee survey this year.

The implementation of small group, informal "Lunch with the Dean" sessions provide another conduit for soliciting employee feedback. And an "Open Door" policy is in place for all CEU managers and supervisors to provide an opportunity for employees to express viewpoints and provide input.

Customer Survey

There are four areas within CEU that utilize customer surveys as one means of improving service.

1. CPELI continues to survey all students each quarter, with the results being used to directly make improvements to curricula and student services. The most prominent areas identified for change based on these surveys are scheduling, class locations around campus, and facilities. The scheduling issue is being addressed by adjusting curricula to be presented in smaller blocks which allow students greater flexibility. This is proposed for implementation in fall 2015. To address the multiple class room locations used around campus CPELI is continuing to explore more centralized and consistent locations. The Bookstore class rooms will help somewhat in this regard, but additional options continue to be explored. Small-but-meaningful improvements to facilities will begin with replacing (smelly and probably moldy) carpeting in some buildings.
2. CEU continues to survey students/customers during our general registration process to assess student experiences and services. Feedback this year has led to a major activity in revamping our website to make it more user-friendly. Also, implementation of the Jenzabar system is ongoing, and this should also lead to ease-of-registration. Periodic student surveys of classroom experience, instruction and curricula are intermittently utilized; this can provide more benefit by being regularly instituted as a necessary component of each program and course but is not as yet in place.
3. Global Education Programs surveys each group at the end of their training here at CPP. The most important finding this year has been a need for better translation. Consequently, we are working with different interpreters, many of whom have expertise in the specific fields being taught to any one group.
4. Perhaps the most important customer surveys are done in the International Center. This year the International Center partnered with Student Affairs to do a comprehensive survey of all international students on campus. The result is formation of a multi-divisional task force to address concerns about orientation, advising, and other issues.

Keys to Success

<u>Keys to Success Items</u>	<u>Rank in Importance 10 to 1</u>
Implementing the Strategic Plan.	10
Reconstruct the CEU marketing strategy to include social media, calendared ads, and increased outreach.	10
Implement website upgrades for CEU, IC, and CPELI sites.	10
Provision of the highest quality programs, services, and instruction.	9
Increase capacity of facilities to meet growth needs.	9
Implementation of the Jenzabar system with well documented processes and business strategies	8
Develop and launch C&PD programs aligned with market needs & CPP competencies	8
Expansion of international programs into new markets.	7
Develop a culture of competency in CEU	7

Corporate Culture

<u>Customer/Client Perception</u>	<u>Unit Perception</u>
CEU External Customer's Perception:	CEU's Perception:
CEU provides quality education and valued instruction that is priced competitively but they would appreciate the implementation of proactive communication strategies for notification of upcoming, new or additional course offerings in their area of study as well as automated notification of any course cancellations. (Jenzabar should address this concern)	Quality education provider with remarkable opportunities to expand into new markets and design new valued programs. However, recognizing that updated, documented and automated processes will be vital to our continued success. An emphasis of improved marketing and communication strategies needs to be a priority as well developing a better sense of identity and direction. Staff have also expressed frustration in workload levels due to CEU operating with a very lean staffing structure. (The Strategic Plan should assist in providing the sense of identity and direction as well as improved business processes)
CPP Internal Customer's Perception:	
CEU has the ability to provide extended course offerings for the colleges. The colleges would like to see better defined budgeting processes as well as standardization of processes along with more efficient communication channels. (Through the new single point of contact structure in PD, we feel improvements are in progress to improve our partner's perception)	

Business Controls and Vital Factors

H

CEU is a complex business enterprise that must operate in both the Foundation and State spheres. This requires constant observation of, and compliance with, the regulations and policies for both sides. CEU monitors operational accounts on monthly and quarterly bases. All programs are reviewed to ensure compliance with Chancellor's Office policies. Any updates from the Campus or from the Chancellor's Office are reviewed, distributed and acted upon through the CEU Dean's Office. An additional tool is being added in bringing the new Jenzabar system on board. Finances, accounting, enrollments, and other key factors will be much more accessible, timely and accurate once the full implementation is in place when fully implemented. (Implementation has been somewhat problematic as performance has not yet met specifications promised by the vendor. Long Beach, San Diego and San Marcos are experiencing the same issues in implementation, and with multiple campuses involved the vendor is anxiously working to correct problems. But the implementation is accordingly much slower than planned.)

The campus, through Administrative Affairs, is currently performing a routine audit of cash handling in CEU. This will provide valuable information as to which processes are working well and which might need improvement (if any). Results are expected in March or April 2015.

Asset Protection/Risk Management

Technology assets are recorded and tracked on a continuing basis. A CEU Business Continuity Plan is updated and "table top"-tested annually. Back-up processes are in place for all CEU servers and software assets. This year we are adding fire suppression in our server room, plus additional security via video monitoring and access control.

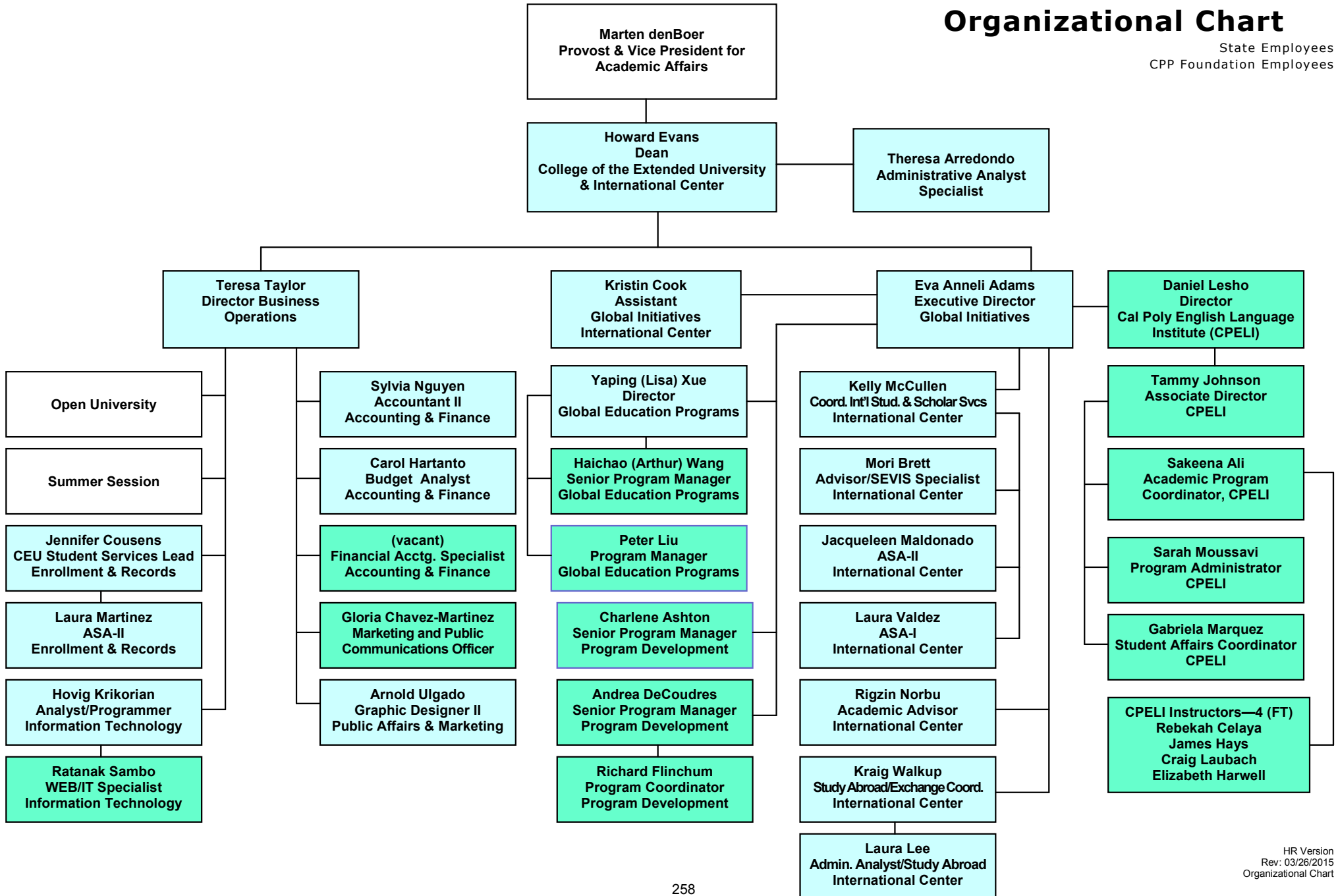
Organization Chart

I

College of the Extended University & International Center

Organizational Chart

State Employees (19)
CPP Foundation Employees (17)



Continued - Overview of Current Fiscal Year:

Expansion of CEU's career and professional development (C&PD) as well as international programs will be required to meet revenue growth targets. In support of these growth needs, Global Education Programs (GEP) staffing has been separated from the Program Development (PD) staffing, to enable each unit to focus prominently on their target markets. New GEP positions are being added in this fiscal year as noted above, and the PD unit recently added a full time support staff position while also accepting a recent resignation of a program manager. With the new team in GEP, the Program Development unit can focus on our (domestic) academic credit and C&PD programs. A more efficient task assignment strategy allows them to grow CEU programs with fewer staff while still aligning each program manager to specific campus colleges for development of both credit and non-credit programs. This should also provide an opportunity for CEU to further enhance our business relationships with each partner through a single point-of-contact.

Continued - Changes in Programs and Services for Proposed Fiscal Year

The Academic Studies Program, being piloted this year as noted above, is anticipated to attract large numbers of students, especially among those desiring to continue into CPP master's degree programs in business administration and in engineering. The rate at which demand will build is uncertain; hence, only minimal numbers are conservatively projected for 2015-16.

New Career & Professional Development Programs, some of which have been delayed from 2014-15 as noted above, include: Online certificate program in Nonprofit Management, Supply Chain Management and Logistics Programs, Stackable Certificates for Engineering, Microbrewing Certificate, Unmanned Aerial Vehicles Certificate, Certificate in Cybersecurity and Information Assurance, and Executive Human Resources Management Certificate.

Planned service improvements include additional self-service options for students to register via the Jenzabar system, plus a 24/7 contact number for fielding student inquiries.

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

A primary objective for 4 to 10 years beyond is to reach a level of \$10,000,000 annual profitable revenue. Attaining all these aggressive growth objectives will be based on continuing the initiatives noted above for the next 3 years coupled with ongoing successful implementation of CEU's five-year Strategic Plan (updated annually to retain a five-year outlook).

**OPERATING BUDGETS
SUPPLEMENTAL PROGRAMS**

COLLEGE OF ENGINEERING

Cal Poly Pomona Foundation
College of Engineering
Consolidated Budget Comparison Summary
For the 2015-16 Fiscal Year

	2014-15 Approved Budget	2014-15 Forecast	2015-16 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other	1,340	1,360	1,360	
Sales	26,800	27,200	27,200	
Total Revenues	28,140	28,560	28,560	
Expenditures- Controllable				
Advertising	1,696	1,658	1,256	(402)
Services	15,846	15,846	15,846	
Supplies	1,250	1,250	1,250	
Other	3,530	2,720	2,720	
Total Expenditures- Controllable	22,322	21,474	21,072	(402)
Expenditures- Non-Controllable				
Administrative Fees	1,266	1,285	1,286	1
Bank Card Fees	76	120	90	(30)
Total Expenditures- Non-Controllable	1,342	1,405	1,376	(29)
Total Expenses	23,664	22,879	22,448	(431)
Net Income	4,476	5,681	6,112	431

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

College of Engineering - Project Summary

Overview of Current Fiscal Year:

Through Fund 10 activities, in lieu of rent for the use of College of Engineering university facilities, the college collects revenue from its Non-Credit Learning Activities Fund 10 projects for the maintenance and on-going development of college computer systems and laboratory facilities. Funds are transferred into project 381500 (Non-Credit Learning Activities Administration), from other Fund 10 projects and accumulated in order to facilitate making purchases. Any purchased equipment using these funds is placed immediately on the University's property inventory.

During 2014-15, Project 381675 (Civil Engineering Review Course) will offering the review session for February-March and September-October period. We do not know the enrollment at this time and project the same budget from last year.

Explanation of Proposed Fiscal Year Budget:

Project 381675 (Civil Engineering Review Course) is a non-credit review course offered typically each year in the Fall and Spring. Revenue for this project will be collected as registration fees. Enrollment is expected to continue to be the same and proposed budget has been updated accordingly. Since this trend has continued for a couple of years, future sessions have been budgeted at this same level.

Project 381500 is a transfer account for funds collected by engineering programs. The College will charge 5% administration fee from their gross revenue.

Changes in Programs and Services for Proposed Fiscal Year:

None

Explanation of Proposed Fiscal Year Capital Requests:

None

Changes in Staffing:

None

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

Likely the training and other programs will strengthen over the next 4 to 10 years.

**OPERATING BUDGETS
SUPPLEMENTAL PROGRAMS**

COLLEGE OF SCIENCE

Cal Poly Pomona Foundation
College of Science
Consolidated Budget Comparison Summary
For the 2015-16 Fiscal Year

	2014-15 Approved Budget	2014-15 Forecast	2015-16 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Sales	14,602	14,602	14,602	
Total Revenues	14,602	14,602	14,602	
Expenditures- Controllable				
Meals & Refreshments	1,000	1,000	1,000	
Advertising	100	100	100	
Rent/Commissions	1,272	636	1,272	636
Total Expenditures- Controllable	2,372	1,736	2,372	636
Expenditures- Non-Controllable				
Administrative Fees	657	657	657	
Depreciation	3,576	1,971	3,571	1,600
Total Expenditures- Non-Controllable	4,233	2,628	4,228	1,600
Labor Costs				
Salaries & Wages	5,160	5,160	5,160	
Employee Benefits	454	454	454	
Total Labor Costs	5,614	5,614	5,614	
Total Expenses	12,219	9,978	12,213	2,235
Net Income	2,383	4,623	2,388	(2,235)

AGILENT

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PROJECT SUMMARY FISCAL YEAR 2015-2016

SCHEDULE B

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

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

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

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

**OPERATING BUDGETS
SUPPLEMENTAL PROGRAMS**



**AGRICULTURAL AID TO
INSTRUCTION PROGRAM**

CAL POLY POMONA FOUNDATION, INC.

AGRICULTURE AID TO INSTRUCTION

2015-2016

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2015

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Proposed Fiscal Year Budget

A

Cal Poly Pomona Foundation
AGR-AID-TO-INSTRUCTION
Consolidated Budget Comparison Summary
For the 2015-16 Fiscal Year

	2014-15 Approved Budget	2014-15 Forecast	2015-16 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other	284,000	267,603	339,000	71,397
Sales	3,186,211	3,240,569	3,116,800	(123,769)
Total Revenues	3,470,211	3,508,172	3,455,800	(52,372)
Cost of Goods Sold				
Cost of Goods Sold	827,841	713,120	628,239	(84,881)
Total Cost of Goods Sold	827,841	713,120	628,239	(84,881)
Expenditures- Controllable				
Utilities	77,794	77,190	75,394	(1,796)
AGR/RE Fees	383,142	380,332	401,192	20,860
Feed	126,000	182,450	205,500	23,050
Insurance	8,500	72	8,500	8,428
Repairs & Maintenance	143,579	117,984	147,255	29,271
Meals & Refreshments	11,800	11,750	11,500	(250)
Postage & Freight	1,700	10,900	11,300	400
Advertising	16,675	14,753	14,907	154
Rent/Commissions	10,920	12,747	10,920	(1,827)
Services	257,125	312,950	297,875	(15,075)
Supplies	217,760	237,834	237,740	(94)
Telephone	4,020	7,300	5,700	(1,600)
Travel	22,300	21,501	26,300	4,799
Laundry	1,200	1,200	1,200	
Other	113,532	102,339	130,741	28,402
Total Expenditures- Controllable	1,396,047	1,491,302	1,586,024	94,722
Expenditures- Non-Controllable				
Administrative Fees	139,007	140,582	138,351	(2,231)
Depreciation	52,242	35,502	49,302	13,800
Insurance	20,875	21,945	24,927	2,982
Rent/Commissions	1,809	1,809	1,809	
Bank Card Fees	33,896	31,600	32,793	1,193
Other	11,700	11,171	11,490	319
Total Expenditures- Non-Controllable	259,529	242,609	258,672	16,063
Labor Costs				
Salaries & Wages	745,132	678,524	771,231	92,707
Employee Benefits	179,670	137,691	168,958	31,267
Total Labor Costs	924,802	816,215	940,189	123,974
Total Expenses	3,408,219	3,263,246	3,413,124	149,878
Net Income	61,992	244,926	42,676	(202,250)

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

DESCRIPTION	Actual YTD 3/31/14	2013-14 Actual	2013-14 Forecast Budget	2013-14 Approved Budget	Actual YTD 3/31/15	2014-15 Forecast Budget	2014-15 Approved Budget	2015-16 Proposed Budget
016200 Agronomy Farms	17,142	2,230	70,148	27,706	26,126	149,919	16,038	11,841
260200 Arabian Horse Show	(24,015)	(125,415)	(2,930)	7,742	(32,851)	(5,930)	(3,538)	686
020010 Beef Unit	17,940	16,007	13,155	6,692	(40,889)	18	10,095	2,150
022500 Beef Show Sale Project	-	-	-	-	-	-	-	-
027190 Consignment Sales	-	-	-	-	-	-	-	-
340010 Fruit Industry	(1,442)	18,563	1,244	1,800	5,744	1,244	3,284	4,184
300010 Meat Lab	(1,297)	(1,027)	(500)	2,722	(529)	(500)	9,305	982
320300 Ornamental Horticulture	2,494	15,770	3,406	2,212	(3,600)	3,406	2,274	2,393
193040 Pine Tree Ranch	64,848	85,138	33,504	19,214	44,696	33,504	1,996	1,996
420010 Sheep Unit	1,502	(4,631)	8,598	(3,024)	(14,805)	542	8,005	841
430010 Swine Unit	(9,285)	(6,147)	(4,185)	(5,324)	(4,117)	2,334	5,089	9,074
260220 Farm Store at Kellogg Ranch	42,294	27,669	11,426	15,081	(12,831)	59,301	5,195	4,319
460360 Danny's Farm	(2,098)	(2,825)	-	-	(3,758)	-	-	-
350810 Truck and Trailer	-	(3,000)	-	-	-	-	-	-
428460 Vet Clinic	7,694	2,218	7,068	727	7,651	1,088	4,249	4,210
350820 Pomona Organics St Project	-	-	-	-	-	-	-	-
428540 AG 505 Sheep Project 94	-	-	-	-	-	-	-	-
428550 LA Fair Swine Show Team	-	-	-	-	-	-	-	-
Total	115,777	24,550	140,934	75,548	(29,163)	244,926	61,992	42,676

Cal Poly Pomona Foundation
Plant Sciences
Consolidated Budget Comparison Summary
For the 2015-16 Fiscal Year

	2014-15 Approved Budget	2014-15 Forecast	2015-16 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other		13,603		(13,603)
Sales	2,877,899	2,907,671	2,701,510	(206,161)
Total Revenues	2,877,899	2,921,274	2,701,510	(219,764)
Cost of Goods Sold				
Cost of Goods Sold	802,106	713,120	598,863	(114,257)
Total Cost of Goods Sold	802,106	713,120	598,863	(114,257)
Expenditures- Controllable				
Utilities	77,794	77,190	75,394	(1,796)
AGR/RE Fees	349,792	323,882	355,792	31,910
Insurance	8,500	72	8,500	8,428
Repairs & Maintenance	100,955	89,285	103,055	13,770
Meals & Refreshments	2,700	3,150	2,400	(750)
Postage & Freight	500	10,000	10,100	100
Advertising	15,000	8,600	8,732	132
Rent/Commissions	9,600	10,277	9,600	(677)
Services	211,575	255,901	246,675	(9,226)
Supplies	160,000	166,455	159,400	(7,055)
Telephone		600	600	
Travel	2,500	5,864	2,500	(3,364)
Laundry	1,200	1,200	1,200	
Other	56,592	64,606	73,071	8,465
Total Expenditures- Controllable	996,708	1,017,082	1,057,019	39,937
Expenditures- Non-Controllable				
Administrative Fees	115,117	116,851	108,060	(8,791)
Depreciation	36,750	25,014	30,810	5,796
Insurance	18,900	20,877	22,952	2,075
Bank Card Fees	33,896	31,600	32,793	1,193
Other	11,700	11,171	11,490	319
Total Expenditures- Non-Controllable	216,363	205,513	206,105	592
Labor Costs				
Salaries & Wages	661,228	603,044	652,827	49,783
Employee Benefits	172,707	135,141	161,963	26,822
Total Labor Costs	833,935	738,185	814,790	76,605
Total Expenses	2,849,112	2,673,900	2,676,777	2,877
Net Income	28,787	247,374	24,733	(222,641)

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

It appears that revenue projections are on target to be met as proposed with the exception of the Farm Store. Unforeseen pumpkin crop failure resulted in the need to purchase an additional \$100,000 in pumpkins for the Pumpkin Festival. Unforeseen increased cost for security, medical response and parking for Pumpkin Festival. Although with these increases we had record attendance (est. 80,000) that help offset our cost.

Revenue from from the Pine Tree Ranch, Westwind Ranch, Fruit Industries and Agronomy Farm continues to be on target as proposed. Investment in orchard improvement projects have begun to improve fruit production, quality and reduce maintenance cost. The Agronomy has improved efficiency but is plague with aging farm equipment.

Capital Projects requests have not been done as proposed and will ask to carry these request into the 2015-16 budget. A request for a new truck for Agronomy Farm in the 2013-2014 has been fulfilled.

Explanation of Proposed Fiscal Year Budget:

The Plant Science Department with the Farm Store Management has reviewed the 2014 Pumpkin Festival event and have made recommendations to reduce cost and increase revenue. We have never charged an entrance fee as other pumpkin patch operations do. We are proposing a \$2-3 entry fee to help offset security, medical response, parking and insurance requirements.

The Agronomy Farm Unit has improved efficiency and should see a decrease in operating costs. It has been agreed that the Animal Science Departments will share in the cost to produce feed products that they have received for years at no cost to them.

Changes in Programs and Services for Proposed Fiscal Year:



\$2-3 entry fee at Pumpkin Festival. Costs to produce feed products from Agronomy Farm will be shared by the Animal Science Departments.

Explanation of Proposed Fiscal Year Capital Requests:

Changes in Staffing:

Changes in staffing made in the 2014-15 period will fulfill staffing needs in the Proposed Fiscal Year.

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

Replanting of avocado trees several years ago at Pine Tree Ranch should begin to increase revenue. We currently have an additional 10 acres of avocado at Pine Tree Ranch that have aged with declining production. We are proposing to replant 5 of these acres next year, and the remaining the following year.

We are also working with VP Garcia on removing approximately 8 acres of dead avocados behind Los Olivos here on campus that were abandoned years ago. We would also like to propose replanting this orchard. At this time we do not have enough avocados to supply the Farm Store year round and must travel to the Pine Tree Ranch.

Mission/Vision Statement

E

Strengths and Challenges

Strengths

Challenges

Employee Survey



Customer Survey

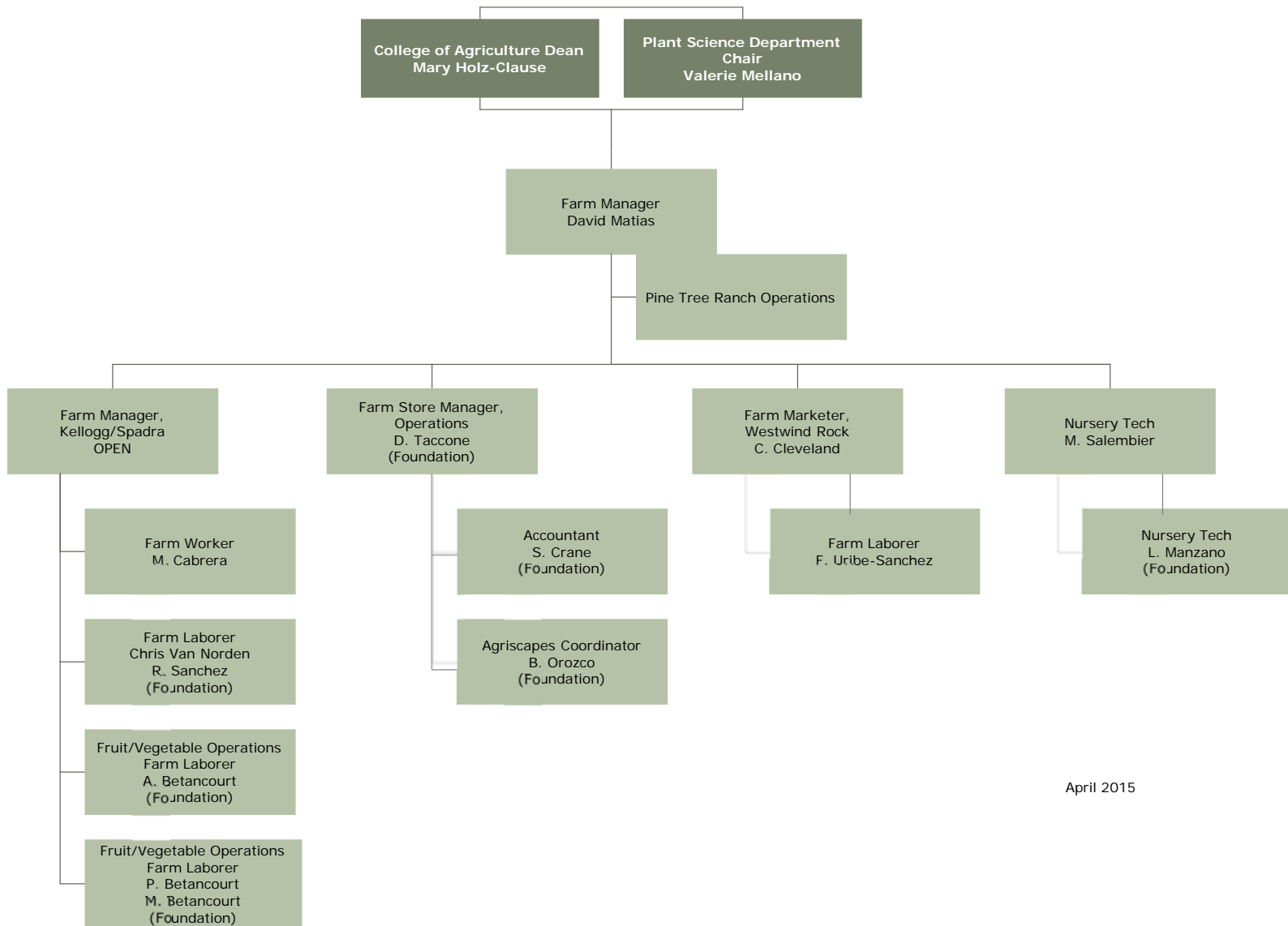
Asset Protection/Risk Management

Organization Chart



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

COLLEGE OF AGRICULTURE - FARM UNITS



April 2015

CAL POLY POMONA FOUNDATION, INC.

ANIMAL & VETERINARY SCIENCE FARM

2015-2016

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2015

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Proposed Fiscal Year Budget

A

Cal Poly Pomona Foundation Animal Vet Sciences Consolidated Budget Comparison Summary For the 2015-16 Fiscal Year

	2014-15 Approved Budget	2014-15 Forecast	2015-16 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Sales	242,162	281,248	349,140	67,892
Total Revenues	242,162	281,248	349,140	67,892
Cost of Goods Sold				
Cost of Goods Sold	25,735		29,376	29,376
Total Cost of Goods Sold	25,735		29,376	29,376
Expenditures- Controllable				
AGR/RE Fees	3,350	9,450	9,400	(50)
Feed	62,400	109,450	115,500	6,050
Repairs & Maintenance	12,120	12,955	13,000	45
Meals & Refreshments	7,900	7,400	7,900	500
Advertising	175	153	175	22
Rent/Commissions	1,320	470	1,320	850
Services	8,150	30,049	13,800	(16,249)
Supplies	20,560	31,059	30,340	(719)
Telephone	420	2,300	1,500	(800)
Travel	2,800	5,137	6,800	1,663
Other	23,610	11,303	24,340	13,037
Total Expenditures- Controllable	142,805	219,726	224,075	4,349
Expenditures- Non-Controllable				
Administrative Fees	9,884	11,505	14,085	2,580
Depreciation	10,488	10,488	13,488	3,000
Insurance	1,975	1,068	1,975	907
Rent/Commissions	1,809	1,809	1,809	
Total Expenditures- Non-Controllable	24,156	24,870	31,357	6,487
Labor Costs				
Salaries & Wages	11,904	32,780	46,404	13,624
Employee Benefits	819	390	671	281
Total Labor Costs	12,723	33,170	47,075	13,905
Total Expenses	205,419	277,766	331,883	54,117
Net Income	36,743	3,482	17,257	13,775

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

Overall budget forecast for combined Animal & Veterinary Science farm operation are expected to end current fiscal year 14/15 with a positive balance of approximately \$3,500 across all farm operations. With change in farm management this year there was a 2-3 month lapse in pasture management causing pastures to be planted late. This affects our feed costs dramatically as we are forced to purchase feed for our animals,until pastures are ready for grazing.

Explanation of Proposed Fiscal Year Budget:

We project an overall positive balance over the 5 accounts of \$17,000 at the end of FY 15-16. This will depend heavily on approval of meat lab manager position from academic affairs and if foundation will be responsible for covering salary costs not previously responsible for. This factor alone may cause net income to decrease by upwards of \$20,000. Livestock sales should remain steady and other sources of income (boarding fees, workshops etc) should also remain similar to last year. As always the drought will continue to play an important role in our farm operations. We have not been able to graze our permanent pastures in last 3 years causing an increase in amount of feed we have to purchase for animals. With the possibly mandate of 25% water reduction via irrigation, this will also play an important role in our overall farm budget.

Changes in Programs and Services for Proposed Fiscal Year:

The major change for FY 15/16 will be contingent on approval from Academic Affairs for hiring of Meat lab manager. If this position is not approved then overall net income will potentially decrease by \$20,000 or more.

Explanation of Proposed Fiscal Year Capital Requests:

We are requesting one capital request of a Kawasaki mule for feeding of animals in pasture and pens to keep wear and tear down on recently purchased vehicles. This UTV is also more efficient for traveling around campus and checking fences.

Changes in Staffing:

Again this depends on approval of meat lab manager position from Academic affairs. As of this time of the report no final decision has been made.

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

Outlook for the next 3+ years is consistent with current forecast for 15/16 barring any unexpected decreases in staff support from state operations.

Mission/Vision Statement

E

The mission of the Animal & Veterinary Farm units is to provide Agriculture Aid in instruction in assisting the Animal & Veterinary Science department in teaching their hands on laboratories in the Pre-Veterinary and Animal Health Science majors.

Strengths and Challenges

Strengths

We are the only 4 year university in Southern California that has a dedicated animal science farm for use in teaching undergraduate students.
Knowledgeable dedicated staff
Locally raised natural product big selling point to consumers

Challenges

The majority of our Facilities and infrastructure buildings are over 50 years old and are in dire need of repair/replacement
Continued decrease in state support for facilities and staff
Predation from coyotes is not only a animal safety but personnel safety issue as well

Employee Survey

No Employee Survey Available



Customer Survey

Not Applicable

Business Controls and Vital Factors

H

NA

Asset Protection/Risk Management

NA

CAL POLY POMONA FOUNDATION, INC.

WK KELLOGG ARABIAN HORSE CENTER

2015 - 2016

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2015

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Proposed Fiscal Year Budget

A

Cal Poly Pomona Foundation Arabian Horse Center Consolidated Budget Comparison Summary For the 2015-16 Fiscal Year

	2014-15 Approved Budget	2014-15 Forecast	2015-16 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other	284,000	254,000	339,000	85,000
Sales	66,150	51,650	66,150	14,500
Total Revenues	350,150	305,650	405,150	99,500
Expenditures- Controllable				
AGR/RE Fees	30,000	47,000	36,000	(11,000)
Feed	63,600	73,000	90,000	17,000
Repairs & Maintenance	30,504	15,744	31,200	15,456
Meals & Refreshments	1,200	1,200	1,200	
Postage & Freight	1,200	900	1,200	300
Advertising	1,500	6,000	6,000	
Rent/Commissions		2,000		(2,000)
Services	37,400	27,000	37,400	10,400
Supplies	37,200	40,320	48,000	7,680
Telephone	3,600	4,400	3,600	(800)
Travel	17,000	10,500	17,000	6,500
Other	33,330	26,430	33,330	6,900
Total Expenditures- Controllable	256,534	254,494	304,930	50,436
Expenditures- Non-Controllable				
Administrative Fees	14,006	12,226	16,206	3,980
Depreciation	5,004		5,004	5,004
Total Expenditures- Non-Controllable	19,010	12,226	21,210	8,984
Labor Costs				
Salaries & Wages	72,000	42,700	72,000	29,300
Employee Benefits	6,144	2,160	6,324	4,164
Total Labor Costs	78,144	44,860	78,324	33,464
Total Expenses	353,688	311,580	404,464	92,884
Net Income	(3,538)	(5,930)	686	6,616

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

The Arabian Horse Center is on track to break even or have a slightly positive year. The outlook for the Arabian Horse market, and the horse market in general, continues to be bleak. The registration of new foals being born and registered by the Arabian Horse Association is down by 90% since the height of the market in 1988. The demand for Arabian horses is at an all time low. Center sales of Arabian Horses have only brought in \$19,000 during the past fiscal year. Income from endowment accounts and development activities have been billed from our operational account to pay for the upkeep and continuation of the breeding program. It is highly unlikely that the Center can generate enough revenues from horse sales in the near future to support its activities. Given the current state of the market, it has become evident that we will be more successful in pursuing development activities and external sources of funding. Very few, if any Arabian Horse Farms in the United States have a positive balance sheet. All the farms are funded, at least in part by external funding. In the current business environment for Arabian Horses, it is apparent that in order to maintain the solvency of the center, we will need to rely on donors and external funding.

Explanation of Proposed Fiscal Year Budget:

Even though horse sales have been disappointing, we have been able to make up for the decreased revenue by lowering horse show expenses, and by having a slightly better support from external endowment accounts. The expenses incurred are in line with the budget projections made last year at this time. As noted, feed and shavings, two of our largest expenses are commodities subject to the fluctuations in the market.

REVENUE: The endowment accounts for the center generated approximately \$280,000 in revenue. This has been enough to fund the upkeep of the horses, the breeding program, student activities and Center exhibitions during the 2014 2015 fiscal year. Income from boarding a student horses, exhibitions, and horse sales has contributed to the budget. Upon the sale of the Norco property we will be adding another \$750,000 to the endowment accounts, giving us an added income of approximately \$35,000 per year when the performance of these accounts is optimal. Currently, we have set aside enough revenue to finish the year with a slightly positive balance. Going forward, I do not see the sale of horses as a consistent, significant, reliable, source of income. The Presidents Advisory Committee and the President have directed that we have a fall sale of three-year-old horses. The sale would take place sometime in October and November, in which 15 to 20 horses will be sold. This will give us an opportunity for better budgeting in that we will have a better estimate of the revenue from horse sales closer to the beginning of the fiscal year. This would be an annual event. It is estimated that the revenue from sales would be \$30,000-\$100,000.

EXPENSES:

Three largest expense categories are hay and feed, shavings for bedding the stalls, and farrier services. The combined cost of these expenses is approximately \$150,000 or \$12,500 per month. The price of hay can vary significantly within the year, causing the expense to fluctuate between \$6000 per month and \$9000 per month. The College of Agriculture has recently instituted a new policy regarding the pricing of hay produced by the University. The change in policy could reduce our hay costs by 10 to 15%. With the change in policy notwithstanding, the center's budget is subject to fluctuations of the commoditized hay market, which is impacted by many variables. We have taken many measures to minimize the cost of shavings. We have leveled all of the stables and lined them with rubber mats, which reduces the loss of shavings in the dirt. We use a synthetic resin polymer to absorb excess moisture in the shavings and prolong their usability. We have negotiated a very low price with the manufacturer due to the volume of shavings. I do not see that we can reduce our cost of shavings any further. Six years ago, the University employed a part-time farrier as a state employee to provide farrier services for the Center. The decision was made not to rehire a farrier and this has increased the Center budget by \$35-\$40,000. As economic progress in the state is made, I would lobby to rehire a part-time farrier to provide farrier services, thereby greatly reducing this budget expense.

Changes in Programs and Services for Proposed Fiscal Year:

During this budget year, we have added a student riding instructor. This has allowed us to enhance and expand our student riding activities and improve our safety supervision at Arabian Horse Center. This has resulted in a greatly enhanced student experience, and improvement in our Sunday shows, and an overall improvement in the quality of the student writing programs at the Center. In addition, the Center has hired a part-time person to assist in marketing the Centers many attributes to the public. This has allowed us to open a gift shop, increase the attendance at our Sunday shows and generally increase the overall awareness of the Arabian Horse Center in the public arena. The addition of this position has also allowed us to advance development of our New website and improve our marketing in the Arabian Horse Industry.

Explanation of Proposed Fiscal Year Capital Requests:

There are no new capital projects proposed for this account.

Changes in Staffing:

Our part-time employees, riding instructor and marketing assistant have quit. If future funding allows, we would like to hire replacements for these positions. Each of these employees were working 19 hours per week at \$20 to \$25 per hour.

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

Despite working hard to improve the quality of our horses, sales have fallen below our expectations. The market for Arabian Horses is very weak. Demand has improved slightly, but continues to be very weak. In consultation with many experts in the Arabian horse industry, it has become apparent that it is highly unlikely that the market will ever recover to the level we have seen in the past 30 years. Rather than try to buck the trend of the market, we must do the best we can to provide high-quality horses and improve market share, but ultimately we must diversify and look for other sources of income, specifically in terms of donations, for the Center to be sustainable going forward. The development department has been very successful in funding capital projects, and I think they can utilize the goodwill present in the Arabian Horse Industry to add to our endowment accounts, so that additional funds can be utilized to pay for the ongoing costs associated with the upkeep of the Arabian horses. Many of the successful Arabian horse breeders either purchased their first Arabians from the Center, or their first exposure to the breed was through the Sunday exhibitions. Many of those early breeders are currently in a strong financial position and would likely be willing to donate to the Center to perpetuate the legacy of the WK Kellogg Arabian Horses.

Mission/Vision Statement

The WK Kellogg Arabian Horse Center endeavors to continue the excellence of the Kellogg Arabians as a breeding herd and to be a source of high quality stock the the Arabian Horse Industry. The Arabian Horse Center shall provide Cal Poly students with high quality educational opportunities, quality riding experiences and shall be a Center for lifelong learning for those students. The Center will promote the Arabian Breed to the public, support educational equine events and support research activities in the equine community.

Strengths and Challenges

Strengths

Despite the declining Arabian Horse Industry, there is strong support in the industry for the activities and the future of the Arabian Horse Center. The Center is considered an icon in the Arabian Horse community, and people are willing to donate money to continue the legacy of WK Kellogg and to have the center promote the Arabian Breed. The quality of horses at the Center is improving annually. By hosting a sale/event, we will better be able to make the quality of our horses evident to the Arabian Horse Industry. We shall endeavor to continue to improve the quality of our horses, and hopefully our sales record in this increasingly competitive and shrinking market.

Challenges

One of the main challenges that the Center faces is the ability to stay competitive in the Arabian Horse Market. Many other breeders of Arabian horses have the economic means to promote, show, and advertise their sale horses, and we must compete in this market. We do not have the funds to market and show the horses to the extent that other farms do, and sometimes this means that we may not get the highest bid possible on our sale horses. After speaking with many experts in the horse industry, and do not feel that the Arabian Horse Market will come back significantly in the near future (next 10 years). Very high end animals will continue to garner a good price, but medium to low quality animals will be very difficult to sell.

Employee Survey

In progress



Customer Survey

In progress

Business Controls and Vital Factors

H

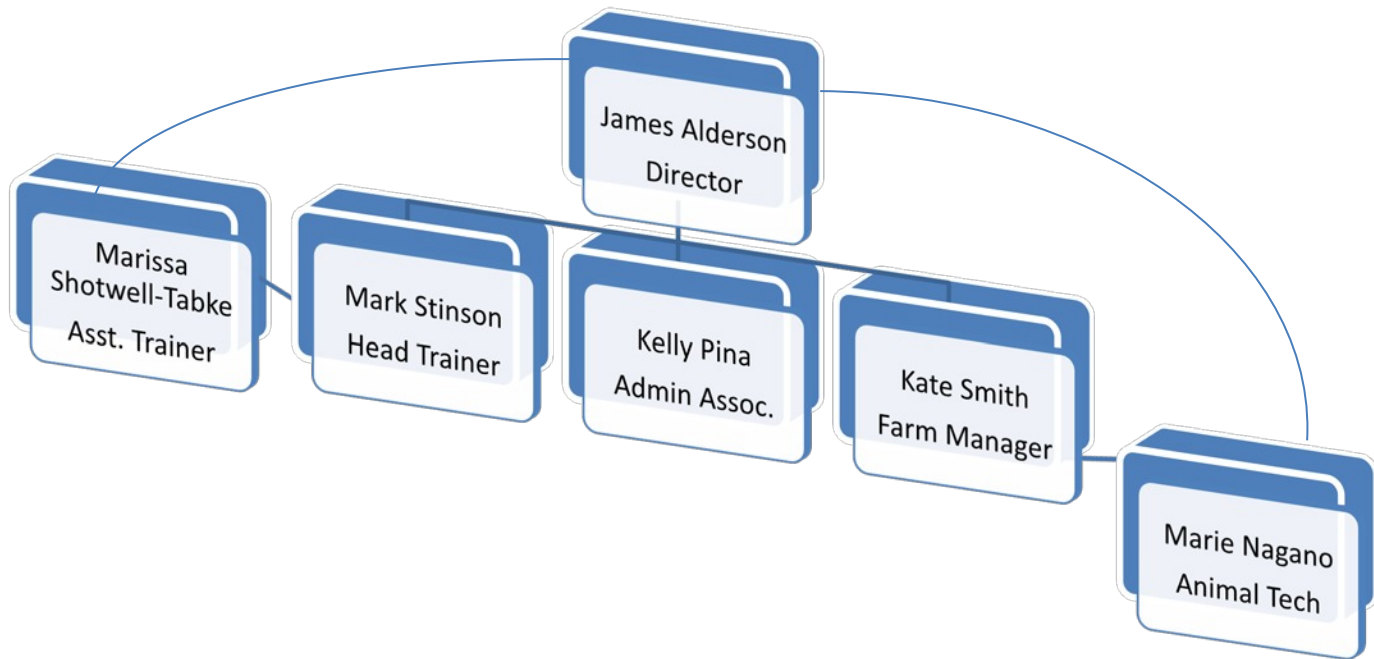
Our largest expense at the Arabian horse center is the cost of feed to feed to the horses. The price of hay can escalate quite dramatically, especially with the current drought conditions. The lack of water can also impact our ability to irrigate our pasture, further increasing our reliance on imported hay. We do not expect hay prices to rise dramatically during the current fiscal year. Even though the drought has reduce production, most cattle ranches have dispersed their herds due to the lack of rain, causing the demand for hay to decrease and stabilizing the price. I have estimated the cost of hay based on a unit cost of \$17.50 per bale. This is toward the high end of annual fluctuations in the hay costs. Prices can vary from \$12.50 per Bale to \$20 per Bale. It is unknown what effect the University applied hay will have to bring down our overall cost of hay. It is doubtful that production would be levels that the cost by much more than 10%.The other significant expenses include farrier services, shavings, and breeding and medical supplies. We have reduced our shavings costs significantly. There is not much more savings and can be realized on this item as it is commoditized. We will be reducing the number of horses in training at a given time, which should reduce the number of horses requiring farrier service. However, this will probably result in savings of 10% or less on that expense. Veterinary supplies and breeding supplies are purchased at wholesale prices and frequently with a University discount. There are no more savings that can be realized this expense category.

Asset Protection/Risk Management

Organization Chart



Organization Chart for the WK Kellogg Horse Center April 2015



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

We are well-positioned for the next three years, as we fill the market recovery will continue during that time frame. Projection out over the next 10 years as to the market direction of the Arabian Horse Industry is somewhat problematic. It is likely to have slow growth over this period of time as we are experiencing now, possibly leveling off in 5 to 7 years to very minimal growth. However, after the 2008 retraction in the market, it is doubtful that we will see another major contraction in the next 10 years. Even in the event of no growth, if we continue to improve the quality of our horses, they will continue to be sought after in our sales will at least study.


Our endowment fund returns are dependent on the overall stock market, and is outside the scope of this report and our expertise to try to make a prediction as to that market's direction. There are expense containing steps the Center can take if the market declines in the Center is not afforded with its full endowment. Such cost containing measures include reducing the size of the herd, providing veterinary care in-house, and decreasing the expenses for shows and exhibitions. It is estimated that if our horse sales are steady, we could survive a 30 to 40% decline in revenue from our endowments and still have a slightly positive budget.

Another major factor which could impact the budget over the coming years is the cost of feed. With water being scarce, the ability to permanently irrigate our pastures is somewhat questionable. Should we not be able feed many of our horses on the irrigated pastures our hay expenses could escalate dramatically. In addition, the cost of hay is sure to rise in the coming year, and must we have several years of strong rainfall. The cost of hay could negatively impact our budget and could cause us to produce fewer foals for sale, thus impacting revenue. The cost of hay is the Centers largest expense category. We have sought to keep a expenses under control by liquidating unneeded stock. In the past three years, the Center has sold approximately 40 purebred Arabians. This has had a direct positive impact on the hay expense category.

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

In summary, we expect horse sales to remain steady or rise. Income from other sources is expected to be steady with no significant increases. Subsidies of our activities from the endowment account will positively impact our working budget account, but we cannot logically predict the future amounts of money that may or may not be available from these funds. Feed is single biggest expense variable which cannot be controlled or predicted is the cost of feed. Loss of pastureland could negatively impact our budget and our ability to make money going forward. There are some measures we could take to minimize this impact.

**OPERATING BUDGETS
SUPPLEMENTAL PROGRAMS**



**RESEARCH AND
SPONSORED PROGRAMS**

CAL POLY POMONA FOUNDATION, INC.

OFFICE OF RESEARCH AND SPONSORED PROGRAMS (ORSP)

2015-2016

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

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Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation
Research & Sponsored Programs
Consolidated Budget Comparison Summary
For the 2015-16 Fiscal Year**

	2014-15 Approved Budget	2014-15 Forecast	2015-16 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Indirect Cost Recoveries	1,288,575	1,250,000	1,250,000	
Total Revenues	1,288,575	1,250,000	1,250,000	
Expenditures- Controllable				
Repairs & Maintenance	4,644			
Meals & Refreshments	6,100	8,857	8,547	(310)
Postage & Freight	996	500	996	496
Advertising	400	400	400	
Rent/Commissions	40,100	15,100	25,104	10,004
Services	134,932	120,712	125,412	4,700
Supplies	15,300	14,300	14,800	500
Travel	11,500	10,500	11,000	500
Other	326,318	345,554	317,992	(27,562)
Total Expenditures- Controllable	540,290	515,923	504,251	(11,672)
Expenditures- Non-Controllable				
Administrative Fees	504,225	560,025	560,025	
Insurance	700	600	700	100
Total Expenditures- Non-Controllable	504,925	560,625	560,725	100
Labor Costs				
Salaries & Wages	154,382	114,646	133,416	18,770
Employee Benefits	43,974	13,204	6,154	(7,050)
Total Labor Costs	198,356	127,850	139,570	11,720
Total Expenses	1,243,571	1,204,398	1,204,546	148
Net Income	45,004	45,602	45,454	(148)

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

The funds for this account and Business Plan are generated by grants and contracts awarded, when indirect costs (or "Facilities and Administrative costs") are received from the sponsor for each project. The current forecast for the account 190070, Office of Research and Sponsored Programs (ORSP) for 2014-15 indicates we will finish the fiscal year within budget where the total estimated indirect cost recovery is expected to be \$1,250,000 or an effective rate of 10 percent.

a) During past years when state budgets were reduced, a Sponsored Contracts Associate position needed in ORSP was structured as a 'zero-dollar' state-side position with salary and fringe benefit costs reimbursed from this Foundation account back to the state. During 2014-15 with improved state finances, the position has now been converted or restored to a fully state-funded position. This is reducing costs and increasing the amount of unexpended resources available in account 190070 for return back to the campuses/colleges.

b) Three more students were hired in 2014-15 to increase support in the Compliance Office. A 2nd part-time ORSP student assistant continues to be employed. Student assistants are critical to the units for ensuring prompt campus services to faculty and staff for human and animal care research protocols, and for grant proposal development and processing.

c) The "Strategic Interdisciplinary Research Program" or SIRG is now in its fourth year of full implementation. Funding was budgeted at \$75,000 and one competition was held. SIRG provides internal financial support to Faculty members who submit and win proposals for developing external grant/contracts. 11 Faculty members received funding under this year's program.

Explanation of Proposed Fiscal Year Budget:

The outlook reflects improving trends, with 2015-16 revenues forecasted to be in line with last year's and continuing to reflect flat to lower overall rates of indirect cost reimbursements (ICR) on current awards. Revenues are improving from lingering impacts of prior challenging national developments: for example, CPP was impacted by an earlier gap in National Institutes of Health (NIH) SCORE grant program opportunities, and then by two rounds of changes NIH made in eligibility regulations. (NIH suspended receipt of proposals during its SCORE review period; it resumed the program with new regs, then revised them again.) The University successfully addressed these changes and new proposals were submitted for the 2014-15 competitions; more are planned for 2015-16. In addition, proposal activity across the U.S. was negatively impacted last year by the federal sequestration and closure of governmental agencies. Application success rates declined last year to historic lows at NIH, with reduced numbers of new awards made; NIH officials state that this is continuing. Despite these trends, several important federal grants were recently won. For example, CPP was successful in winning an NSF CyberCorps Scholarship grant for \$1.8 million, and two major U.S. Department of Education Hispanic-Serving Institution awards. (With some of these new major awards, it is noteworthy that little to no ICR is allowed.) Also very promising is the fact that some costs previously borne by Foundation account 190070 during the economic downturn, are beginning to be moved back to state accounts as CPP recovers from years of cuts or lack of growth in state funding. For example, as described above, with the recent improvement to the state's financial situation, one ORSP staff position that was funded from 190070 has just been moved to state-side funding and it is hoped that the future will bring continued increases of support from that direction.

a) Increases in employee fringe benefits costs reflect the expected increases in salary rates for 2015-16. Also, the three students added in 2014-15 in the OR Compliance Office will continue to be employed for increased numbers of protocols required for human and animal research. Also, a 2nd part-time student assistant will continue to be budgeted to assist with ORSP tasks. Student assistants provide file processing, proposal routing, database input, budget checking and other vital help. This support is necessary to meet the increasing demand for protocols, proposal development processing/support, and to ensure adequate backup for critical administrative support staff/functions in the Office of Research as needed.

b) Funding is increasing for the Principal Investigator (PI) Reception held each Spring to honor all PIs and co-PIs applying or managing grants and contracts. This event has recently grown to include increasing numbers of attendees: all new Faculty are now invited, as well as all Tech Transfer Office honorees. It is also important to recognize that most of the funds are reimbursed back to this account (line7185) by the CPP Foundation Inc. via a transfer back of other resources to cover costs.

c) In sum, total revenues should be about the same as for 2014-15 and expenditures should be a little higher.

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Changes in Programs and Services for Proposed Fiscal Year:

Like all grantee institutions across the country, ORSP has been focused on proposed changes to pre-award processes and practices resulting from the Office of Management and Budget's (OMB's) "Uniform Guidance" or UG. The UG has integrated the many circulars for grants administration, cost principles and audits into one new, omnibus regulatory guidance that will now cover different types of institutions including Universities, community colleges, state/local governments, hospitals and non-profit institutions. UG implementation will affect processes and services over the coming two fiscal years and more.

Explanation of Proposed Fiscal Year Capital Requests:

None

Changes in Staffing:

ORSP is continuing to strengthen an already strong pre-award Team. For 2015-16, prior reimbursement to the state of all salary and fringe benefits costs to fund one Associate-level position ("Sponsored Contract Associate") is no longer included. The state is now covering these costs. For all full-time positions, costs are increased 2%. ORSP's Administrative Support Assistant II state-funded position, that was vacated when the incumbent left for another institution, was successfully recruited and refilled. The Compliance Office hired three new students to help handle increased numbers of IRB and Animal protocols.

New and recently acquired staff require continuous training in CPP's grants/contracts policies and procedures, in ever-changing federal and sponsor regulations and in fundamentals of research administration. They also need oversight and experience in this very technical field. In addition, increases in complexity of sponsored programs, legal documents, and revisions in regulations continue to occur. These factors have impacted personnel resources available, and resulting turnaround time and level of services provided to support Faculty and Staff.

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

The outlook for the next three years and beyond is promising if ORSP, Faculty and Staff receive adequate resources and grantseeking support to compete. Grant and contract activity on campus has vast potential despite stiff competition for federal funding. The portfolio is broad; CPP is in position to apply and win funds if Faculty/Staff have assigned time to develop and write excellent, competitive proposals and if ORSP has increased staffing and funds adequate to support them in this endeavor. As one example, the College of Engineering continues an internal program of grants development to increase the number of proposals submitted. However, the current staffing and infrastructure model for ORSP must be adequate to support them. A rebounding but still challenging state financial situation will continue to make resources too scarce. Pursuit of a "growth model" is needed to help develop and submit more and better proposals: support for ORSP staffing, infrastructure growth and increased funds for development support (such as external grantwriters) are needed to be successful. Our University's competitive position will be impacted by these trends.

Major Projects and Business Goals for Proposed Fiscal Year

D

Action Steps	Person Responsible	Due Date
Manage the provision of professional, courteous and timely services in an era of still-tight state resources	AVP/Director	Ongoing for FY2014-15
Train and develop the ORSP team to maintain professional pre-award services	AVP/Director	
Increase the competitiveness/quality of proposals in a time of still-tight resources	AVP/Director	
Continue Faculty and Staff involvement in grant & contract activities to increase the number of submittals:	AVP/Director	
celebrate accomplishments		
Recommend and support activities to help enhance the grants culture and/or infrastructure	AVP/Director	
Help i.d. campus issues (retain PIs, assigned time, space, lab eqp. and start-up funds, supportive RTP	AVP/Director	
requirements, quick turnaround of contracts, and so on)		
Maintain compliance in all aspects of pre-award activity/ proposal development	AVP/Director	

Mission/Vision Statement



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

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

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

- Provide leadership and support services to the University to increase grant and contract funding and to enhance Faculty, Staff and student participation in research and scholarly endeavors.
- Facilitate the creation of external funding partnerships that benefit the University and its broader community.
- Help Faculty, Staff and students comply with regulations governing research and sponsored programs, including the use of vertebrate animals and human subjects in research.
- Support research involving animals through the Lab Animal Facility (Building 92).
- Provide courteous, timely and professional service to Faculty, Staff and students.

Strengths and Challenges

Strengths

Strengths: The number of proposals submitted is increasing, as are numbers of PIs; the ORSP Staff exhibit exceptional teamwork but are frequently impacted by deadline stress and "rush" proposals; a PI Recognition Reception was held to honor and celebrate PIs and co-PIs; new OR initiatives bring fresh focus on external funding and related areas such as Tech Transfer and Undergrad Research; outstanding compliance continued on campus; a P-RSCA and Kellogg FuTURE programs were funded using some both state and Kellogg resources; the Provost Teacher-Scholar program continued to develop research/grants active faculty; new faculty bring energy and possibilities. Opportunities: the internal "SIRG" program offers strategic, interdisciplinary research support to faculty; major competitions for PUIs, STEM & HSIs continue; ORSP held several National Science Foundation (NSF)-sponsored and other workshops to educate and support Faculty.

Challenges

There is vigorous national competition for external funds and some key federal success rates remain at historic lows for the country; improving but still tight state funding continues to have significant, cumulative impacts; ORSP continues to re-build and train the team; "rush" proposals stress ORSP; faculty say they have limited time to write proposals as a result of heavy teaching loads, especially vs. top research entities; the Lab Animal Facility continues to age; and continued actual and potential loss of our most competitive PIs/employees to other institutions is a critical issue. Despite these challenges, the future is promising at CPP: the number of applications for external funding is strong and increasing, the total dollar volume requested is increasing at a very high rate; and CPP is winning significant grants with important benefits to our campus.

Employee Survey

F

Do not include the entire survey just the results. List any action steps or projects developed as a result of surveys in the Major Projects and Business Goals section.)

An employee survey was conducted during January of 2015; participation was voluntary and anonymous. Questions addressed key aspects including fair treatment, respect and equality, trust, teamwork, support for skill development and communication. Results indicated a high rate of response and were extremely positive overall: they confirmed areas of strength such as trust, teamwork and communication. Employees responding all either totally agreed or agreed that they feel they are considered an important factor in the department's success. They also all either totally agreed or agreed that they enjoy working for ORSP. The results also indicated areas that can be considered for improvement for the future, such as supporting additional development of employee skills, and ensuring that other departments or employees react quickly to meet needs when there are new projects or demands.

The surveys are useful in ensuring good communication and maintaining channels for feedback from the team, to continue growth and improvement in the critical area of employee satisfaction with the campus/office working environment.

Customer Survey

ORSP conducted a survey regarding Customer Service Satisfaction this year. Responses were very positive overall: there was strong agreement that staff are friendly and courteous, which confirms a warm and welcoming environment is provided to our customers. Furthermore, there was strong agreement that ORSP staff exhibit a high degree of professionalism. One area in which ORSP offered two workshops last year involved providing training and extra help with the tools for locating funding opportunities; survey responses indicate that customers would find this beneficial to continue for the future. Finally, respondents strongly agreed that the office contributes to the University's success. Survey results were anonymous.

The results are extremely encouraging and will help with continuous improvements that ORSP strives for.

Keys to Success

Keys to Success Items	Rank in Importance 10 to 1
10. Staff retention, growth and training/development despite continued stress and tight resources	10
9. Faculty and Staff participation in grant/contract proposal submittal activities and scholarly endeavors	9
8. Financial and other support from the campus for increasing competitiveness/quality of proposals	8
7. Campus-wide issues explored to enhance the infrastructure (keeping PIs, assigned time, space, lab eqp., etc.)	7
6. Support from the state and Foundation (for staffing, grant-writing, workshops, competitiveness enhancement)	6
5. Increased funding opportunities from sponsors for which the campus is eligible	5
c:\mydocs\Budgets ORSP 2013-14/Foundation 10/2013 2014 Draft ORSP Businessplan_VS.pdf	
file name: 2013 2014 FINAL FINAL ORSP businessplan_VS.pdf	

Corporate Culture


Customer/Client Perception	Unit Perception
High levels of service satisfaction were maintained in key areas of	Employee Surveys administered in recent years
courtesy and professionalism; during RUSH proposal proposal periods,	and informal feedback provide regular guidance on
timeliness elsewhere can suffer; still-tight state budgets and past lack of	perceptions and results are being used to help
adequate raises pose lingering challenges in maintaining improvements.	create a high-quality working environment
	for the unit.
Faculty and staff have extensive needs for pre-award ORSP support	Employees face the increasing challenge of meeting
in order to develop, write and submit competitive proposals	Faculty and staff needs with continuing high
during a time when they are also coping with staffing and	levels of service satisfaction, during a time of
resource constraints and increased workloads.	flat staffing and resources; demand for services remains high.
Many new Faculty members, in particular, require extensive assistance	Many tasks are still carried out under stress of "Rush" proposal
and support in order to become familiar with processes/requirements	deadlines and with the need to meet complex
to win external funding in the current extremely	compliance requirements with accuracy. Few to no raises were paid to
competitive grants arena.	staff for a number of recent years.
Teamwork is excellent.	Teamwork is excellent.

Business Controls and Vital Factors

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

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

Asset Protection/Risk Management

**OPERATING BUDGETS
SUPPLEMENTAL PROGRAMS**

**UNRESTRICTED AND RESTRICTED
FOUNDATION PROGRAMS**

**Cal Poly Pomona Foundation
Unrestricted Foundation Programs
Consolidated Budget Comparison Summary
For the 2015-16 Fiscal Year**

	2014-15 Approved Budget	2014-15 Forecast	2015-16 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Sales	794,856	575,000	575,004	4
Total Revenues	794,856	575,000	575,004	4
Expenditures- Controllable				
Services	774,588	560,702	560,700	(2)
Total Expenditures- Controllable	774,588	560,702	560,700	(2)
Expenditures- Non-Controllable				
Administrative Fees	20,268	14,298	14,292	(6)
Total Expenditures- Non-Controllable	20,268	14,298	14,292	(6)
Total Expenses	794,856	575,000	574,992	(8)
Net Income			12	12

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

Unrestricted Foundation Programs

Overview of Current Fiscal Year:

The forecast includes the unrestricted Foundation programs (approximately 75 programs that are not allowed to receive restricted donor funds). The forecasted revenues of \$575,000 were forecasted by annualizing the year to date revenues (excluding endowment distributions). The administrative fee of \$14,298 was forecasted by multiplying the annualized expenditures by 2.55% and the balance is the direct forecasted expenditures. The forecast is a break even budget so the expenditures of \$560,702 was used and accounted for as services other in arriving at a break even forecast.

Explanation of Proposed Fiscal Year Budget:

The proposed budget includes the unrestricted Foundation programs (approximately 75 programs that are not allowed to receive restricted donor funds). The proposed budgeted revenues of \$575,000 were annualized from the forecasted revenues (excluding endowment distributions). The administrative fee of \$14,298 was budgeted by multiplying the annualized expenditures by 2.55% and the balance is the direct budgeted expenditures. The budget is a break even budget so the expenditures of \$560,702 was used and accounted for as services other in arriving at a break even forecast.

**Cal Poly Pomona Foundation
Restricted Foundation Programs
Consolidated Budget Comparison Summary
For the 2015-16 Fiscal Year**

	2014-15 Approved Budget	2014-15 Forecast	2015-16 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Sales	8,794,236	11,452,901	8,567,959	(2,884,942)
Total Revenues	8,794,236	11,452,901	8,567,959	(2,884,942)
Expenditures- Controllable				
Services	6,155,964	8,017,031	5,997,573	(2,019,458)
Total Expenditures- Controllable	6,155,964	8,017,031	5,997,573	(2,019,458)
Expenditures- Non-Controllable				
Administrative Fees	156,972	204,434	152,934	(51,500)
Total Expenditures- Non-Controllable	156,972	204,434	152,934	(51,500)
Total Expenses	6,312,936	8,221,465	6,150,507	(2,070,958)
Net Income	2,481,300	3,231,436	2,417,452	(813,984)

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

Restricted Foundation Programs

Overview of Current Fiscal Year:

The forecast includes the restricted Foundation programs (approximately 525 programs that are allowed to receive restricted donor funds and unrestricted funds i.e. exchange transactions). The forecasted revenues of \$11.4 million were forecasted by taking the year to date revenues of \$8.4 million as of January 2015 and subtracting the endowment distributions of \$4.2 received arriving at net revenues without endowment distributions. The net revenues were annualized and endowment distributions were added back arriving at total forecasted revenues of \$11.4 million. The administrative fee of \$204,434 was forecasted by multiplying the annualized expenses by 2.55% assuming the direct forecasted expenditures will be 70% of the forecasted revenues. The forecast generates a surplus of approximately \$3.2 million for the restricted programs.

Explanation of Proposed Fiscal Year Budget:

The budget includes the restricted Foundation programs (approximately 525 programs that are allowed to receive restricted donor funds and unrestricted funds i.e. exchange transactions). The budgeted revenues of \$11.4 million were derived from the forecasted revenues and includes the endowment distributions of \$4.2 million transferred in September 2015. The administrative fee of \$204,434 was budgeted from the forecast assuming the direct budgeted expenditures will be 70% of the budgeted revenues. The budget generates a surplus of approximately \$3.2 million for the restricted programs.

LONG TERM CASH PLAN/ RESERVES

LONG-TERM CASH PLAN/RESERVES – FISCAL YEARS 2016-25

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

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

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

Sources of Cash:

- Total surpluses from operations - \$44.1 million
- Non-cash transactions – Depreciation - \$46.2 million
- Non-cash transactions – Post Retiree Medical Benefits – \$2.2 million
- Financing activities - Principal loan repayments received - \$0
- Reserve draw-downs - \$19.6 million
- **Total Sources of Cash - \$112.1 million**

Uses of Cash:

- Capital project requirements - \$25.5 million
- Financing activities – Principal loan payments - \$10.7 million
- Designated Gifts - \$17.9 million
- Reserve contributions - \$22.4 million
- **Total Uses of Cash - \$76.5 million**

Net increase in Cash - \$35.6million

Cash Available - \$47.6 million

The surpluses from operations for the ten years ended of \$44.1 million, net of depreciation and Post Retiree Medical Benefits, are generated from the following activities:

- Administration is projected to generate a deficit of (\$10.1) million less the non-cash post-retirement medical benefit of \$2.2 million and depreciation of \$2.0

million and the capital reserve withdrawals of \$3.3 million will be used to pay for the capital projects of \$3.3 million

- Real Estate (Innovation Village, Building Rentals & Faculty Housing) is projected to generate a surplus of \$11.2 million plus the non-cash depreciation of \$8.9 million and the venture capital/real estate reserve withdrawals of \$5.0 million used to repay the alternative investment of \$2.0 million and the capital request of \$1.3 million.
- Investments are projected to generate a surplus of \$8.2 million
- Bookstores are projected to generate a surplus of \$3.5 million plus the non-cash depreciation of \$1.6 million to pay for the capital request of \$775,000.
- Dining Services are projected to generate a surplus of \$10.9 million plus the non-cash depreciation of \$5.5 million and the capital reserve withdrawals of \$1.9 million to pay for the capital request of \$8.8 million.
- Kellogg West is projected to generate a surplus of \$540,000 plus the non-cash depreciation of \$550,000 and the capital reserve withdrawals \$5.0 million to pay for the capital request of \$5.0 million.
- University Village is projected to generate \$15.5 million plus the non-cash depreciation of \$26.7 million used to pay the principal debt payments on the 2013 and 2014 series bonds of \$8.3 million and the capital request of \$6.3 million.
- Supplemental Programs are forecasted to generate a surplus of \$4.4 million plus the non-cash depreciation of \$840,000 used to repay the balance on the CTTi's 2007 series bonds of \$2.4 million.

Non-cash transactions for the ten years ended of \$48.3 million include depreciation of \$46.2 million and post-medical retirement benefit accrual of \$2.2 million.

The surpluses from operations of \$44.1 million plus the non-cash transactions of \$48.4 million generate cash from operations of \$92.5 million for the ten years ended.

Reserve draw-downs generate \$19.6 from the capital reserve, venture capital/real estate reserve and Post Retiree Medical Benefit Trust.

The majority of the capital project requirements of \$25.5 million are for renovations and upgrades as follows:

- Administration will require \$3.2 million for upgrades to Bldg # 55, Desktop Upgrades/Virtualization, Mobile App Integration, PCI System Updates, Hosted Services Expansion, Business Analytics Development, POS Private Network Build out, POS Upgrades, VM/VDI Software Upgrades, IOT Development, HRIS HR/Payroll Platform, Document Library/E-Forms/Workflow, Wide Format Printer and High Capacity Laser Color Printer;
- Real Estate will require \$1.3 million for HVAC replacement, Paint and Flooring for Bldg # 66, Way Finding Signs and Street slurry seal and stripe, Exterior Paint and Carpet at Bldg. # 97, Tenant Improvements for New Leases and Carpet Replacement at CTTi;
- Bookstore will require \$775,000 for HVAC repairs and replacement, Security system upgrades, Repair and replace Elevator, Replace upstairs flooring and

stairs, Replace network copiers, Van, Replace flooring downstairs, Roof replacement, Painting of the building and Refurbish/replace elevator;

- Dining services will require \$8.8 million for Upgrades to Peets/Freshen's Replacement, Campus Retail and Catering Operations, CCMP Replacement, Starbuck's Brand Refresh, BSC Master Plan, CKE equipment upgrade and refresh, Subway upgrade, Fresh Escapes Replacement, Upgrade outside seating at CCMP and Starbucks, New Resident Dining Facility, Food Truck Refresh, Los Olivos Upgrades, Vehicle Fleet Plan, COGNOS Financial Reporting and Coffee Concept at BSC.
- Kellogg West Conference Center and Hotel will require \$5.0 million for conference area remodel and renovation, meeting room carpet replacement, roof replacement of Bldg 76, remodel of guestroom bathrooms, restaurant kitchen major equipment replacement, Crestview pool, Fitness Center and Hospitality Suite, Guestroom carpet replacement, guestroom renovations, Conference Center remodel and renovation, front lobby, front desk and dining room remodel;
- University Village will require \$6.3 million for Refurbishment/replacement-32 Apts. Yearly, Rec. Center Expansion, Bathroom vanities Phase 1 & 2, Water Heaters-Phase 1 & 2, Van-12 passenger, Kitchen Stoves Phase 1 & 2, Kitchen Refrigerator Phase 1 & 2, Kitchen Stove Phase 3, Kitchen Refrigerator Phase 3, HVAC heat pump Phase 1, HVAC heat pump Phase 2, Roof replacement Phase 1 & 2, Exterior painting Phase 3, Refurnish Community and Recreation Centers, Conference/Meeting Room construction, Install Key card system in all buildings, Cosmet/Light Structure Rehab. All Phases, Deck Rehab all Phases, Smart Room in Recreation Center, Water Saving Toilets Phase 1 and 2.

The financing activities of \$10.7 million represent principal payments per the debt amortization schedules as following:

- Principal debt obligations for the CTTi 2007 series bonds of \$2.4 million; and
- Principal debt obligations of University Village Phase III 2013 and 2014 bond series of \$8.3 million.

The Designated Gifts on behalf of the University for the President's public relations, the Division of University Development and the Office of Research and Sponsored Programs are projected to increase 5% each year for a total of \$17.9 million.

The projected reserve drawdowns are \$19.6 million and contributions of \$22.4 million are as follows:

- Agriculture Program Reserve has a current balance of \$53,705 and there are forecasted contributions of \$21,295 and no withdrawals; thus the projected balance is \$75,000 versus a goal of \$75,000;
- Cafeteria State Share Reserve has a current balance of \$182,062 and there are no forecasted or projected contributions and withdrawal; thus the projected balance is \$182,062;
- Capital Reserve has a current balance of \$5.6 million and there are forecasted and projected contributions of \$1,286,594 and withdrawals of \$2,584,969; projected annual increases of 3% for a total of \$10.2 million offset by \$10.2

million projected withdrawals for capital requests; thus the projected balance is \$4.3 million versus a goal of \$6.0 million;

- Emergency Reserve has a current balance of \$120,152 and there are no forecasted or projected contributions or withdrawals; thus the projected balance is \$120,152;
- Indirect Cost Disallowance Reserve has a current balance of \$346,406 and there are no forecasted or projected contributions or withdrawals; thus the projected balance is \$346,406 versus the goal of \$346,406;
- Innovation Village Reserve has a current balance of \$54,529 and there are forecasted and projected contributions of \$16,940 and projected annual contributions of \$296,000 and no withdrawals; thus the projected balance is \$367,469;
- Insurance Reserve has a current balance of \$98,378 and there are forecasted and projected contributions of \$102,543 and forecasted withdrawals of \$100,921 and no projections; thus the projected balance is \$100,000;
- Pine Tree Ranch Reserve has a current balance of \$140,886 and there are no forecasted, proposed and or projected contributions or withdrawals; thus the projected balance is \$140,886 versus the goal of \$75,000;
- Post Retiree Medical Benefit Reserve has a current net OBEP (GASB) obligation of \$335,469, plan assets of \$5.6 million versus an actuarial accrued liability for benefits obligation of \$11.3 million; contributions to the Voluntary Employee Beneficiary Association (VEBA) are forecasted and proposed to be \$2.0 million, projected to be \$2.8 million and withdrawals are projected to be \$4.4 million; thus the net assets are projected to be \$6.7 million at June 2016 equal to the goal;
- Research and Sponsored Program reserve has a current balance of \$112,258 and the forecast and proposed budgeted contributions of \$40,000 with no withdrawals and no projected contributions or withdrawals; thus the projected balance is \$152,258;
- Residential Board Meal Program Surplus Reserve has a current balance of \$1,548,176 and the forecast and proposed budget contributions are \$694,392 and withdrawals of \$261,928; thus the projected balance is \$1,980,640;
- Venture Capital/Real Estate Reserve has a current balance of \$1,370,037 and there is a projected contribution of \$963,791 and withdrawals \$800,000 and projected contributions of \$5.2 million and withdrawals of \$5.0 million; thus the projected balance is \$1,753,828, versus a goal of \$6,000,000.

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

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

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

	Actual	Actual	Actual	Forecast	Budget	Projections											Reserve	Reserve
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017-26	2026	Goal
SOURCES OF CASH																		
Excess of Revenue over Expenses																		
Administration	(784)	(1,015)	(875)	(704)	(1,012)	(1,012)	(1,012)	(1,012)	(1,012)	(1,012)	(1,012)	(1,012)	(1,012)	(1,012)	(1,012)	(10,120)		
Real Estate	368	330	401	389	21	759	776	777	825	1,128	1,139	1,161	1,502	1,539	1,555	11,161		
Investments	(29)	1,049	2,389	(81)	1,085	593	643	693	743	793	843	893	943	993	1,043	8,175		
Bookstores	459	280	423	392	317	350	350	350	350	350	350	350	350	350	350	3,500		
Dining Services	595	697	1,275	786	1,027	1000	1020	1040	1061	1082	1104	1126	1149	1172	1195	10,949		
Kellogg West - Rooms & Conference	22	(39)	(37)	69	12	35	40	45	50	55	55	60	65	65	70	540		
University Village	1,253	1,047	1,150	834	1,331	1,100	1,200	1,300	1,400	1,500	1,600	1,700	1,800	1,900	2,000	15,500		
Supplemental Programs	1,109	1,094	1,418	445	334	351	368	387	406	426	448	470	493	518	544	4,411		
Unrestricted Campus Programs	(140)	(88)	1,061	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total Surplus (Deficit) - Operations	2,853	3,355	7,205	2,130	3,115	3,175	3,385	3,579	3,822	4,322	4,526	4,747	5,290	5,525	5,745	44,116		
Non-cash transactions																		
Administration				154	204	204	204	204	204	204	204	204	204	204	204	2,040		
Real Estate				937	894	894	894	894	894	894	894	894	894	894	894	8,940		
Bookstores				142	162	162	162	162	162	162	162	162	162	162	162	1,620		
Dining Services				532	553	553	553	553	553	553	553	553	553	553	553	5,530		
Kellogg West				44	55	55	55	55	55	55	55	55	55	55	55	550		
University Village				2,526	2,669	2,669	2,669	2,669	2,669	2,669	2,669	2,669	2,669	2,669	2,669	26,690		
Supplemental Programs				64	84	84	84	84	84	84	84	84	84	84	84	840		
Depreciation	3,669	3,780	3,868	4,399	4,621	4,621	4,621	4,621	4,621	4,621	4,621	4,621	4,621	4,621	4,621	46,210		
GASB 45 - Post Retiree Medical Benefits	1,082	743	799	614	548	474	390	312	250	200	160	128	102	82	65	2,162	5,172	5,172
Total Non-cash transactions	4,751	4,523	4,667	5,013	5,169	5,095	5,011	4,933	4,871	4,821	4,781	4,749	4,723	4,703	4,686	48,372		
TOTAL CASH GENERATED FROM OPERATIONS	7,604	7,878	11,872	7,143	8,284	8,270	8,396	8,512	8,693	9,142	9,307	9,496	10,013	10,227	10,431	92,488		
Financing Activities																		
Reserve Village Bonds 2002A Series	237																	
Principal Payments - ENV Model Studio	26	27	191															
Total Financing Activities	263	27	191	-	-	-	-	-	-	-	-	-	-	-	-	-		
Reserve Draw Downs																		
Capital Reserve				1,354	1,231	890	917	944	972	1,002	1,032	1,063	1,094	1,127	1,161	10,202		
Venture Capital Real Estate Reserve					800	500	500	500	500	500	500	500	500	500	500	5,000		
Cafeteria State Share Reserve	35																	
Insurance Reserve	12			101														
Residential Board Meal Program Surplus Reserv	377	99	250	86	175													
Withdrawal of funds from Post Retiree Medical Benefit Trust				373	373	384	396	408	420	432	445	459	473	487	501	4,404		
Total Reserve Activities	842	99	250	1,914	2,579	1,774	1,812	1,852	1,892	1,934	1,977	2,021	2,067	2,114	2,162	19,606		
TOTAL SOURCES OF CASH	8,709	8,004	12,313	9,057	10,863	10,044	10,208	10,364	10,585	11,076	11,284	11,518	12,080	12,341	12,593	112,095		

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

	Actual	Actual	Actual	Forecast	Budget	Projections										Reserve	Reserve	
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017-26	2026	Goal
USES OF CASH																		
Administration				194	306	268	425	497	398	251	222	372	269	293	271	3,266		
Real Estate				332	889	141	118	64	89	80	77	225	75	75	385	1,329		
Bookstores				10	125	70	70	60	35	310	35	35	90	35	35	775		
Dining Services				926	667	680	2440	515	100	4300	25	120	400	200	25	8,805		
Kellogg West				903	1,192	250	350	500	300	650	430	475	850	750	450	5,005		
University Village				1,087	229	892	435	390	550	875	336	555	745	754	754	6,286		
Supplemental Programs				138	657											-		
Capital Project Requirements	7,696	4,064	2,805	3,590	4,065	2,301	3,838	2,026	1,472	6,466	1,125	1,782	2,429	2,107	1,920	25,466		
Principal - Village Phase III Bonds 2005	550	570	595	625												-		
Principal - CTTi Bonds 2007	170	180	185	195	205	215	230	235	250	260	280	290	305	320		2,385		
Principal - Village Phase III Bonds 2013 & 2014					625	660	695	725	765	805	845	890	935	985	1030	8,335		
Financing Activities	905	750	780	820	830	875	925	960	1,015	1,065	1,125	1,180	1,240	1,305	1,030	10,720		
Designated Gifts	1,470	1,008	1,403	2,079	1,355	1,423	1,494	1,569	1,647	1,729	1,816	1,907	2,002	2,102	2,207	17,895		
Other Changes- see note																		
Agriculture Program Reserve	17		37	21												-	75	
Cafeteria State Share Reserve																-	182	
Capital Reserve	864	777	1,786	422	864	890	917	944	972	1,002	1,032	1,063	1,094	1,127	1,161	10,202	4,301	6,000
Emergency Reserve																-	120	
Indirect Cost Disallowances Reserve																-	346	346
Innovation Village Demo Reserve		46	8	8	9	11	11	30	32	33	34	35	35	37	38	296	367	
Insurance Reserve	16		65	40	63											-	100	
Pine Tree Ranch Reserve	8															-	141	75
Post Retiree Medical Benefits Trust	1,000	1,000	1,000	1,000	1,000	1,000	1,000	800								6,700	6,700	6,700
Research & Sponsored Programs Reserve	20	20	20	20	20											-	152	
Residential Board Meal Program Surplus Reserve	481	293	444	329	365	-	-	-	-	-	-	-	-	-	-	-	1,981	
Venture Capital/Real Estate Reserve	-	444	449	470	494	499	504	509	514	519	524	530	535	540	546	5,220	1,754	6,000
Reserve Contributions	2,406	2,580	3,809	2,310	2,815	2,400	2,432	2,283	1,518	1,554	1,590	1,627	1,664	1,705	1,745	22,418	16,219	19,121
Total Uses of Cash	12,477	8,402	8,797	8,799	9,065	6,999	8,688	6,838	5,653	10,814	5,656	6,496	7,335	7,219	6,902	76,499		
Net Change in Cash	(3,768)	(398)	3,516	258	1,798	3,046	1,520	3,526	4,933	262	5,628	5,022	4,745	5,123	5,691	35,595		
Cash Available	6,871	6,473	9,989	10,247	12,045	15,091	16,610	20,137	25,069	25,332	30,960	35,981	40,726	45,849	51,540	47,640		

Minimum Two Month Working Capital Reserve Required 6,317 6,946