

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

FINANCE COMMITTEE

**Wednesday February 15, 2017
3 pm – 4:30 pm
Building #55 – Executive Conference Room**

AGENDA

CONSENSUS ACTION ITEMS

PAGE

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

- | | | | |
|----|--|------------------|-------|
| 1. | Minutes November 7, 2016 Meeting
ACTION: Approval | Danielle Manning | 1 - 2 |
|----|--|------------------|-------|

ACTION ITEMS

- | | | | |
|----|---|--------------------------------------|---------|
| 2. | Indirect Cost Recovery Rate Study
-Department of Health and Human Services
ACTION: Approval | David Prenovost/
Deston Halverson | 3 - 14 |
| 3. | Endowment Spending Policy # 133 Update
ACTION: APPROVAL | G. Paul Storey/
David Prenovost | 15 - 20 |

DISCUSSION ITEMS

None

INFORMATION ITEMS

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

- | | | | |
|----|--|---------------------------------|---------|
| 4. | Sponsored Program Update | Sadiq Shah/
Debbie Linthicum | 21 - 37 |
| 5. | Financial Highlights 2nd Quarter 2016-2017 | David Prenovost | 38 - 49 |
| 6. | Financial Highlights – 5 Year Review | David Prenovost | 50 - 81 |
| 7. | CPP Student Housing and Dining Commons Update | G. Paul Storey | 82 |
| 8. | Executive Director's Report
-Year End IRS Form Processing | G. Paul Storey | |

OPEN FORUM

CAL POLY POMONA FOUNDATION, INC.
Finance Committee Meeting Minutes
November 7, 2016

Present: Sylvia Alva, Sarah De La Parra, U.J. Fan, Danielle Manning, Theresa Mendoza and Jessica Shahad

Absent: Lea Jarnagin, Darwin Labordo, John McGuthry, Uriah Sanders, Oliver Santos and David Speak

Visitors: Christine He, Anne McLoughlin, Dennis Miller, Debra Poe, David Prenovost, Karen Sandoval and Paul Storey

CALL TO ORDER

Danielle Manning called the meeting to order at 2:00pm.

1. Approval of Minutes for September 15, 2016

The minutes for September 15, 2016 were approved by consent.

ACTION ITEMS

2. Capital Projects Requests

1. Facilities Vehicle Replacement

Paul Storey presented the capital budget request for \$20,000 to replace a vehicle that has reached the end of its service life. The Committee discussed the need for this request and the source of funding for the vehicle since there was no endowment distribution approved this year.

A motion was made by Jessica Shahad to accept the capital budget request and forward to the Board for approval. The motion was seconded by U.J. Fan and approved 5-Ayes, 1-Nay and 0-Abstentions.

2. CTTi Brew Works HVAC Upgrade

Paul Storey presented the Real Estate Division request of \$200,800 for HVAC work at the Center for Training, Technology, and Innovation (CTTi). The current system is insufficient to adequately provide proper indoor air quality and temperature.

A motion was made by Sylvia Alva to accept the capital budget request and forward to the Board for approval. The motion was seconded by Jessica Shahad and approved 6-Ayes, 0-Nays and 0-Abstentions.

3. Starbucks Kiosk at SCE

Paul Storey presented a proposed agreement with SCE by investing up to \$75,000 toward equipment and startup costs for a Starbucks beverage coffee and food service venue for employees at the SCE building at Innovation Village.

A motion was made by Sylvia Alva to accept the capital budget request and forward to the Board of Directors for approval. The motion was seconded by Jessica Shahad and approved 6-Ayes, 0-Nays and 0-Abstentions.

3. 2015-2016 Tax Return Review

David Prenovost summarized the 2015-2016 federal income tax returns forms 990, 990-T, and all supporting schedules. David pointed out the federal form 990 asks if a complete draft of the tax return is provided to Board members before filing the return.

Committee Members discussed the internal tax return preparation and review process and suggested engaging Vicenti Lloyd and Stutzman, our CPA firm, to review the final draft returns.

A motion was made by Theresa Mendoza to accept the 2015-16 draft tax returns as presented and be forwarded to the Board for final review and approval. The motion was seconded by U.J. Fan and approved 6-Ayes, 0-Nays and 0-Abstentions.

DISCUSSION ITEMS

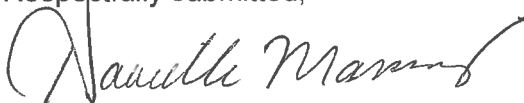
None

INFORMATION ITEMS

Due to time constraints no information items were presented or discussed.

Meeting was adjourned at 3:30pm

Respectfully submitted,



Danielle Manning, Finance Committee, Chair

CAL POLY POMONA FOUNDATION, INC.

Memorandum



Date: January 31, 2017
To: Finance Committee
From: 
David F. Prenovost
Senior Managing Director
Chief Financial Officer
Subject: **Indirect Cost Rate Negotiated Agreement for Sponsored Projects**

Foundation's indirect cost recovery rate agreement from the Federal Department of Health and Human Services (DHHS) relating to externally-funded sponsored projects expired on June 30, 2015. Indirect cost recovery represents operating costs of the University and Foundation which are directly related to the sponsored project, but not readily identifiable with the specific program including library resources, building maintenance, human resources, accounting, classroom and laboratory space, etc.

In order to continue to be allowed to collect indirect cost recovery on these externally funded projects, a study is required to be conducted in order to determine if the existing rates are in compliance with the current uniform guidance regulations. In early 2015, as approved by the Foundation Board of Directors, a request for proposals was sent to a number of firms who specialize in the preparation, calculation and negotiation of these types of rate proposals including Huron Consulting Group, Louis Guin, Maximus, Inc., and Attain, LLC. A committee consisting of Darwin Labordo, Vicki Stepp, Sepehr Eskandari, David Prenovost, and Debbie Linthicum was formed to select the most qualified firm. The selection criteria for the firms included completeness and quality of proposal, experience with the CSU system, cost of services, and reference checks. Based on these attributes, the selection committee chose Attain, LLC to perform these services at a cost of \$79,500.

Over the last year and a half, the rates were calculated, reviewed, and negotiated with DHHS. As a result of this process, DHHS has made an offer for our new indirect cost recovery rates for the period July 1, 2015 through June 30, 2020 to be as follows:

	CURRENT RATES		
	FY 2015-2017	FY 2017-2018	FY 2018-2020
Organized Research	45%	46%	47%
Instruction	48%	49%	50%
Other Sponsored Activity	32%	33%	34%
Off Campus	26%	26%	26%

At the end of this new rate period (FY 2019-2020) the Foundation may request to extend these rates for an additional four years allowing for a maximum of an eight/nine year rate agreement with DHHS. Six months prior to the expiration of the new rate agreement, a decision will need to be made whether to request an extension of the current rates or complete a new rate study.

PROPOSED ACTION

WHEREAS, Foundation management is requesting the Finance Committee's approval of the Department of Health and Human Services facilities and administrative rates and to present their recommendation for review and approval to the Board of Directors at its next regularly scheduled meeting.

NOW, THEREFORE, BE IT RESOLVED that the Cal Poly Pomona Foundation, Inc. Finance Committee approves the Department of Health and Human Services facilities and administrative rates and will present the Finance Committee's recommendation for review and approval to the Board of Directors at its next regularly scheduled meeting.

PASSED AND ADOPTED THIS 15TH DAY OF FEBRUARY 2017.

By: 
Ms. Danielle Manning, Chair
Finance Committee

**F&A Rates in the CSU System
As of September 2016**

		Expiration				
		Date	Research Rate	Instruction Rate	Other Instructional	Off Campus
San Francisco	MTDC	6/30/2018	54.5%	50.0%	42.5%	26.0%
San Jose	MTDC	6/30/2016	52.5%	42.9%	27.5%	26.0%
San Diego	MTDC	6/30/2018	50.0%	59.0%	34.0%	26.0%
San Marcos	MTDC	6/30/2018	49.0%	49.0%	49.0%	28.0%
Long Beach	MTDC	6/30/2017	47.5%	50.5%	47.5%	26.0%
Pomona (New Rate Agreement)	MTDC	6/30/2020	47.0%	50.0%	34.0%	26.0%
Bakersfield	MTDC	6/30/2018	47.0%	47.0%	47.0%	22.0%
East Bay	MTDC	6/30/2019	46.5%	46.5%	46.5%	25.0%
Maritime Academy	MTDC	6/30/2019	46.5%	46.5%	46.5%	20.8%
Dominguez Hills	MTDC	6/30/2018	46.0%	46.0%	46.0%	20.0%
Los Angeles	MTDC	6/30/2017	46.0%	46.0%	46.0%	26.0%
Monterey Bay	MTDC	6/30/2017	46.0%	46.0%	46.0%	21.4%
Channel Islands	MTDC	6/30/2018	45.5%	45.5%	45.5%	26.0%
Pomona (Current Rate Agreement)	MTDC	6/30/2017	45.0%	48.0%	32.0%	26.0%
Humboldt	MTDC	6/30/2020	45.0%	45.0%	45.0%	22.5%
Northridge	MTDC	6/30/2019	45.0%	45.0%	45.0%	26.0%
San Bernardino	MTDC	6/30/2017	44.5%	44.5%	44.5%	26.0%
San Jose	MTDC	6/30/2016	44.5%	55.2%	44.6%	26.0%
Chico	MTDC	6/30/2020	41.5%	41.5%	41.5%	18.5%
Sacramento	MTDC	6/30/2020	41.0%	41.0%	41.0%	22.0%
Fresno	MTDC	6/30/2019	40.0%	40.0%	40.0%	19.0%
Fullerton	MTDC	6/30/2015	39.1%	45.0%	37.0%	26.0%
San Luis Obispo	MTDC	6/30/2019	38.5%	38.5%	38.5%	16.5%
Chancellor's Office	MTDC	6/30/2017	15.4%	15.4%	15.4%	9.7%
Stanislaus	SWB	6/30/2021	45.2%	45.2%	45.2%	20.4%
Sonoma	SWB	6/30/2021	51.0%	51.0%	51.0%	24.0%



California State Polytechnic University, Pomona

Facilities & Administrative Rate Proposal for Fiscal Year 2015



Agenda

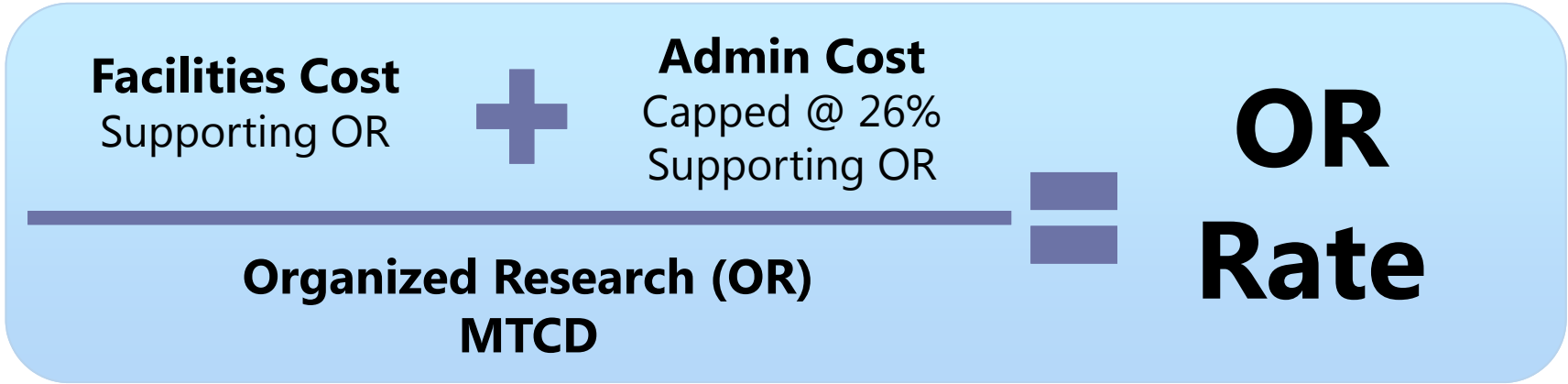
1. F&A Rate and Components
2. F&A Rate Development Process
3. Multiple Rates Versus Single Rate
5. Rates at other California State Schools
6. F&A Rate to Date and Into the Future
7. Research Rate Components



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F&A Rate



Calculated Rate		59.14%
Current Rate		45%
Rates Offered by DHHS/CAS	2015-16	45%
	2017	46%
	2018 - 19	47%

Why staggered rates?

F&A Rate Components

Facility Costs

- Building Depreciation
- Equipment Depreciation
- Interest Costs
- Operations & Maintenance
- Library

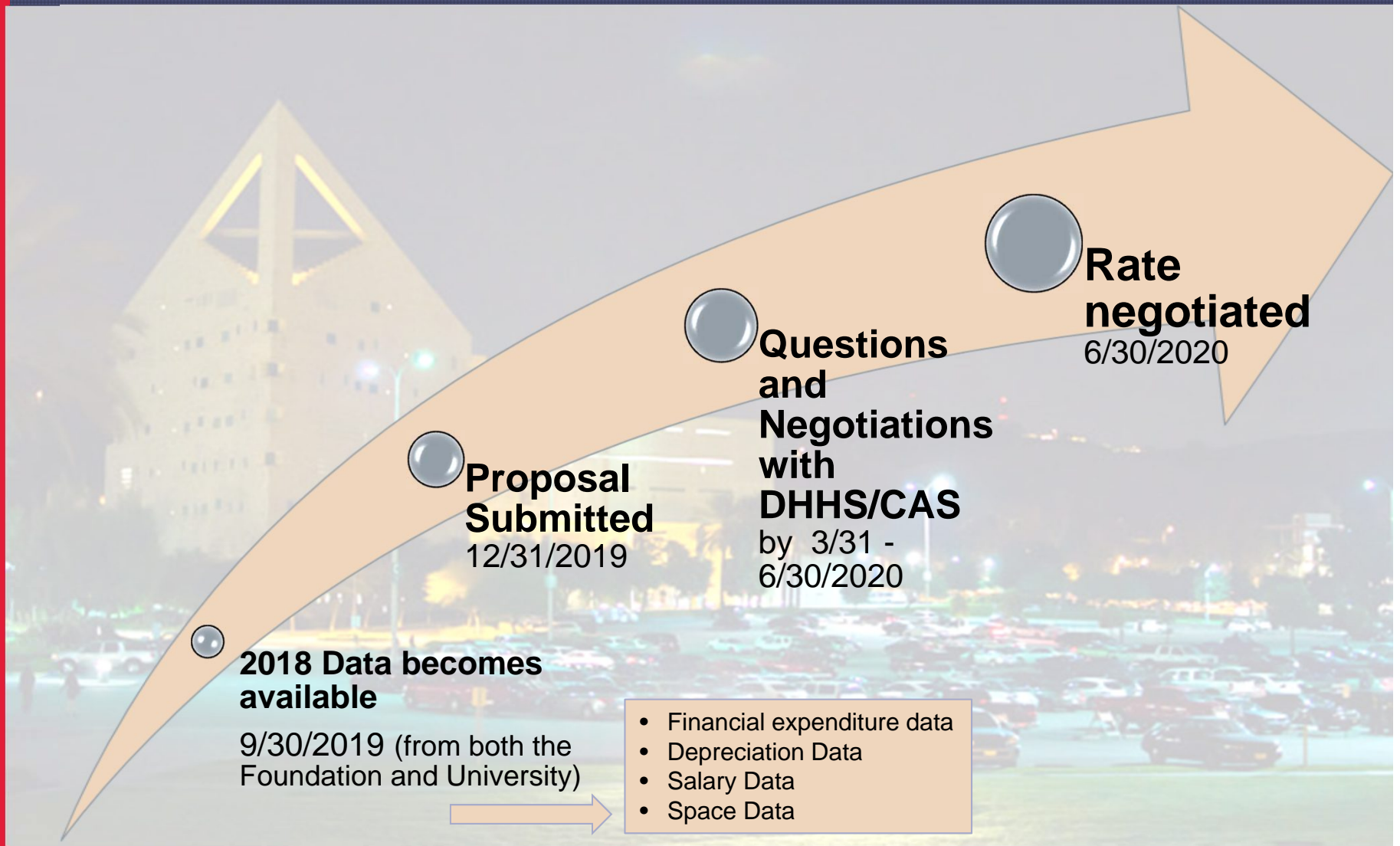
Administration Costs

(26% Cap)

- General Administration
- Departmental Administration
- Student Services
- Sponsored Projects Administration

- **Factors Affecting the Research Rate**
- **Can these be charged directly?**

Rate Development Process



Multiple Rates Verse Single Rates



Short Form versus Long Form Rates



Organized Research



Organized Research – Off Campus



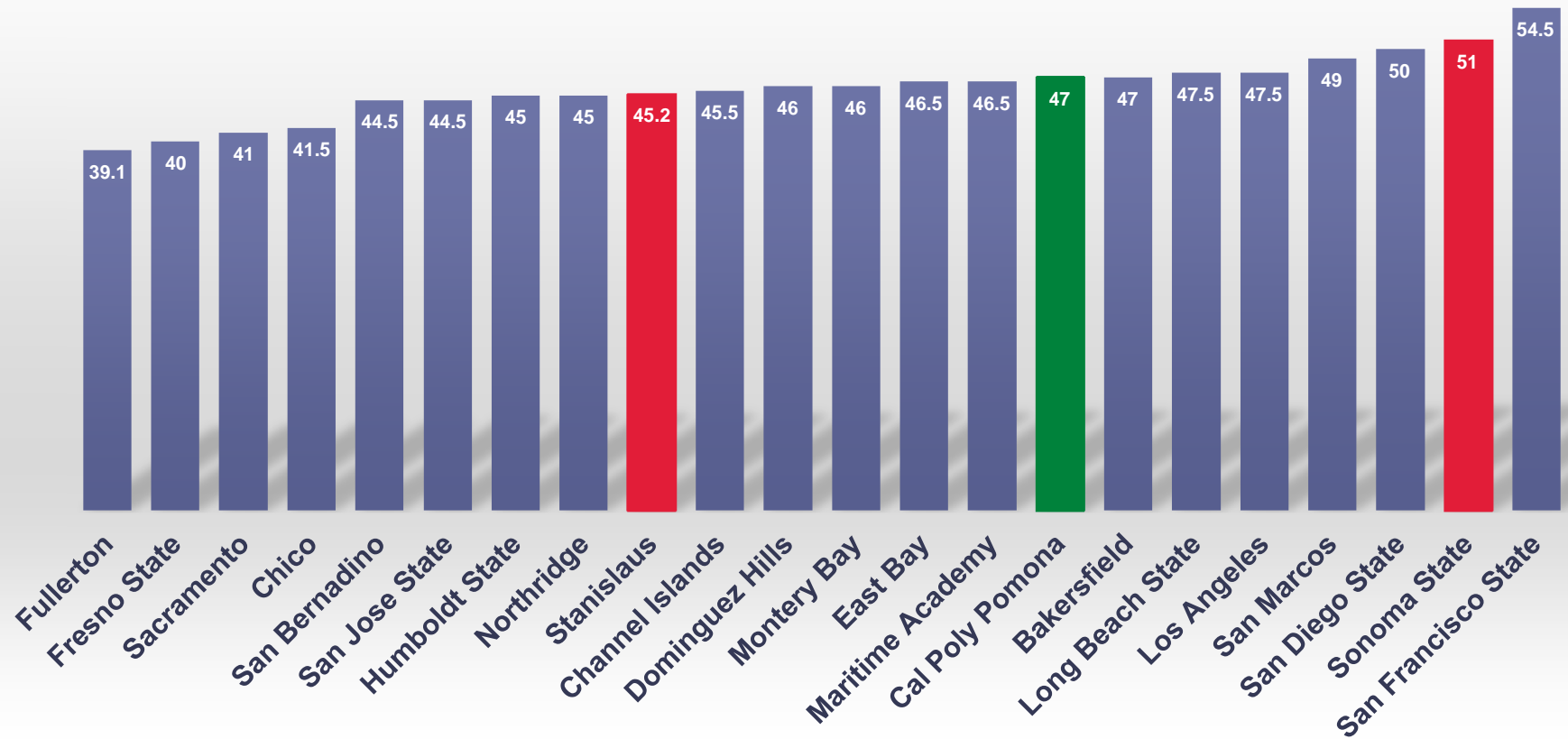
Other Sponsored Activities



Instruction

Rates at other California State Schools

F&A Rates at CSU Schools



F & A Rate to Date & Into the Future

	Current Negotiated Rate	Proposed Rate To Date
Organized Research	45%	59.14%
Organized Research- Off Campus	26%	26.00%
Instruction	48%	72.91%
Other Sponsored Activities	32%	53.37%

- Current settlement offer can extend rates through 2018 or 2019 at 47%
- Under current guidelines and practice Cal Poly Pomona can extend rates up to an additional 4 years with basic supporting documentation

Research Rate Components

OR Rate Components		
Component	Amount	%
General Admin.	\$955,830	20.45%
Departmental Admin.	\$550,774	11.79%
Sponsored Projects Admin.	\$928,146	19.86%
<i>Total Administration*</i>	<i>\$2,434,749</i>	<i>26.0%*</i>
Building Depreciation	\$325,748	8.53%
Equipment Depreciation	\$79,945	2.09%
Interest	\$153,280	4.02%
O & M	\$683,389	17.91%
Library	\$22,515	0.59%
<i>Total Facilities</i>	<i>\$1,264,878</i>	<i>33.14%</i>
Total Rate*	\$3,699,628	59.14%

*Reduces Admin component to the maximum allowable 26%

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Attain, LLC.

Higher Education & Academic Medical Centers

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CAL POLY POMONA FOUNDATION, INC.

Memorandum



Date: January 27, 2017
To: Finance Committee
Cal Poly Pomona Foundation, Inc.
From: David F. Prenovost *David F. Prenovost*
Chief Financial Officer

Subject: Administration of Program, Scholarship and Endowment Funds Policy # 133

At the December Board meeting, we mentioned the Investment Committee was reviewing alternative endowment spending methodologies. After discussions with our Investment Advisor, Andrew Price, Institutional Consulting Director at Graystone Consulting, we have developed and reviewed moving averages over various periods using different percentages and recommend using a twenty month moving average at 4% with collars of no less than 3% and no more than 5% annual distributions of earnings.

Accordingly, the Administration of Program, Scholarship and Endowment Funds Policy # 133 would require an amendment, please see the tracked and clean version of the following policy:

Policy 133 – Administration of Foundation Program, Scholarship and Endowment Funds

Recommended Action: It is recommended that the Finance Committee approve the resolution below to present this policy changes at the next regularly scheduled Board of Directors meeting.

RESOLVED that the Finance Committee of the Cal Poly Pomona Foundation, Inc. accepts the changes to the Administration of Foundation Program, Scholarship and Endowment Funds Policy # 133 and approves presentation to the Board of Directors at its next regularly scheduled meeting.

PASSED AND ADOPTED THIS 15th DAY OF FEBRUARY 2017.

By: _____
Ms. Danielle Manning, Chair
Finance Committee

CAL POLY POMONA FOUNDATION, INC.

POLICIES AND PROCEDURES

Subject:	Administration of Program, Scholarship and Endowment Funds	Policy No.	133
		Old No.	1996-3
Reference:	283-II-C, 301-II-D, 320-III-A, 333-III-B 350-III-B	Date:	10/01/97
Replaces:	1973-4, 1992-1	Revision:	02/27/01, 02/17/05, 11/15/07 02/13/12 02/23/17

PURPOSE

To provide guidance for the administration of Program, Scholarship and Endowment Funds. The recovery of administrative costs represented by this policy include a Foundation "gift of support" equivalent to 25% of the Foundation's estimated administrative cost for maintaining Foundation program, scholarship, endowment/endowment operating accounts.

POLICY

The yield, mark-to-market and fees assessed will be determined by the type of funds. It is understood that donated funds may contain terms and conditions that take precedence over this policy.

Foundation Program Funds - represent funds invested by the Foundation per the General Investment Policy # 131 in support of University activities.

1. Yield will be allocated quarterly on the average daily balance of the respective account.
2. The yield is the weighted average yield (coupon rate of the security plus or minus the amortization or accretion of any premium or discount) of the interest bearing securities and cash equivalents in the General Investment Portfolio less an annual investment administrative fee of 0.50% basis points to provide support to the general fund of the Foundation.
3. An administrative fee of **2.55%** will be assessed on all expenditures processed, including transfer of funds, payroll and accounts payable disbursements to provide support to the general fund of the Foundation. The maximum administrative fee per transaction is \$2,550.
4. All donations will be assessed a fee of 5%.

Scholarships Funds - represent funds invested by the Foundation per the General Investment Policy # 131 that are restricted only for the distribution of scholarships.

1. Yield will be allocated quarterly on the average daily balance of the respective account.
2. The yield is the weighted average yield (coupon rate plus or minus the amortization or accretion of any premium or discount) of the interest bearing securities and cash equivalents in the

General Investment Portfolio less an annual investment administrative fee of 0.50% basis points to provide support to the general fund of the Foundation.

3. An administrative fee of **0.0%** will be assessed on all expenditures processed, including transfer of funds, payroll and accounts payable disbursements.
4. All donations will be assessed a fee of 5%.

Endowment Funds - represent funds invested per the Foundation Endowment Investment Policy 130.

1. It is the Foundation's ~~goal policy~~ to distribute annually ~~a minimum net return an amount equal to of 54% of the endowment average value. The endowment average value equals the prior 20 quarterly market values. The effective rate of the amount distributed (effective rate equals amount distributed divided by the market value on June 30th) shall be no less than 3% or no greater than 5%. Only earnings are allowed to be distributed, no principal or corpus shall be eligible for distribution unless allowed by the terms and conditions of the endowment, as established on June 30th. Earnings for the fiscal year in excess of the Consumer Price Index (CPI) for the Los Angeles area, as reported in July for the prior 12 months, and in excess of 5% endowment value, may also be distributed. Endowment earnings shall generally be available for distribution from those endowments invested for no less than three (3) consecutive months. Exceptions may be authorized per approval by the Executive Director or his/her designee and the Board of Directors.~~ Endowment earning distribution will occur in the first quarter of each fiscal year ~~based upon the percentage of the endowment value and or an amount~~ as approved by the Board.

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- ~~2. Endowment scholarship funds with little or no earnings are eligible for an interest free loan up to 5% of the endowment value at June 30th upon approval by the Board. Loans are to be repaid within 3 years to the General Fund from future scholarship endowment earning distributions.~~

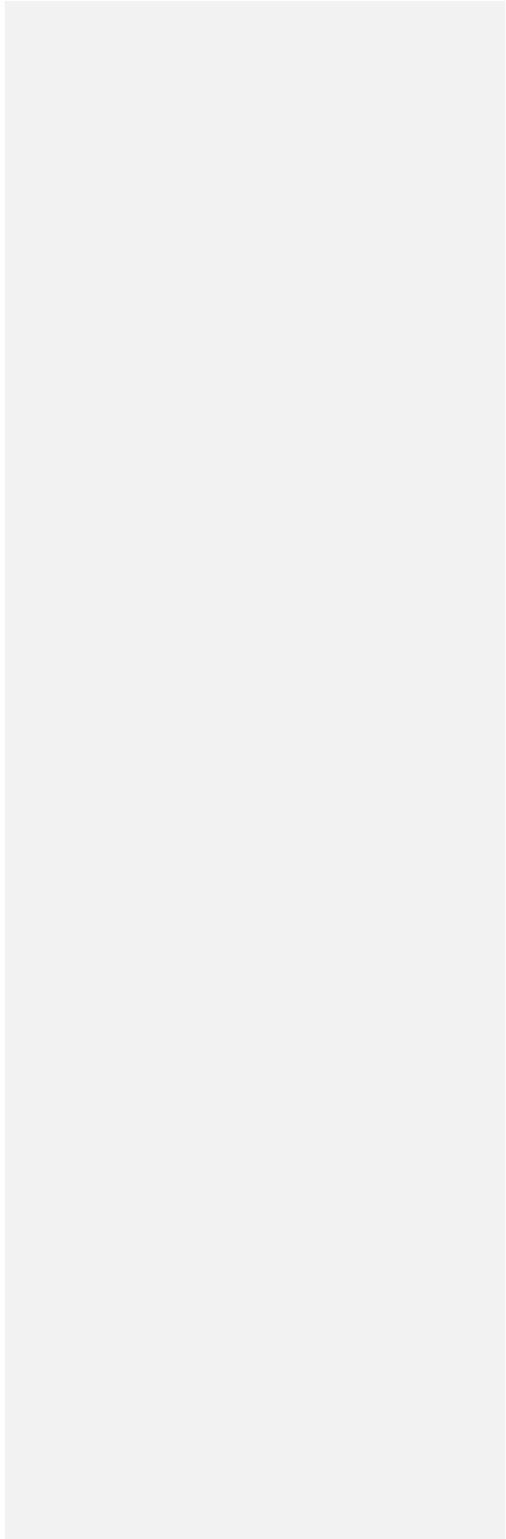
- ~~3.2.~~ The endowment funds will be assessed an annual administrative fee of seventy-five basis points (0.75%). If the annual earnings are less than 0.75%, fees will first be recovered from prior undistributed earnings and if no available prior year earnings, then from corpus.

- ~~4.3.~~ All donations will be assessed a fee of 5%.

Endowment Operating Funds - represent funds invested by the Foundation per the General Investment Policy 131.

1. Yield will be paid quarterly on the average daily balance of the respective account.
2. The yield is the weighted average yield (coupon rate of the security plus or minus the amortization or accretion of any premium or discount) of the interest bearing securities and cash equivalents in the General Investment Portfolio less an annual investment administrative fee of 0.50% basis points to provide support to the general fund of the Foundation.
3. An administrative fee of **2.55%** will be assessed on all expenditures processed, including transfer of funds, payroll and accounts payable disbursements to provide support the general fund of the Foundation. The maximum administrative fee per transaction is \$2,550.
4. All donations will be assessed a fee of 5%.

Policy No. 133
Subject: Administration of Program, Scholarship and Endowment Funds
Page 3



Endowment Quarterly Balance (Sep-2009 to Sep 2016)

Excluding Kellogg Legacy Project Endowment and Osher Endowment

<Moving Average Calculation>

Distribution Rate 4.00%

Yr	Qtr	Endowment Balance	3-Yr Mvg Avg	4.00% of Mvg Avg	Effective Rate	5-Yr Mvg Avg	4.00% of Mvg Avg	Effective Rate	20-Qtr Mvg Avg	4.00% of Mvg Avg	Effective Rate	16-Qtr Mvg Avg	4.00% of Mvg Avg	Effective Rate	12-Qtr Mvg Avg	4.00% of Mvg Avg	Effective Rate	Actual Distr
2009	Sep-09	31,002,566																
	Dec-09	32,316,908																
	Mar-10	34,196,692																
	Jun-10	32,089,760																
2010	Sep-10	35,527,370																
	Dec-10	38,411,847																
	Mar-11	39,797,850																
2011	Jun-11	40,391,993																
	Sep-11	35,560,245																
	Dec-11	27,763,291																
2012	Mar-12	39,802,840																
	Jun-12	38,335,977																
	Sep-12	38,584,935																
2013	Dec-12	39,731,991																
	Mar-13	41,410,481																
	Jun-13	41,077,176	39,935,049	1,597,402	3.89%							36,625,120	1,465,005	3.57%	38,033,000	1,521,320	3.70%	4.94%
2014	Sep-13	41,487,375																
	Dec-13	43,730,713																
	Mar-14	44,715,682																
2015	Jun-14	46,583,537	41,998,897	1,679,956	3.61%	39,695,689	1,587,828	3.41%	38,125,961	1,525,038	3.27%	39,557,081	1,582,283	3.40%	39,898,687	1,595,947	3.43%	5.00%
	Sep-14	42,836,473																
	Dec-14	43,938,146																
2016	Mar-15	44,909,991																
	Jun-15	44,930,972	44,197,228	1,767,889	3.93%	42,263,931	1,690,557	3.76%	40,476,444	1,619,058	3.60%	40,962,489	1,638,500	3.65%	42,828,123	1,713,125	3.81%	2.88%
	Sep-15	41,889,469																
2016	Dec-15	41,587,492																
	Mar-16	42,152,730																
	Jun-16	42,609,754	44,708,088	1,788,324	4.20%	42,707,483	1,708,299	4.01%	41,181,964	1,647,279	3.87%	42,636,057	1,705,442	4.00%	43,447,695	1,737,908	4.08%	0.00%
	Sep-16	44,561,742																

Spending Policies

Rate	Current	Moving Average Over				
		12 Qtrs	16 Qtrs	20 Qtrs	3 Yrs	5 Yrs
3.0%			1	1		
4.0%	3	4			5	1
4.25%		1				
4.5%					1	
5.0%	1	1			1	
Other:	<ul style="list-style-type: none"> • (3) Decide on an appropriate rate or amount each year • (1) Weighted average or hybrid method 					

Office of Research, Innovation & Economic Development

**Promoting and Supporting
Research, Scholarship and Creative Activities,
at Cal Poly Pomona
While Maintaining Compliance**

Vision and Goals

- **Taking the institution to the next level of distinction**
 - Broader definition of research
- **Research culture, strategy and capacity**
 - Collaborations between centers and colleges
 - Knowledge clusters, institutional proposals
 - Short-term, mid and long-term plans
- **Recruitment, retention and recognition**
 - Faculty, staff and students
 - Services, awards and rewards
 - Celebration
- **Partnerships**
 - Research
 - Economic Development
- **Entrepreneurial and innovative approaches**
 - Integrating teaching and research – U/Graduate student research
 - Business – STEM, Agriculture, Arts, Humanities and Music

Major Focus YTD

- Pre-Award
 - Through Collaboration with the Stakeholders Streamlined Processes
 - Successfully Replaced the Hard Copy Proposal Approval Process with Online Approvals
 - Merged the Proposal Submission and Award Acceptance Approval Processes
 - Rationalized and Created new Forms to Support Approvals
 - Conducted Educational Workshops for Faculty
 - Connected Funding Opportunities with Faculty
 - Developing Teams for Large Proposals
- Communication
 - Rebranding the Office
 - Quarterly e-Newsletter
 - Meetings with Faculty – One-on-one and Groups
 - Monthly Open Office Hours
- New website Under Development
 - Revised the Navigation for Easy Access
 - Updated Information/forms

Proposals Submitted/Funding Requested by College/Division FY16

Proposals Submitted

• Academic Affairs	9
• CLASS	8
• Business Administration	2
• Agriculture	16
• Extended University	6
• Education	6
• Engineering	53
• Environmental Design	5
• Science	46
• Student Affairs	9

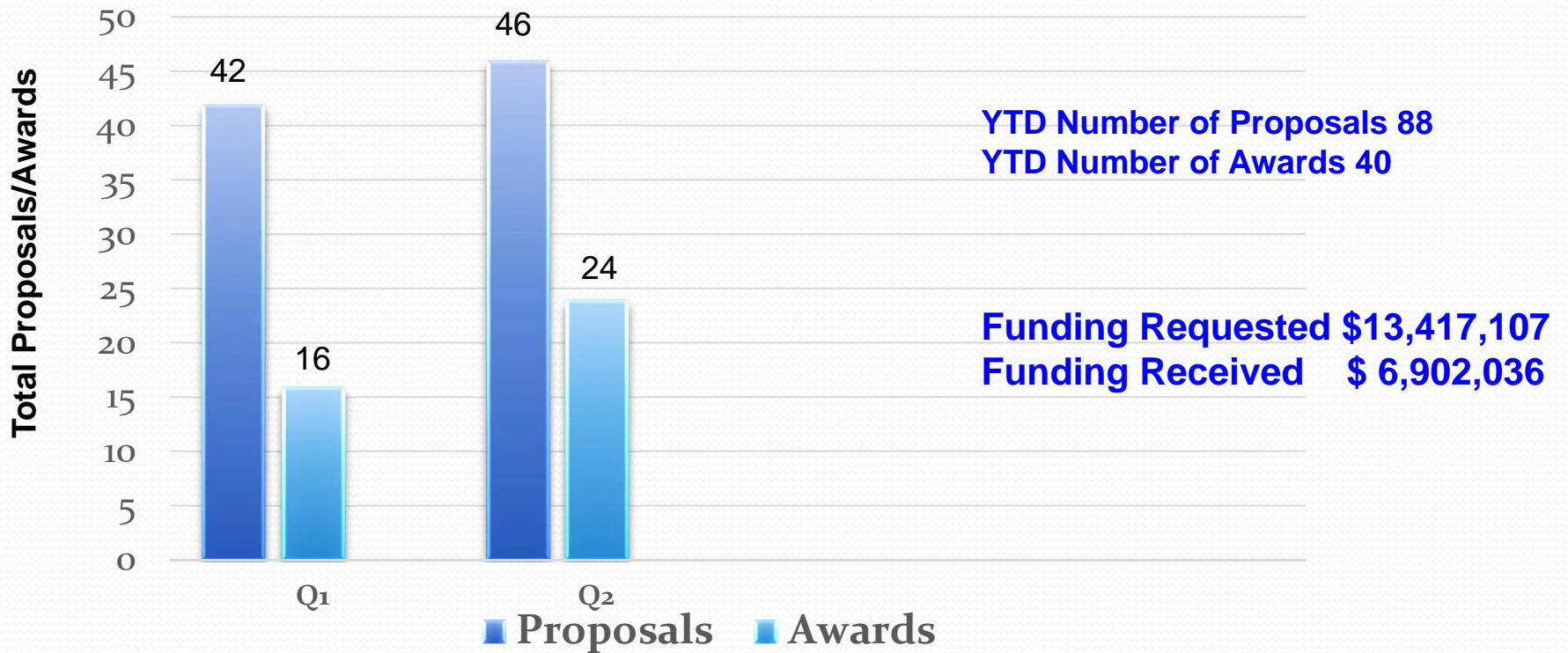
Total 160

Funding Requested

• Academic Affairs	\$1,248,494
• CLASS	\$1,182,802
• Business Administration	\$ 214,417
• Agriculture	\$2,662,562
• Extended University	\$ 343,391
• Education	\$4,196,456
• Engineering	\$21,146,240
• Environmental Design	\$ 672,758
• Science	\$23,134,820
• Student Affairs	\$1,617,743

Total \$56,422,683

FY17 Grant Activity - YTD



Major Goals – FY17

- Strategic Focus for the Research Enterprise
 - Increase the number of proposals and awards
 - Identify strategic funding opportunities
 - Organize and Support Teams for Large Proposals
 - Engage Centers in Research and Scholarship
 - Foster Interdisciplinary Entrepreneurial Collaborations
 - Enhance Training for PIs and Support Staff
- Maintain Communication – Campus Community
- Staff Training
- Establish a Long-term Strategy for OUR
- Develop a Strategy to Take iLab to the Next Level

Programmatic Initiatives

- **Rebrand the Office of Research**
- **Support Graduation Initiative 2025**
 - Strategies:
 - Increase Student Engagement Proposals – REU, IUSE, RUI, S-STEM, INCLUDES ...
 - Submit Proposals to Selected Foundations
 - Student Engagement in Research – Service & Community Engagement
 - Increasing - Research Grants
 - Research Proposals – Major Research Instrumentation
 - Engage Centers to Catalyze Research, Scholarship and Creative Activities
- **Support for Faculty**
 - Strategies:
 - Support Faculty Through Targeted RSCA Funding
 - Faculty Workshops – Collaboration with Faculty Development Center
 - Summer Grant Writing Retreat – Competitive Proposals
 - Connect Funding Opportunities with Faculty
 - Mentoring and Coaching Faculty
 - Strengthening the support structure in ORSP and Staff Training
 - Support Cluster Hire Faculty

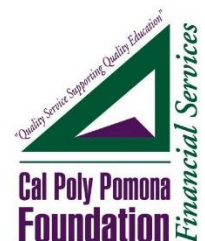
Questions

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CAL POLY POMONA FOUNDATION, INC.

REPORT ON GRANT AND CONTRACT ACTIVITY FOR THE FISCAL YEAR ENDED JUNE 30 2016

Debbie Linthicum
Director, Grants and Contracts



GRANT AND CONTRACT ADMINISTRATION

The Foundation is the recipient of all externally-funded sponsored projects awarded on behalf of California State Polytechnic University, Pomona. This is a report on the grant/contract activity for the fiscal year ended June 30 2016.

As of June 30, 2016, the Foundation administered 320 grant and contract projects totaling nearly \$62 million dollars which are being administered by 130 faculty and 40 staff. New award funding totaled over \$13 million representing 140 projects.

Foundation also employs over 600 student assistants to work on these projects where they gain valuable experience working directly with faculty members on complex research activities.

For fiscal year ended June 30, 2016, the total grant expenditures were as follows:

Sources of Direct Funding:	Total
Federal	8,268,884
State and Local Government	2,310,532
For-Profit Organizations	<u>1,118,264</u>
Total Direct Funding	11,697,680
Sources of Indirect Cost Reimbursements:	
Federal	1,015,139
State and Local Government	134,272
For-Profit Organizations	<u>191,742</u>
Total Indirect Cost Reimbursements:	<u>1,341,153</u>
Subtotal:	13,038,833
Kellogg Foundation Expenditures	<u>846,177</u>
TOTAL GRANT EXPENDITURES:	13,885,010

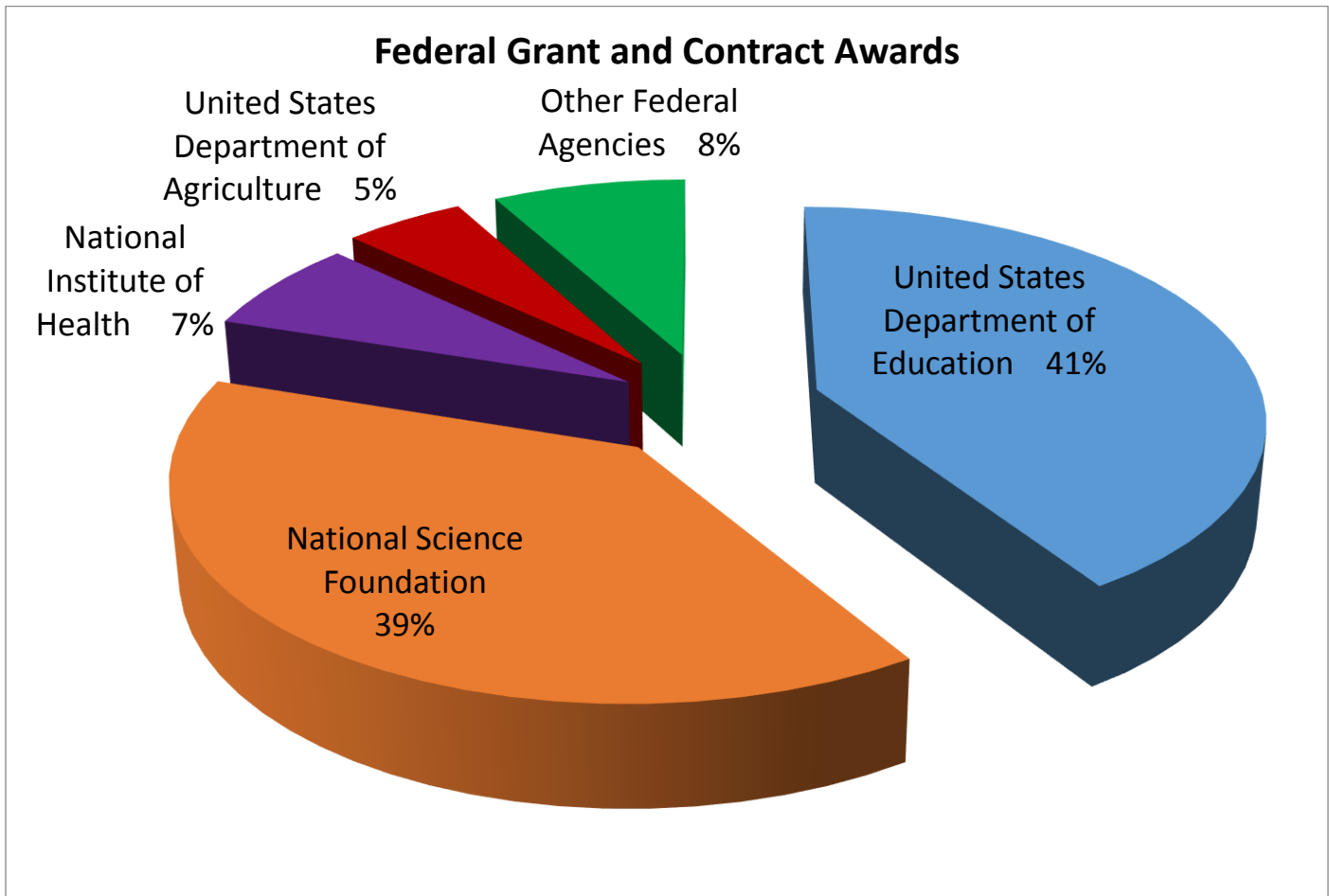
CAL POLY POMONA FOUNDATION, INC.
Schedule of Grants and Contracts
July 1, 2015 through June 30, 2016

College/Department	New Awards 15-16	Total Active Award Amount
Academic Affairs	1,159,405	3,717,487
Agriculture	1,441,118	6,574,421
Business Administration	132,633	901,321
Extended University	391,391	568,375
Letters, Arts, and Social Sciences	34,360	82,393
Education	148,287	3,719,974
Engineering	1,573,572	7,257,256
Environmental Design	116,816	393,522
Learning Resource Center	2,024,987	8,087,139
President's Office	-	132,435
Science	4,700,991	25,659,388
Student Affairs	1,331,146	4,904,122
Grand Total	13,054,706	61,997,833

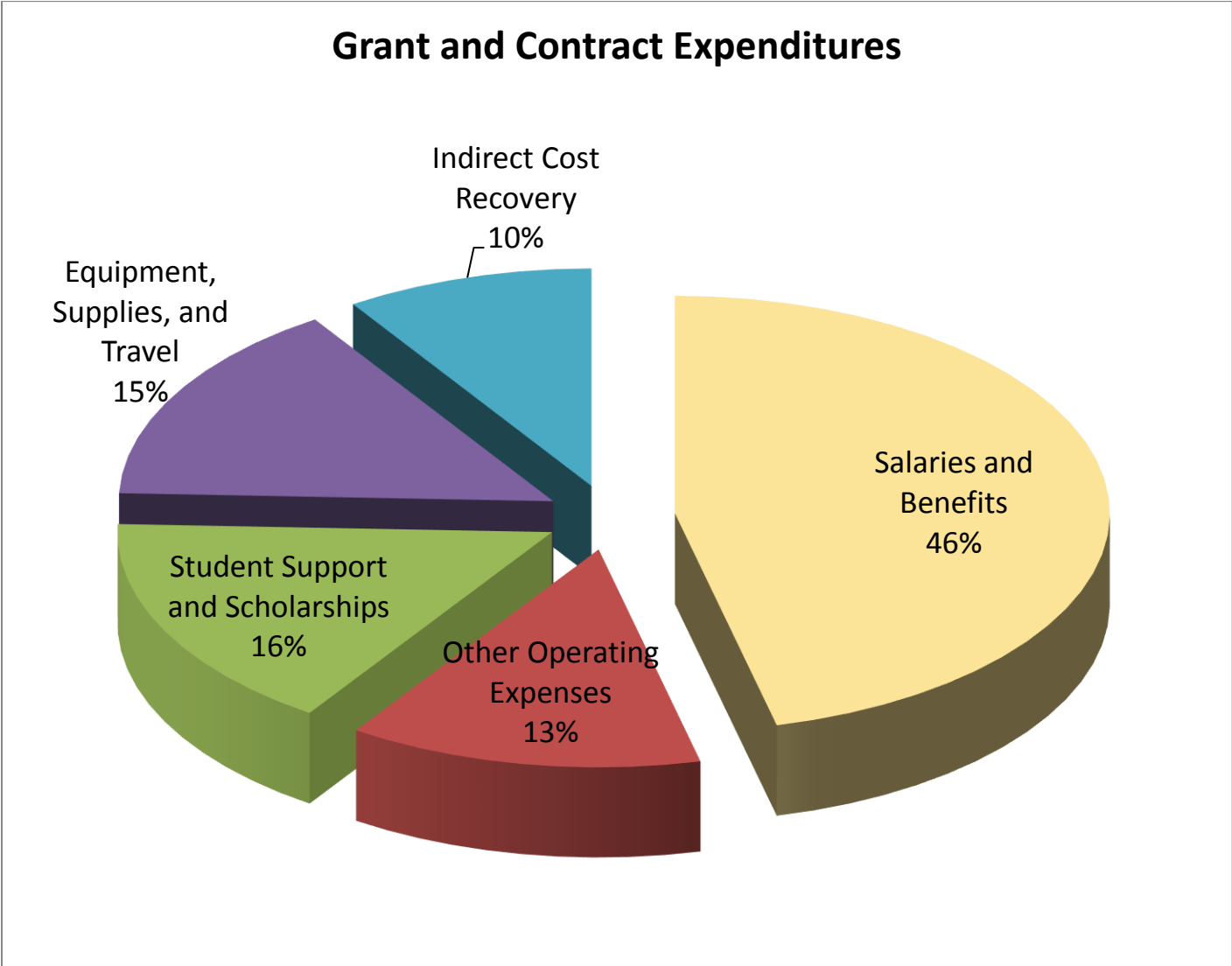
CAL POLY POMONA FOUNDATION, INC.
Schedule of Grants and Contracts
July 1, 2015 through June 30, 2016

College/Department	Total Expenditures	Indirect Cost Recovery Collected	Total Funding Remaining
Academic Affairs	914,318	65,378	1,145,021
Agriculture	1,561,752	67,741	2,431,153
Business Administration	202,504	48,230	71,668
Extended University	204,187	4,372	356,391
Letters, Arts, and Social Sciences	52,599	3,345	16,466
Education	318,944	12,455	316,053
Engineering	2,178,170	278,639	2,053,882
Environmental Design	107,483	13,078	125,419
Learning Resource Center	2,059,906	131,097	878,627
President's Office	25,000	-	-
Science	4,985,666	650,881	8,407,906
Student Affairs	1,274,481	65,937	309,431
Grand Total	13,885,010	1,341,153	16,112,017

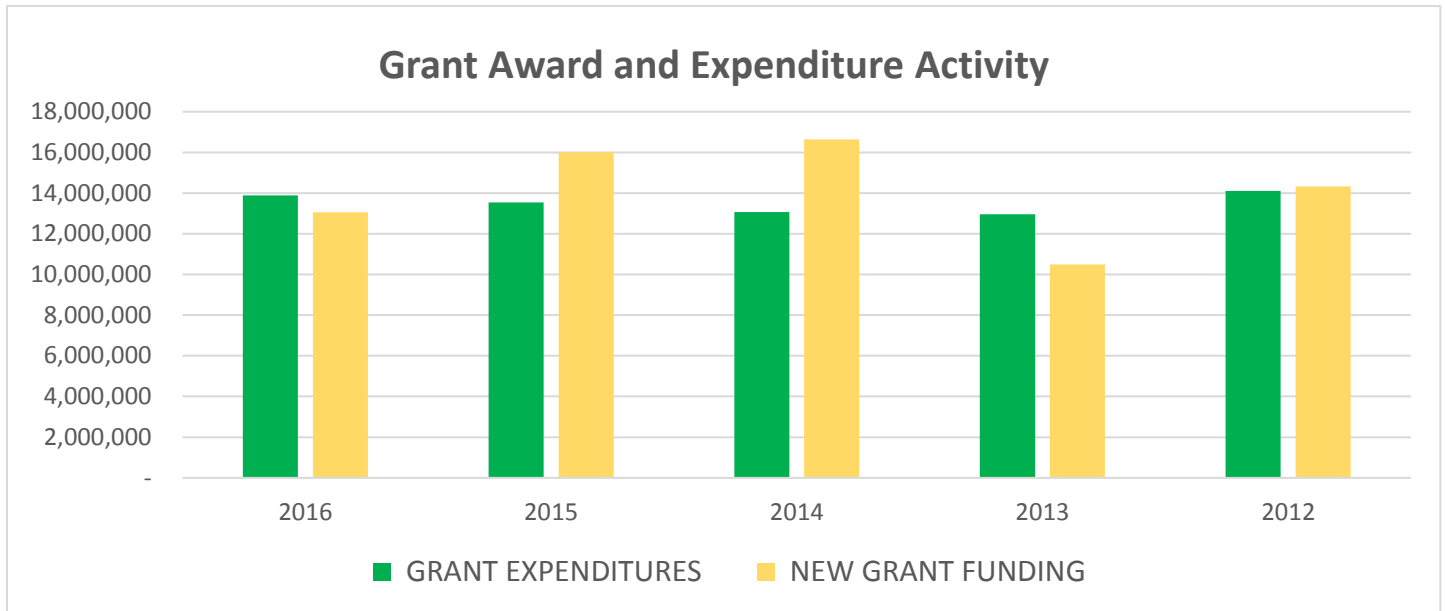
Federal grant and contract awards received represents 67% of the grant/contract activity which includes support from a variety of agencies including:



The expenditures relating to grant and contract projects consisted of the following areas:



Over the past five years, the grant activity representing new funding and expenditure totals have ranged from between \$10 million and \$16 million dollars.

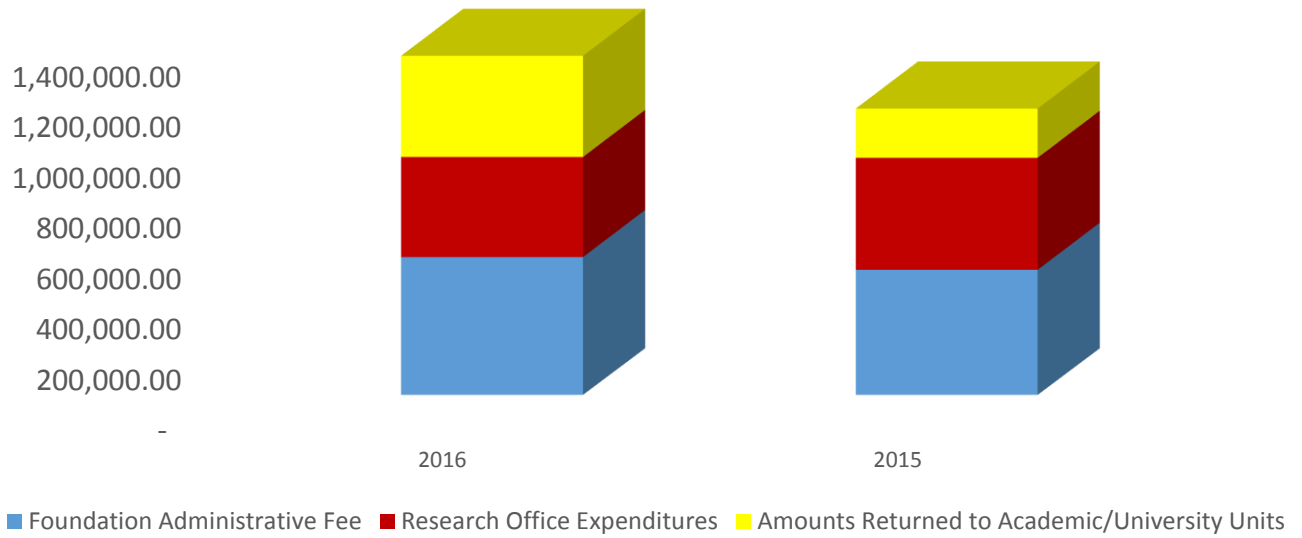


The total amount of indirect cost recovery income collected from grant and contract projects has totaled \$1.3 million in 2016 and \$1.1 million in 2015. This income is submitted to Academic Affairs which is used to pay for the preaward operating costs of the Office of Research and Sponsored Programs, the Foundation's 4.5 percent post award administrative fee, and the excess funds being distributed back to the Academic/University units that generated the activity.

**Cal Poly Pomona Foundation, Inc.
Indirect Cost Recovery Activity
For Fiscal Years Ended June 30**

	2016 TOTAL	2015 TOTAL
Total Indirect Cost Recovery Collected From Grant/Contract Projects	1,341,153	1,132,978
Total Operating Expenditures:		
Foundation Administrative Fee	547,499	497,354
Research Office Foundation Operating Budget Expenditures	349,519	406,525
Subtotal Operating Expenditures:	<u>897,018</u>	<u>903,879</u>
Funding of:		
Disallowance Reserve (Board Approved Policy 103)	25,152	25,152
Intellectual Property Reserve	20,000	10,000
Total Expenditures	<u>942,170</u>	<u>939,031</u>
Excess Funds Returned to Academic Affairs	<u>398,983</u>	<u>193,947</u>
Total Expenditures Subject to Foundation Administrative Fee	12,166,650	11,052,307
Foundation's Administration Fee Rate	4.5%	4.5%
Total Administrative Fee Paid by Academic Affairs	<u>547,499</u>	<u>497,354</u>
Total Effective Indirect Cost Recovery Rate	11.02%	10.25%
NOTE:		
General Grant/Contract Expenses	12,166,650	11,052,307
Kellogg Legacy Project Expenses	846,177	1,345,518
Agriculture Research Initiative Program Expenses	<u>872,183</u>	<u>776,365</u>
Total Grant/Contract Expenditures for FYE June 30	<u>13,885,010</u>	<u>13,174,190</u>
Foundation Admin Fee Paid from Indirect Cost Recovery Income	547,499	497,354
Foundation Admin Fee Paid by Board Designated Gift for Kellogg Legacy Projects	38,078	60,548
Foundation Admin Fee Paid by Foundation Program Funds for Agriculture Research Initiative Program	<u>39,248</u>	<u>34,934</u>
Total Foundation Administrative Fee Paid for FYE June 30	<u>624,825</u>	<u>592,836</u>

Total Distribution of Indirect Cost Recovery Income



Memorandum



Date: January 27, 2017

To: Finance Committee
Cal Poly Pomona Foundation, Inc.

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

Subject: FINANCIAL HIGHLIGHTS – DECEMBER 2016

Following are the year-to-date financial statement Surplus/(Deficit) amounts for your review:

	Budget	Actual	Variance
General Activities	\$ 101,469	\$ 1,276,389	\$ 1,174,920
Enterprise Activities	22,171	823,560	801,389
Use of Designated Funds	(680,828)	(401,078)	279,750
Other Activities	563,999	693,847	129,848
Restricted Activities & Transfer of Assets	4,252,507	3,071,766	(1,180,741)
Total Surplus (Deficit)	\$ 4,259,318	\$ 5,464,484	\$ 1,205,166

For the first half of the fiscal year ended December 2016 revenues of \$44.1 million exceed budget by 0.07% or \$30,617. Expenditures of \$38,633,433 million are 97% or \$1.2 million short of budget. The variances are explained in the following analysis of each activity.

GENERAL ACTIVITIES

	Budget	Actual	Variance
Administration	\$ (308,516)	\$ (352,841)	\$ (44,325)
Real Estate Development	(211,666)	714,696	926,362
Investments	565,519	834,757	269,238
Building Rental	56,132	79,777	23,645
Total General Fund	\$ 101,469	\$ 1,276,389	\$ 1,174,920

General activities generated a surplus greater than budgeted mainly due to real estate services budgeted that have not been incurred and realized gains from the sale of housing to faculty/staff along with unrealized gains from the general investment portfolio's market performance.

ENTERPRISES ACTIVITIES

	Budget	Actual	Variance
Surplus/(Deficit)	\$ 22,171	\$ 823,560	\$ 801,389

Enterprise revenues of \$17.2 million exceed budget by 0.72% or \$123,166 mainly due to dining activities at the Bronco Student Center; expenditures of \$16.4 million are 96% or \$678,223 short of budget resulting in a surplus greater than budget. Following is the summary of each Enterprise Activities:

BOOKSTORES

	Budget	Actual	Variance
Surplus/(Deficit)	\$ (46,911)	\$ (56,508)	\$ (9,597)

Bookstore revenues are 22% of Enterprise revenues and are 92% or \$341,358 short of budget mainly due to new and used textbook sales/rentals and rental rebates. Cost of goods is 71% versus 70%; expenditures are 29% versus 30% of budget generating a deficit in line with budgeted. We continue to focus on used and rental books as well as digital textbook options to reduce the increasing costs for textbooks. The Presidential Order also continues to support the sales in the bookstore.

DINING SERVICES

	Budget	Actual	Variance
Surplus/(Deficit)	\$ (238,694)	\$ 184,672	\$ 423,366

Dining Service revenues are 49% of Enterprise Activities and exceed budget by 5% or \$396,226, cost of goods is 30% versus 33% of budget and payroll and expenditures are 67% versus 70% of budget.

Retail Operations - This reporting unit includes the retail units at Campus Center Marketplace and Bronco Student Center, convenient stores, vending, Kellogg West Catering/Conference Foods and commission vending. Revenues exceed budget by 7% or \$330,152; cost of goods is 32% versus 34% of budget and payroll and expenditures are 70% versus 74% of budget generating a deficit of \$119,134 versus a budgeted deficit of \$403,899.

Board Operations - This reporting unit includes the Board Operations at Los Olivos, Denny's Diner and Vista Cafe. Revenues exceed budget by 2% or \$66,074; costs goods are 28% versus 32% of budget, payroll and expenditures are 63% versus 63% of budget generating a surplus of \$303,806 versus \$165,205 budgeted.

KELLOGG WEST

	Budget	Actual	Variance
Surplus/(Deficit)	\$ (5,686)	\$ 157,443	\$ 163,129

Kellogg West Conference Center & Hotel This unit includes room and conference center activities. Kellogg West revenues are 5% of Enterprise Activities and exceed budget by 18% or \$140,872; payroll and expenditures are 83% versus 101% of budget generating a surplus versus a budgeted deficit.

UNIVERSITY VILLAGE

	Budget	Actual	Variance
Surplus/(Deficit)	\$ 314,362	\$ 537,953	\$ 223,591

University Village - Revenues are 24% of Enterprise Activities and are 98% or \$72,574 short of budget due to vacancies over the summer. As we began the academic year occupancy was 99% and for December it averaged 97% versus 97% budgeted. We continue to increase our outreach to area colleges and universities as well. Payroll and expenditures are 87% versus 92% budgeted.

DESIGNATED FUND

	Budget	Actual	Variance
Surplus/(Deficit)	\$ (680,828)	\$ (401,078)	\$ 279,750

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

OTHER ACTIVITIES

	Budget	Actual	Variance
Sponsored Research	10,002	20,000	9,998
Agriculture-Aid-to-Instruction	187,566	121,052	(66,514)
Continuing Education	366,425	509,663	143,238
Foundation Programs-Unrestricted	6	43,132	43,126
Total Other Activities	\$ 563,999	\$ 693,847	\$ 129,848

Sponsored Research has generated a year to date surplus of \$20,000 versus a budgeted surplus of \$10,002; year to date indirect revenues exceeding budget by 16.05% or \$102,601 and direct grant expenditures exceed budget by 5.4% or \$346,592 generating an effective rate of 10.96% versus the budgeted rate of 11.5%.

Agriculture-Aid-to-Instruction year to date revenues are 76% or \$550,534 short of budget, costs of goods are 12% versus 20% of budget and payroll and expenditures are 81% versus 72% of budget generating a year to date surplus of \$121,052 versus a budgeted surplus of \$187,566 due to Agronomy Farm, Arabian Horse Center, Ornamental Horticulture, Fruit Industries, Vet Clinic, Swine Activities, West Wind Ranch, Wasmandorff House and Agriscapes.

Continuing Education year to date revenues are 66% or \$1,400,945 short of budget mainly due to Global Ed Programs, CPELI Camps, Aviation Hospitality and Academic Studies Programs; payroll and expenditures are 81% versus 91% of budget generating a year to date surplus of \$509,663 versus \$365,425 budgeted.

Foundation Programs-Unrestricted includes the activities that are not third party donor imposed stipulations. Year to date revenues are 70% or \$89,790 short of budgeted due to prior fiscal year indirect cost recoveries allocation between unrestricted and restricted programs; expenditures (excluding Transfers to the University # 7344) are 55% or \$130,159 short of budget due to Bronco Student Welcome Week fees correction reversed in service and rental/land building expenditures, generating a year to date surplus versus a zero budgeted.

	Budget	Actual	Variance
Endowment/Investments	2,829,514	3,552,766	723,252
Foundation Programs Restricted	1,422,993	(481,000)	(1,903,993)
Total Other Activities	<u>\$ 4,252,507</u>	<u>\$ 3,071,766</u>	<u>\$ (1,180,741)</u>

Endowment/Investment – Endowment year to date contributions are 9% or \$592,488 short of budget generating a surplus of \$22,388 versus a budgeted surplus of \$621,502.

Endowment investments are outperforming the budget as unrealized/realized investment earnings are \$2.4 million versus budgeted of \$1.7 million resulting in a surplus of \$3.5 million versus a budgeted surplus of \$2.2 million.

Foundation Programs-Restricted includes the activities that are third party donor imposed stipulations. Year to date revenues are 98% or \$119,124 short of budget due to prior fiscal year indirect cost recoveries allocation between unrestricted and restricted programs; expenditures exceed budget by 48% or \$1.7 million resulting in a net deficit of \$411,592 versus budgeted surplus of \$1.4 million.



CAL POLY POMONA FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

for period ended December 31, 2016

	Unrestricted					Restricted				Current Year Total	June 30, 2016 Total
	General Fund	Designated Fund	Foundation Programs Fund	Auxiliary Activities Fund	Total Unrestricted	Sponsored Programs Fund	Foundation Programs Fund	Endowment Fund	Total Restricted		
CURRENT ASSETS:											
Cash:											
On hand and in commercial accounts	(458,845)	1,005	400	77,535	(379,905)	0	9,145	0	9,145	(370,760)	(229,856)
Due to/(from)	(87,513,111)	19,601,311	2,697,908	34,490,232	(30,723,660)	1,917,010	28,783,155	23,495	30,723,660	0	0
Investments	38,588,586	182,062	0	0	38,770,648	0	408,567	981,513	1,390,080	40,160,728	38,180,582
Marketable securities	11,355,777	0	0	0	11,355,777	0	1,193,615	88,178,204	89,371,819	100,727,596	97,914,241
Total cash and cash equivalent	(38,027,593)	19,784,378	2,698,308	34,567,767	19,022,860	1,917,010	30,394,482	89,183,212	121,494,704	140,517,564	135,864,967
Receivables:											
Accounts and notes receivable	2,544,565	7,339	194,835	3,334,243	6,080,982	259,848	4,524,291	0	4,784,139	10,865,121	11,830,245
Interfund loans (net)	1,389,088	0	0	0	1,389,088	0	50,000	0	50,000	1,439,088	1,739,088
Total receivables	3,933,653	7,339	194,835	3,334,243	7,470,070	259,848	4,574,291	0	4,834,139	12,304,209	13,569,333
Less-Allowance for doubtful accounts	0	0	0	(34,688)	(34,688)	0	(64,819)	0	(64,819)	(99,507)	(108,906)
Total receivables	3,933,653	7,339	194,835	3,299,555	7,435,382	259,848	4,509,472	0	4,769,320	12,204,702	13,460,427
Inventories	0	0	0	2,673,291	2,673,291	0	87,272	0	87,272	2,760,563	2,558,436
Prepaid expenses and deferred charges	346,170	89,265	0	339,849	775,284	500	0	0	500	775,784	301,499
OPEB asset	0	1,789,826	0	0	1,789,826	0	0	0	0	1,789,826	789,826
Total current assets	(33,747,770)	21,670,808	2,893,143	40,880,462	31,696,643	2,177,358	34,991,226	89,183,212	126,351,796	158,048,439	152,975,155
FIXED ASSETS											
Land	14,583,927	0	0	212,000	14,795,927	0	1,642,219	0	1,642,219	16,438,146	16,438,146
Buildings and improvements	15,276,285	0	532,412	51,716,942	67,525,639	0	1,613,426	0	1,613,426	69,139,065	69,787,286
Equipment, furniture and fixtures	2,482,287	0	27,408	12,266,034	14,775,729	0	547,362	0	547,362	15,323,091	15,797,013
Orchards	0	0	0	131,863	131,863	0	0	0	0	131,863	131,863
Construction in progress	471,484	0	13,078	833,304	1,317,866	418,441	357,894	0	776,335	2,094,201	1,373,755
Total fixed assets	32,813,983	0	572,898	65,160,143	98,547,024	418,441	4,160,901	0	4,579,342	103,126,366	103,528,063
Less-Accumulated depreciation	(12,822,580)	0	(477,740)	(40,538,652)	(53,838,972)	0	(767,849)	0	(767,849)	(54,606,821)	(54,005,388)
Total fixed assets	19,991,403	0	95,158	24,621,491	44,708,052	418,441	3,393,052	0	3,811,493	48,519,545	49,522,675
Restricted Funds	0	0	0	0	0	137,175	303,656	0	440,831	440,831	440,538
Total assets	(13,756,367)	21,670,808	2,988,301	65,501,953	76,404,695	2,732,974	38,687,934	89,183,212	130,604,120	207,008,815	202,938,368
DEFERRED OUTFLOWS OF RESOURCES:											
Unamortized loss on debt refunding				408,598	408,598					408,598	427,985
Net pension obligations - contributions	1,065,195				1,065,195					1,065,195	1,065,195



CAL POLY POMONA FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

for period ended December 31, 2016

	Unrestricted					Restricted				Current Year Total	June 30, 2016 Total
	General Fund	Designated Fund	Foundation Programs Fund	Auxiliary Activities Fund	Total Unrestricted	Sponsored Programs Fund	Foundation Programs Fund	Endowment Fund	Total Restricted		
LIABILITIES:											
Accounts payable	372,156	177	28,536	1,308,639	1,709,508	260,679	66,872	0	327,551	2,037,059	2,447,834
Accrued liabilities	1,484,146	(288,378)	3,323	430,719	1,629,810	127,595	17,907	25,958	171,460	1,801,270	1,367,956
Receipts in excess of expenditures on specific sponsored programs	0	0	0	0	0	1,926,259	0	0	1,926,259	1,926,259	1,976,238
Deferred income	1,239,088	0	0	765,226	2,004,314	0	8,250	0	8,250	2,012,564	1,578,803
Deposits held in custody for others	0	0	0	0	0	0	748,200	0	748,200	748,200	751,181
Inter-fund loans	1,389,088	0	0	0	1,389,088	0	50,000	0	50,000	1,439,088	1,739,088
Total current liabilities	4,484,478	(288,201)	31,859	2,504,584	6,732,720	2,314,533	891,229	25,958	3,231,720	9,964,440	9,861,100
Long-term liabilities:											
Notes and contracts payable	0	0	0	0	0	0	202,493	0	202,493	202,493	300,902
Unitrust liability	0	0	0	0	0	0	715,074	0	715,074	715,074	714,418
Lease obligations	2,279,012	0	0	23,660,997	25,940,009	0	0	0	0	25,940,009	26,923,415
Pension liability	5,338,104	0	0	0	5,338,104	0	0	0	0	5,338,104	5,338,104
Total long-term liabilities	7,617,116	0	0	23,660,997	31,278,113	0	917,567	0	917,567	32,195,680	33,276,839
Total liabilities	12,101,594	(288,201)	31,859	26,165,581	38,010,833	2,314,533	1,808,796	25,958	4,149,287	42,160,120	43,137,939
DEFERRED INFLOWS OF RESOURCES:											
Net pension obligation	2,001,549				2,001,549				0	2,001,549	2,437,154
Net Assets Beginning	(26,531,957)	20,787,315	2,913,310	38,311,082	35,479,750	357,511	37,414,707	85,604,489	123,376,707	158,856,457	170,638,574
<i>change in net Assets</i>	(262,358)	1,171,695	43,133	1,433,890	2,386,360	60,930	(535,569)	3,552,765	3,078,126	5,464,486	(11,782,118)
Total liabilities and Net Assets	(12,691,172)	21,670,809	2,988,302	65,910,553	77,878,492	2,732,974	38,687,934	89,183,212	130,604,120	208,482,612	204,431,549



CAL POLY POMONA FOUNDATION, INC.

Statement of Activities

For period ending Dec 31, 2016 and 2015

Description	REVENUES			EXPENSES			SURPLUS/(DEFICIT)			Surplus/Deficit		
	FY 15-16	FY 16-17 YTD		FY 15-16	FY 16-17 YTD		FY 15-16	FY 16-17 YTD		FY 15-16	FY 16-17	YTD Budget
	YTD Actual	Budget	Actual	YTD Actual	Budget	Actual	YTD Actual	Budget	Actual	Actual	Budget	(Not) Realized
General Activities:												
Administration	2,061,865	2,219,663	2,085,069	2,119,396	2,528,179	2,437,910	(57,531)	(308,516)	(352,841)	(508,104)	(13,436)	(339,405)
Real Estate	1,621,412	1,681,503	2,017,515	1,388,891	1,893,169	1,302,819	232,521	(211,666)	714,696	321,456	219,967	494,729
Investments	(1,101,447)	608,680	883,292	50,331	43,161	48,535	(1,151,778)	565,519	834,757	(922,918)	831,084	3,673
Building Rentals	399,052	402,732	402,728	347,101	346,600	322,951	51,951	56,132	79,777	115,447	112,364	(32,587)
TOTAL GENERAL	2,980,882	4,912,578	5,388,604	3,905,719	4,811,109	4,112,215	(924,837)	101,469	1,276,389	(994,119)	1,149,979	126,410
Enterprise Activities:												
Bookstores	3,916,867	4,031,750	3,690,392	3,846,318	4,078,661	3,746,900	70,549	(46,911)	(56,508)	487,500	292,798	(349,306)
Campus Center (Carl's/ Salad Bar/Taco)	363,650	360,000	399,616	336,944	331,470	378,622	26,706	28,530	20,994	165,689	128,838	(107,844)
Panda Express	93,902	85,732	79,662	12,664	18,841	18,798	81,238	66,891	60,864	212,223	196,218	(135,354)
Cstore (Starbucks,SCE,Einstein,cba,Pol)	1,964,270	2,097,422	2,082,653	2,031,778	2,046,242	2,098,883	(67,508)	51,180	(16,230)	302,487	520,328	(536,558)
Vending & Carts	52,562	53,274	45,263	41,359	40,300	38,673	11,203	12,974	6,590	30,610	35,197	(28,607)
Los Olivos	2,096,359	2,514,867	2,561,409	2,161,981	2,294,566	2,256,571	(65,622)	220,301	304,838	330,583	766,270	(461,432)
Vista Café	458,829	493,149	452,900	497,967	519,134	442,726	(39,138)	(25,985)	10,174	59,624	40,075	(29,901)
Denny's	230,349	239,288	299,069	280,852	268,399	310,275	(50,503)	(29,111)	(11,206)	(15,566)	(2,736)	(8,470)
Bronco Student Center	1,059,904	1,051,501	1,222,804	932,073	944,975	1,018,281	127,831	106,526	204,523	360,359	372,086	(167,563)
FS Mgt/Overhead			(111)	600,204	735,560	593,856	(600,204)	(735,560)	(593,967)	(1,021,058)	(1,392,090)	798,123
<i>Total Dining Services</i>	<i>6,319,825</i>	<i>6,895,233</i>	<i>7,143,265</i>	<i>6,895,822</i>	<i>7,199,487</i>	<i>7,156,685</i>	<i>(575,997)</i>	<i>(304,254)</i>	<i>(13,420)</i>	<i>424,951</i>	<i>664,186</i>	<i>(677,606)</i>
Catering/Conference Foods	1,207,742	1,208,877	1,357,071	1,101,977	1,143,317	1,158,979	105,765	65,560	198,092	377,389	99,412	98,680
KW Conference Center	729,904	792,070	932,942	716,955	798,656	775,499	12,949	(6,586)	157,443	81,903	16,952	140,491
University Village	3,734,436	4,150,650	4,078,076	3,575,516	3,836,288	3,540,123	158,920	314,362	537,953	2,218,862	2,335,736	(1,797,783)
TOTAL ENTERPRISE	15,908,774	17,078,580	17,201,746	16,136,588	17,056,409	16,378,186	(227,814)	22,171	823,560	3,590,605	3,409,084	(2,585,524)
TOTAL GEN & ENTERPRISE	18,889,656	21,991,158	22,590,350	20,042,307	21,867,518	20,490,401	(1,152,651)	123,640	2,099,949	2,596,486	4,559,063	(2,459,114)
Uses of Designated Funds:												
Development				29,282	0	34,805	(29,282)	0	(34,805)	(67,110)		
Alumni Affairs				15,170	0	18,873	(15,170)	0	(18,873)	(49,525)		
Public Relations	470		1,860	223,797	694,998	265,653	(223,327)	(694,998)	(263,793)	(673,829)		
Publications	110			71,841	0	101,948	(71,731)		(101,948)	(192,040)		
Athletics				3,891	0	33,744	(3,891)		(33,744)	(75,004)		
Other	800		29,800	(4,619)	(14,170)	(22,285)	5,419	14,170	52,085	(143,062)		
TOTAL DESIGNATED USES	1,380	-	31,660	339,362	680,828	432,738	(337,982)	(680,828)	(401,078)	(1,200,570)	(1,508,330)	1,107,252
Other Activities:												
Research Office	635,413	639,107	741,708	602,837	629,105	721,708	32,576	10,002	20,000	45,152	20,004	(4)
Agriculture-to-Instruction	2,130,167	2,349,605	1,799,071	1,919,185	2,162,039	1,678,019	210,982	187,566	121,052	(15,264)	(12,352)	133,404
Continuing Education	3,397,194	4,102,477	2,701,532	2,440,022	3,736,052	2,191,869	957,172	366,425	509,663	956,727	318,581	191,082
FDN Program-Unrestricted	298,962	287,502	200,712	231,118	287,496	157,580	67,844	6	43,132	164,310	12	43,120
TOTAL OTHER	6,461,736	7,378,691	5,443,023	5,193,162	6,814,692	4,749,176	1,268,574	563,999	693,847	1,150,925	326,245	367,602
TOTAL SURPLUS (DEFICIT)	25,352,772	29,369,849	28,065,033	25,574,831	29,363,038	25,672,315	(222,059)	6,811	2,392,718	2,546,841	3,376,978	(984,260)
LO-Housing Distribution										(49,984)		0
TOTAL FOUNDATION Net	25,352,772	29,369,849	28,065,033	25,574,831	29,363,038	25,672,315	(222,059)	6,811	2,392,718	2,496,857	3,376,978	(984,260)



CAL POLY POMONA FOUNDATION, INC.
Statement of Activities
 For period ending Dec 31, 2016 and 2015

Description	REVENUES			EXPENSES			SURPLUS/(DEFICIT)			Surplus/Deficit		
	FY 15-16	FY 16-17 YTD		FY 15-16	FY 16-17 YTD		FY 15-16	FY 16-17 YTD		FY 15-16	FY 16-17	YTD Budget
	YTD Actual	Budget	Actual	YTD Actual	Budget	Actual	YTD Actual	Budget	Actual	Actual	Budget	(Not) Realized
Restricted:												
Endowments/Investments	(5,731,827)	3,234,726	3,837,492	1,675,695	405,212	284,726	(7,407,522)	2,829,514	3,552,766	(5,605,212)	5,526,109	(1,973,343)
Foundation Programs	5,295,239	5,043,392	4,891,801	4,992,306	3,620,399	5,300,411	302,933	1,422,993	(408,610)	1,014,565	2,477,973	(2,886,583)
TOTAL RESTRICTED	(436,588)	8,278,118	8,729,293	6,668,001	4,025,611	5,585,137	(7,104,589)	4,252,507	3,144,156	(4,590,647)	8,004,082	(4,859,926)
Grants and Contracts	6,697,612	6,419,333	7,303,591	6,697,612	6,419,333	7,242,661	0	0	60,930	247,004	0	0
Transfers to the University	-	-	-	187,805	0	133,320	(187,805)	0	(133,320)	(9,932,030)	0	0
TOTAL FOUNDATION NET	31,613,796	44,067,300	44,097,917	39,128,249	39,807,982	38,633,433	(7,514,453)	4,259,318	5,464,484	(11,778,816)	11,381,060	(5,844,186)

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

DESCRIPTION	2014-15 Actual	2014-15 Forecast	2014-15 Approved Budget	2015-16 Actual	2015-16 Forecast	2015-16 Approved Budget	2016-17 YTD Actual 12/31/16	2016-17 YTD Approved Budget
REAL ESTATE DEVELOPMENT								
220080 Center for Training Technology & Incubation	(110,213)	(121,425)	(121,170)	(18,989)	(77,165)	(86,353)	131,841	57,514
220010 Innovation Village - see Note 1	531,785	257,262	442,702	548,108	521,914	335,653	440,637	397,860
220050 Innovation Village/American Red Cross	(3,132)	-	-	(7,024)	-	-	8,059	-
220052 Innovation Village/Tramel Crow	(604)	-	-	(1,775)	-	-	(5,187)	-
220070 Innovation Village Common Areas	-	-	4	-	-	4	(55,219)	(65,863)
220250 Trammel Crow/I.V. Phase IV	(490)	-	-	(1,106)	-	-	(3,225)	-
459540 Spadra Solar Farm	65,291	-	(15,300)	(350)	(500)	-	-	-
460760 Real Estate Campus Improvement	-	-	-	-	-	-	-	-
461890 Innovation Village Phase V	(101,245)	-	-	79,264	-	-	(1,051)	-
461900 Innovation Village Phase VI	-	-	-	-	-	-	-	-
462140 Support for Lanterman Operations	(30,022)	-	-	(499,999)	(500,000)	(500,000)	35,141	(629,400)
Total Real Estate Development	351,370	135,837	306,236	98,129	(55,751)	(250,696)	550,996	(239,889)
RENTAL Buildings								
200660 Building # 66 - Classrooms & Offices	98,689	102,904	97,368	126,731	99,924	94,124	74,265	65,754
190970 Building # 97 - Offices	121,792	116,623	127,986	128,226	127,407	121,509	72,008	65,394
200220 CTTi Building # 220A - College of ENV Studio	(146,815)	(146,376)	(117,676)	(139,510)	(141,710)	(137,600)	(66,496)	(75,016)
190330 Downtown Pomona Building	-	-	-	-	-	-	-	-
Total Rental Buildings	73,666	73,151	107,678	115,447	85,621	78,033	79,777	56,132
FACULTY/STAFF HOUSING								
Fund 11 Faculty/Staff Housing	167,569	179,934	(10,523)	223,331	263,331	193,382	163,701	28,223
Total Faculty/Staff Housing	167,569	179,934	(10,523)	223,331	263,331	193,382	163,701	28,223
GRAND TOTAL REAL ESTATE	592,605	388,922	403,391	436,907	293,201	20,719	794,474	(155,534)

**AGRICULTURE AID TO INSTRUCTION
SURPLUS/(DEFICIT) BUDGET COMPARISON SUMMARY
FOR THE FISCAL YEAR**

DESCRIPTION	2014-15 Actual	2014-15 Forecast	2014-15 Approved Budget	2015-16 Actual	2015-16 Forecast	2015-16 Approved Budget	2016-17 YTD Actual 12/31/16	2016-17 YTD Approved Budget
016200 Agronomy Farms	(93,798)	149,919	16,038	(123,581)	233,984	24,341	(69,779)	211,754
260200 Arabian Horse Show	(48,409)	(5,930)	(3,538)	(82,952)	(160,454)	686	(186,311)	(109,038)
020010 Beef Unit	(41,031)	18	10,095	5,264	6,142	2,150	7,872	(4,874)
022500 Beef Show Sale Project	-	-	-	-	-	-	-	-
027190 Consignment Sales	-	-	-	-	-	-	-	-
340010 Fruit Industry	1,353	1,244	3,284	(24,274)	1,244	4,184	(9,999)	17,470
300010 Meat Lab	(804)	(500)	9,305	(537)	-	982	19,090	1,294
320300 Ornamental Horticulture	3,467	3,406	2,274	13,411	28,429	2,393	(10,043)	6
193040 Pine Tree Ranch	101,676	33,504	1,996	132,112	42,140	1,996	28,574	(4,418)
420010 Sheep Unit	(56,356)	542	8,005	(13,149)	1,928	841	12,270	6,772
430010 Swine Unit	(15,421)	2,334	5,089	3,565	908	9,074	(9,112)	4,550
260220 Farm Store at Kellogg Ranch	1,234	59,301	5,195	18,896	24,354	(4,665)	108,105	(7,227)
460360 Danny's Farm	(6,819)	-	-	(1,189)	-	-	9,317	-
350810 Truck and Trailer	-	-	-	-	-	-	-	-
428460 Vet Clinic	(3,061)	1,088	4,249	(8,667)	2,463	4,210	(3,988)	1,511
350820 Pomona Organics St Project	-	-	-	-	-	-	-	-
462300 Pumpkin Festival	-	-	-	5,036	3,811	(3,516)	363,214	64,192
462530 Westwind Ranch	-	-	-	(42,617)	-	-	(113,876)	-
462540 Wasmansdorff House - Pine Tree	-	-	-	102,447	102,227	-	(10,247)	-
462610 Agriscapes	-	-	-	971	-	-	(20,396)	5,574
Total	(157,969)	244,926	61,992	(15,264)	287,176	42,676	114,691	187,566

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

DESCRIPTION	2014-15	2014-15	2014-15	2015-16	2015-16	2015-16	2016-17	2016-17
	Actual	Forecast	Approved Budget	Actual	Forecast	Approved Budget	YTD Actual 12/31/16	YTD Approved Budget
COLLEGE OF EXTENDED UNIVERSITY - Programs								
283500 Administration	399,877	259,045	225,790	531,386	202,339	139,794	(55,557)	35,877
283071 Computer Programs	-	-	-	-	-	-	-	-
283072 Certificate Programs	-	-	-	-	-	-	-	-
283080 English Language Inst.	-	-	-	-	-	-	-	-
283600 CEU International Training	-	-	-	-	-	-	-	-
283610 Int'l Workshop and Training	-	-	-	-	-	-	-	-
283620 Six Sigma Program	10,600	5,435	5,161	24,951	16,232	7,824	8,713	10,710
283630 Professional Project Management Program	4,726	8,515	9,916	12,560	3,219	11,765	2,001	3,102
283790 On Site Training Programs	3,808	10,055	2,016	8,529	8,897	10,333	6,109	544
283060 Start-Up Programs	-	-	-	-	-	-	-	-
283076 Technical Programs	9,173	20,800	22,760	(5,440)	(5,840)	29,996	-	(3)
283073 Test Prep Programs	8,032	21,888	13,680	21,108	11,247	12,584	14,657	(3,273)
460280 SUMMER SUPPORT @ CEU	(243)	(602)	(525.00)	(568)	(810)	(9,174)	(435)	(6,579)
460920 Business Comm & Grant Writing	-	-	-	(108)	-	-	-	-
460930 Accounting & Finance	(612)	5,036.00	555	(1,234)	(1,234)	15,707	(500)	-
460940 Math & Science	155	(6,269)	2,444	(275)	763	(2,908)	8,697	(2,399)
460950 Hospitality & Service Industry	5,431	4,257	6,211	6,986	14,654	(1,336)	(4,551)	2,635
460960 Supply Chain Management	(1,350)	(4,475)	10,900	(110)	(1,680)	(1,374)	-	1,353
460970 Human Resources Management	6,642	4,589	1,800	1,858	2,656	2,365	8,488	1,432
460980 Building & Construction Management	13,857	10,446	17,152	16,231	15,725	15,091	27,264	8,583
460990 Ed2Go	(12,396)	(10,770)	(245,808)	6,872	7,700	(11,355)	3,567	4,886
461000 Art, Media, & Design	(1,003)	1,642	-	(1,110)	(1,110)	-	-	-
461010 Global Ed Programs Standard	7,257	(35,437)	13,898	56,563	136,104	132,415	370,351	307,211
461020 Global Ed Programs Camps	-	-	-	75,289	55,500	-	41,393	76,768
461030 CPELI Camps	28,471	1	81,931	84,995	5,686	57,539	(1,813)	131,943
461040 CPELI Standard	47,151	131,082	303,815	168,437	147,400	188,745	149,002	(88,803)
461820 Program Development	(201,843)	(281,455)	-	(232,680)	(282,375)	(380,959)	(150,567)	(190,513)
461840 Summer Camps	(3,666)	-	-	10,164	12,121	-	62,661	(13,470)
461950 IT, Web & Social Media	-	-	-	(1,301)	438	-	-	(14,746)
462120 CEU CPP Aviation Hospitality	-	-	-	160,247	55,114	20,391	41,737	84,878
462660 CEU Marketing Research	-	-	-	-	(2,668)	-	-	1,462
462760 CEU Academic Studies Program	-	-	-	-	-	-	(24,516)	17,078
Total College of Extended Univ Programs	324,067	143,783	471,696	943,350	400,078	237,443	506,701	368,676

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

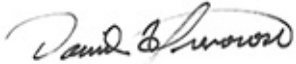
DESCRIPTION	2014-15	2014-15	2014-15	2015-16	2015-16	2015-16	2016-17	2016-17
	Actual	Forecast	Approved Budget	Actual	Forecast	Approved Budget	YTD Actual 12/31/16	YTD Approved Budget
COLLEGE OF ENGINEERING								
381500 Non-Credit Learning Admin	(8,927)	49	30	1,530	38	48	(269)	-
381675 Civil Engineering Review	(10,156)	5,632	4,446	5,739	909	6,064	3,228	2,530
Total College of Engineering	(19,083)	5,681	4,476	7,269	947	6,112	2,959	2,530
COLLEGE OF SCIENCE								
406440 Chemistry Agilent Project	(1,807)	4,623	2,383	-	6,595	2,388	-	(5,781)
Total College of Science	(1,807)	4,623	2,383	-	6,595	2,388	-	(5,781)
COLLEGE OF LETTERS, ARTS, AND SOCIAL SCIENCES								
362030 GIS Certificate Program	(9,728)	-	-	5,785	-	-	-	-
Total College of Letters, Arts, and Social Sciences	(9,728)	-	-	5,785	-	-	-	-
COLLEGE OF ENVIRONMENTAL DESIGN								
460200 CCLAWS CERTIFICATE L+RS	(3,472)	-	-	320	-	-	-	-
Total College of Environmental Design	(3,472)	-	-	320	-	-	-	-
GRAND TOTAL CONTINUING EDUCATION	289,977	154,087	478,555	956,724	407,620	245,943	509,660	365,425

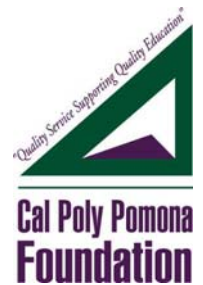
CAL POLY POMONA FOUNDATION, INC.

Memorandum

Date: February 8, 2017

To: Finance and Investment Committee

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



Subject: Summary of Foundation Financial Activity Performance

In response to a request from the Finance Committee, we have prepared the following bar charts to summarize the performance of Foundation's financial activity for the past 5 fiscal years representing 2011-2012 through 2015-2016. The charts detail three types of financial information:

- Actual - actual activity
- Forecast – revised projections of financial activity based upon 7 months of actual data and 5 months of estimates
- Approved – budgeted projections of the financial activity

There are noted explanations for significant variances between certain years on select charts.

CAL POLY POMONA FOUNDATION

ANALYSIS OF REVENUES, EXPENSES, SURPLUS/DEFICITS

ACTUAL vs. FORECAST vs. BUDGETED

with charts and footnotes

FISCAL YEARS

2011-2012

2012-2013

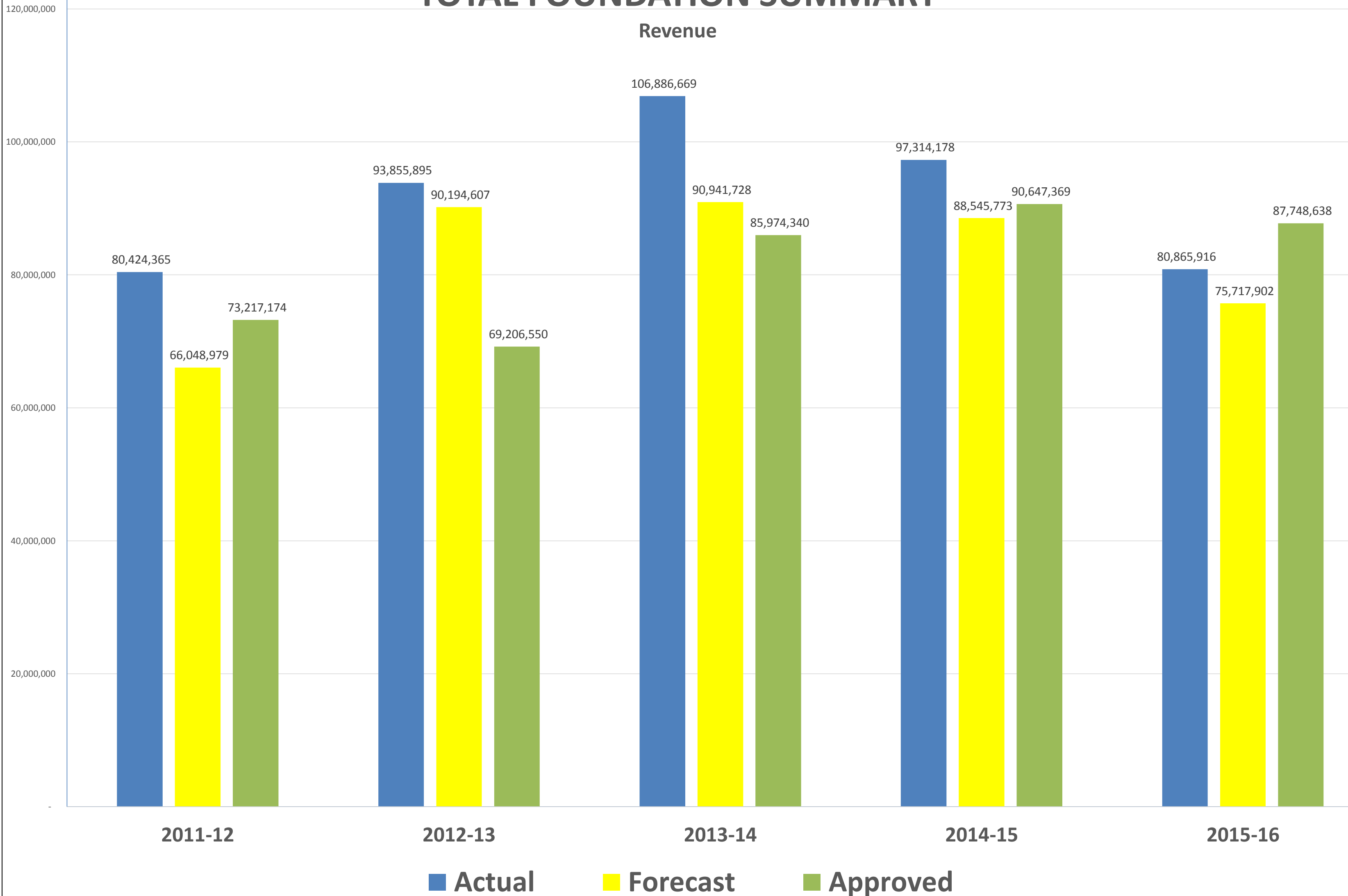
2013-2014

2014-2015

2015-2016

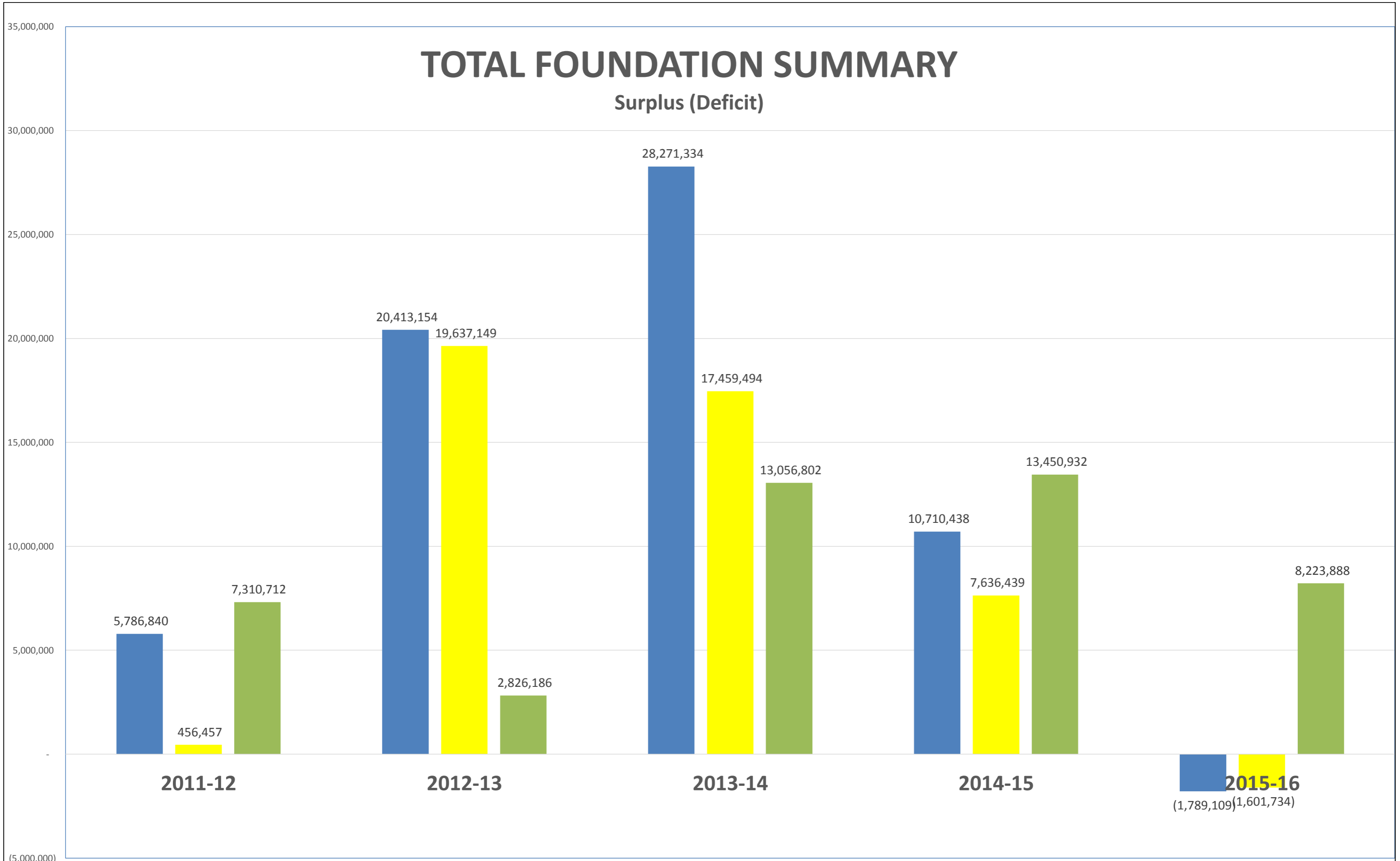
TOTAL FOUNDATION SUMMARY

Revenue



TOTAL FOUNDATION SUMMARY

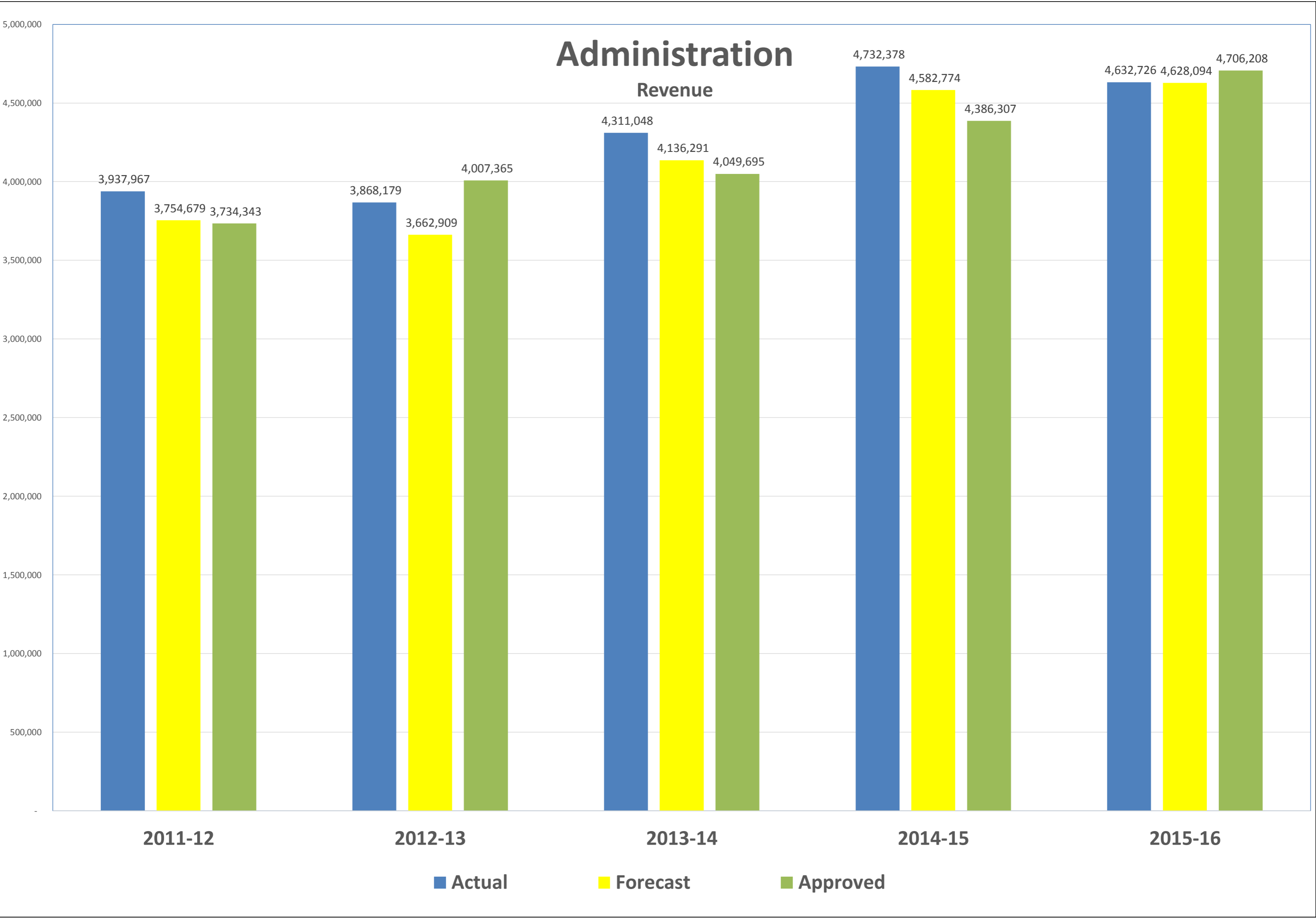
Surplus (Deficit)



■ Actual ■ Forecast ■ Approved

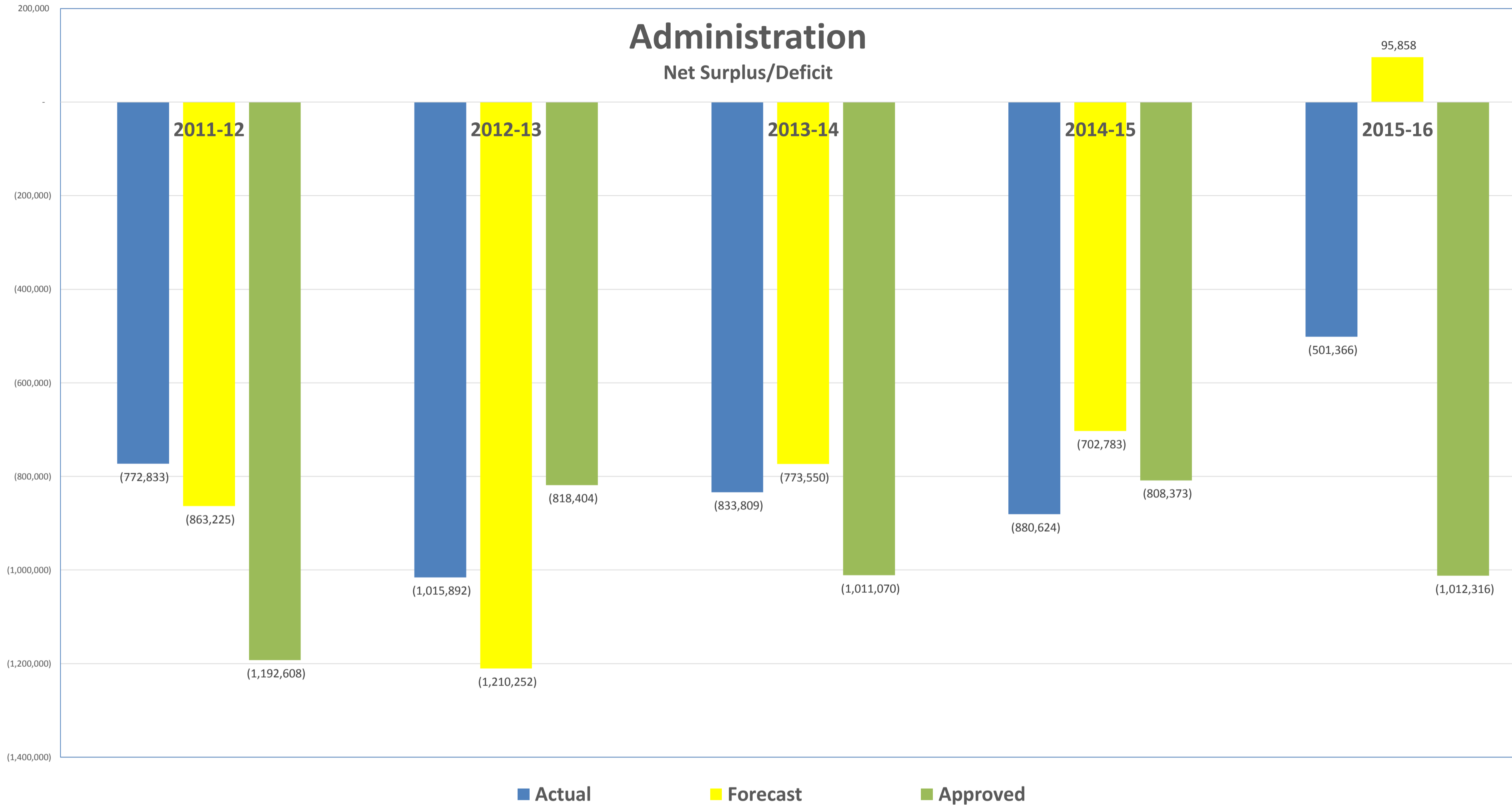
Administration

Revenue



Administration

Net Surplus/Deficit



Footnotes

2011-12 Donation to Technology Innovation & Commercialization.

2012-13 Insurance Reserve losses and educational assistance expenditures were not budgeted

2013-14 Donation to Technology Innovation & Commercialization and excess Administrative Fee Revenues; offset by actual EPO expenditures that were greater than actuarial study estimates

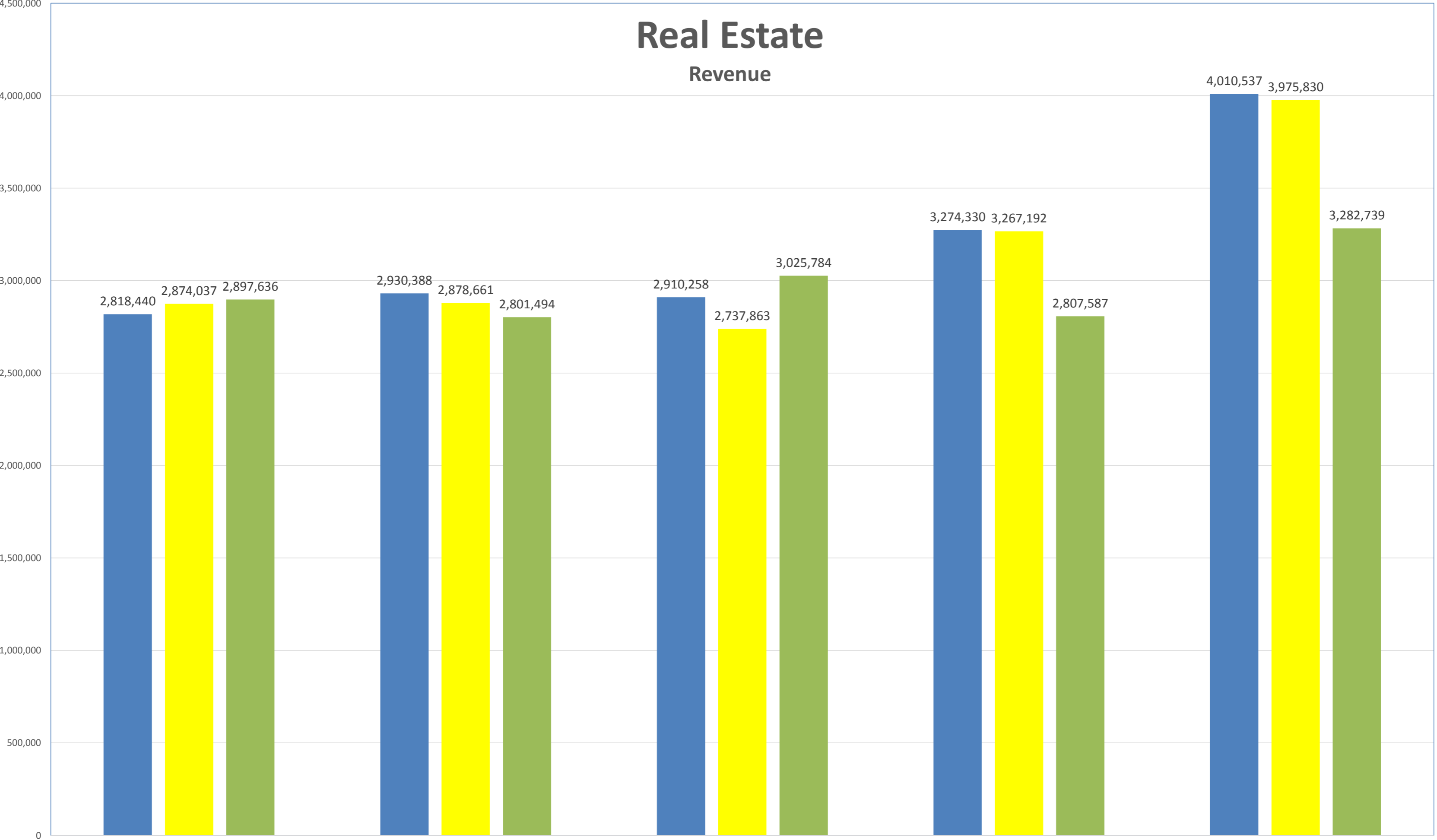
2014-15 Benefits charged to Payroll and insurance premiums charged to Insurance Program instead of allocating to respective projects, Technology Innovation & Commercialization Expenditures not budgeted or forecasted.

2015-16 Benefits charged to Payroll and insurance premiums charged to Insurance Program instead of allocating to respective projects, which was not forecasted; Technology Innovation & Commercialization Expenditures not budgeted or forecasted, and with the implementation of GASB 68, the forecasted amortization of CalPERS deferred inflows resulted in a forecasted surplus.

Note: The Administration Division includes the Executive Director's Office, Employment Services, Information Technology, Financial Services, Marketing, Real Estate administration and benefits not allocated.

Real Estate

Revenue



2011-12

2012-13

2013-14

2014-15

2015-16

Actual

Forecast

Approved

Real Estate

Net Surplus

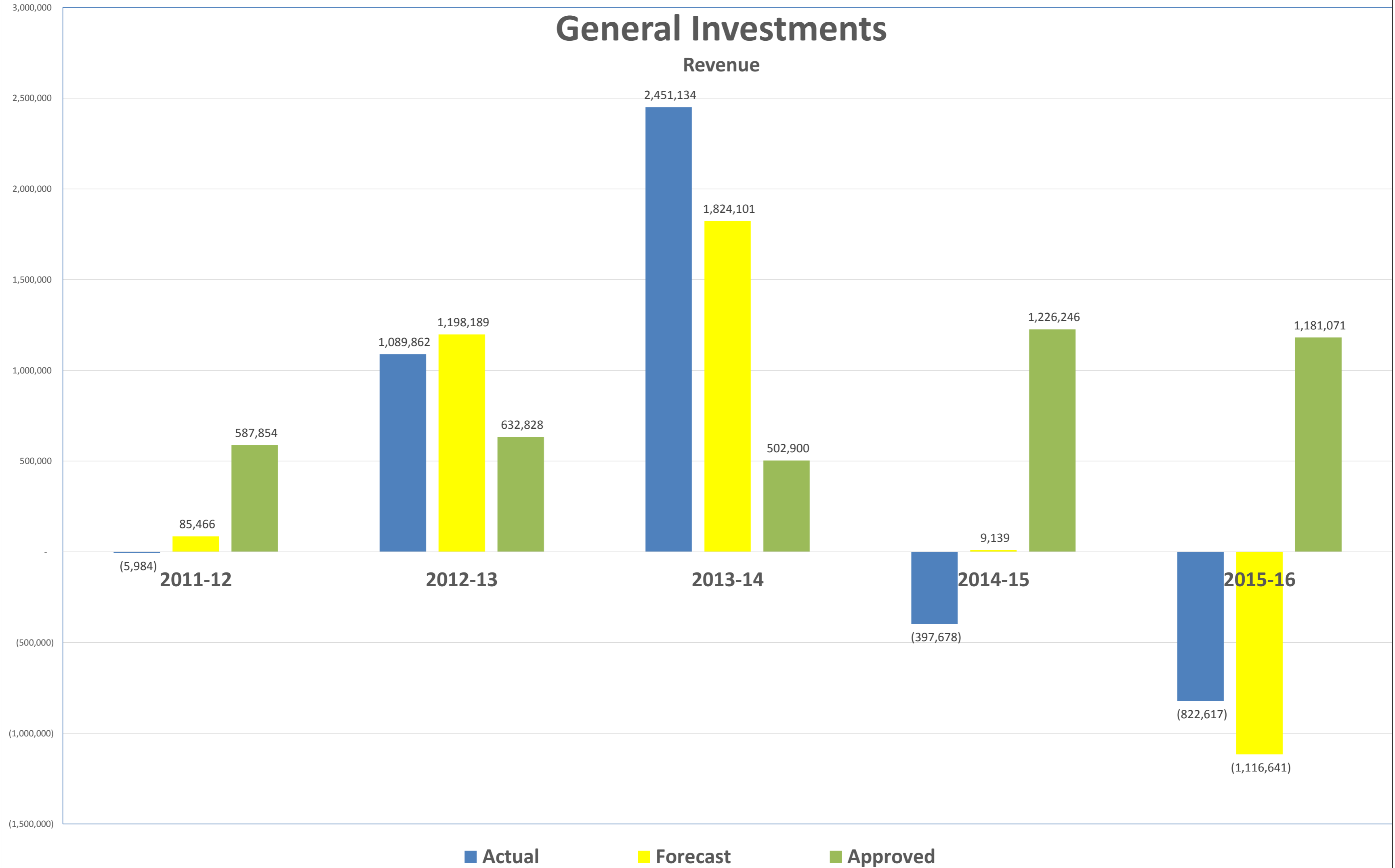


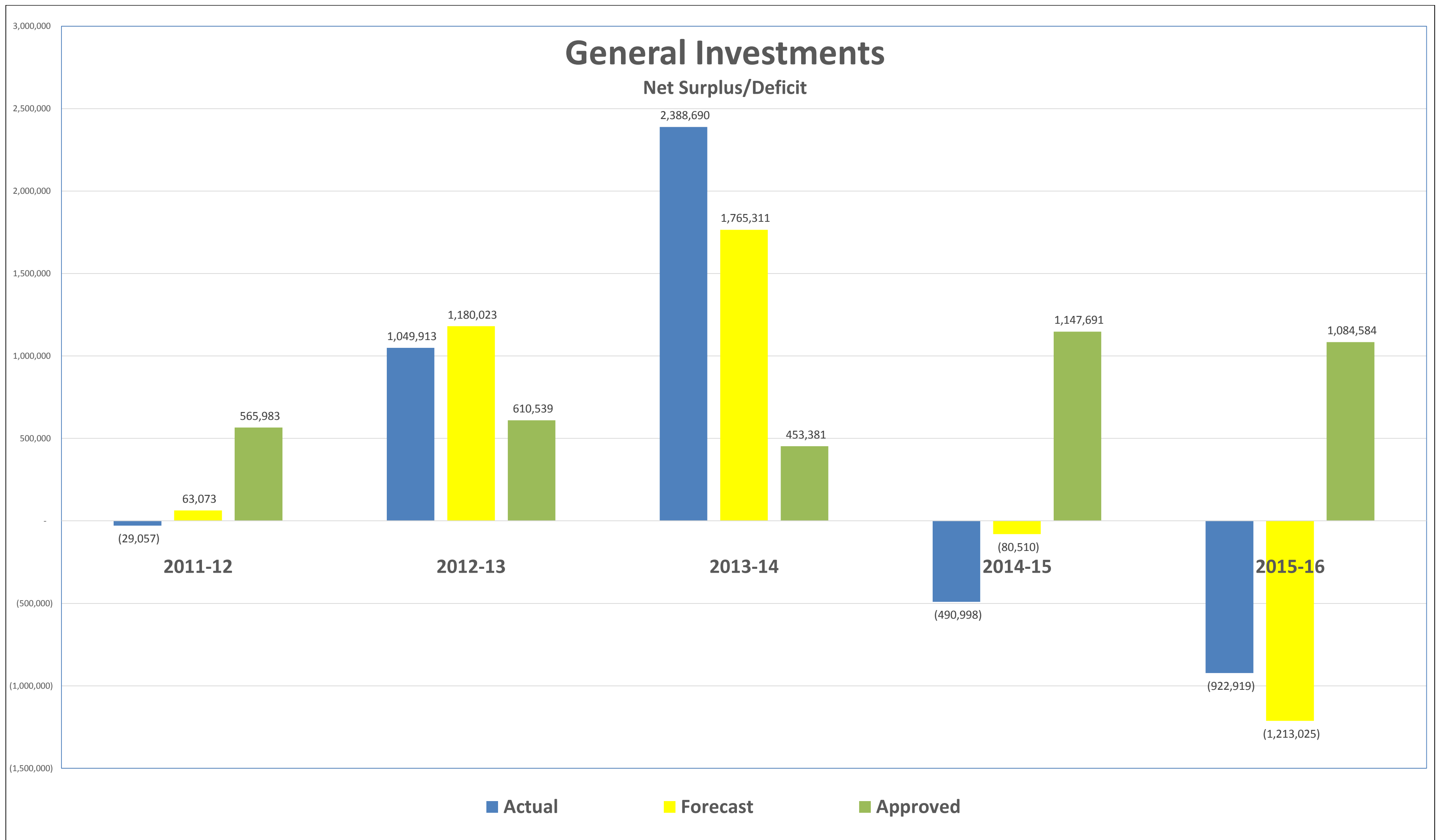
Footnotes

- 2011-12 Mainly due to vacancies at the Center for Training Technology and Incubation; offset by expenditure savings and losses on sale of faculty/staff housing less than budgeted.
- 2012-13 Mainly due to rental of faculty/staff housing offset by expenditures and vacancies at Center for Training Technology and incubation.
- 2013-14 Mainly due to expenditure savings and gains on sale of faculty/staff housing offset by architecture and consulting expenditures at Spadra.
- 2014-15 Mainly due to capitalization of prior year architecture and consulting expenditures at Spadra; amounts to be invoiced at Innovation Village V; Support for Lanterman Operations and gains on sale of faculty/staff housing.
- 2015-16 Mainly due to occupancy at Center for Training Technology and Incubation; expenditure savings at Innovation Village; additional revenues at Innovation Village V, expenditure savings in Rental Buildings and faculty staff housing.

General Investments

Revenue





Footnotes

- 2011-12 Interest earnings at 54% of budget, and unrealized losses in Common Fund private equity investments.
- 2012-13 Unrealized losses on investments managed by Graystone offset by unrealized gains on private equity investments with Common Fund.
- 2013-14 Unrealized gains on investments managed by Graystone and unrealized gains on private equity investments with Common Fund.
- 2014-15 Unrealized losses on investments managed by Graystone offset by Realized/unrealized gains on private equity investments with Common Fund.
- 2015-16 Realized/unrealized losses on investment managed by Graystone.

	Actual	Benchmark
2011-12	N/A	N/A
2012-13	N/A	N/A
2013-14	4.02%	4.13%
2014-15	0.06%	1.41%
2015-16	-0.81%	1.93%

Bookstore

Revenue



2011-12

2012-13

2013-14

2014-15

2015-16

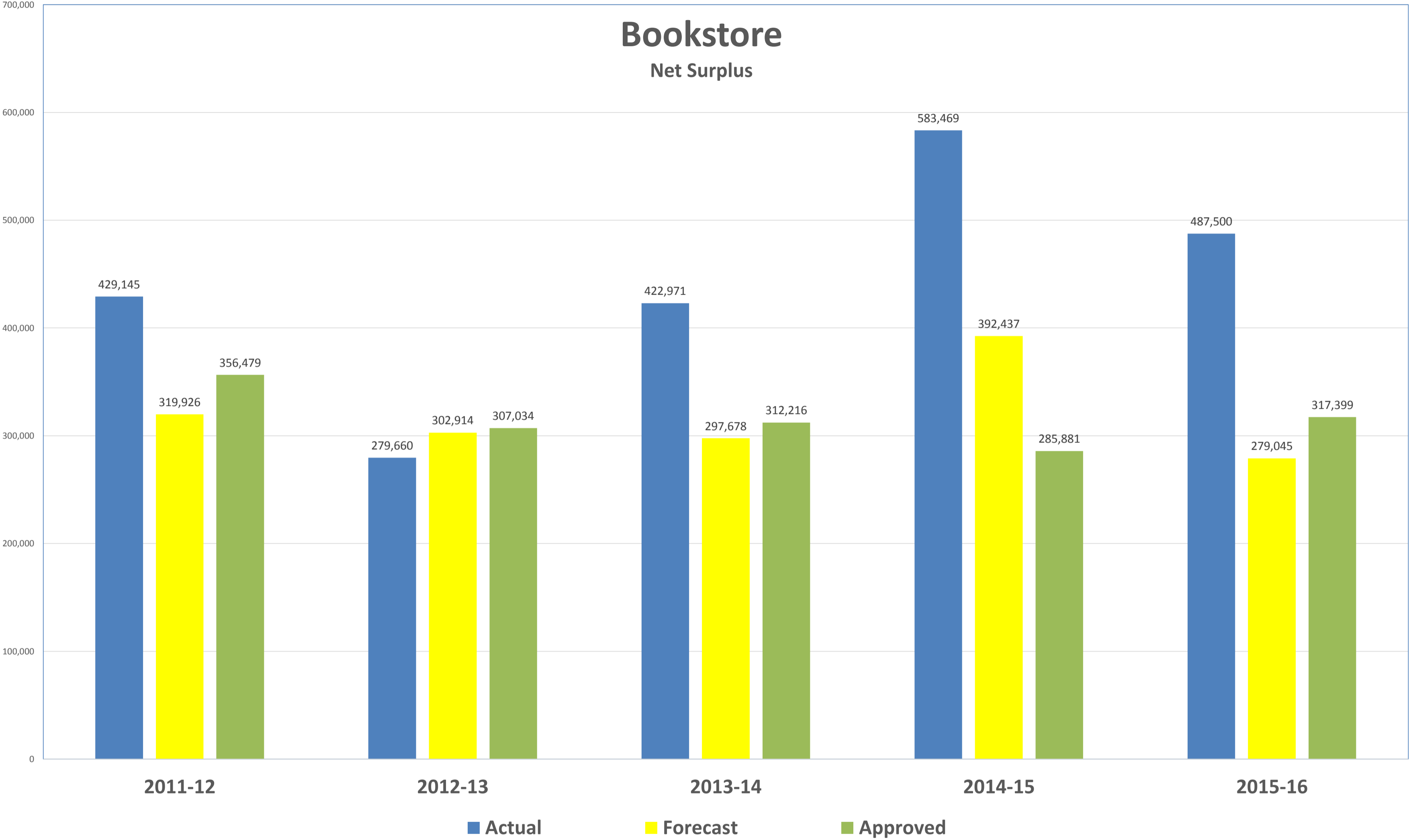
Actual

Forecast

Approved

Bookstore

Net Surplus

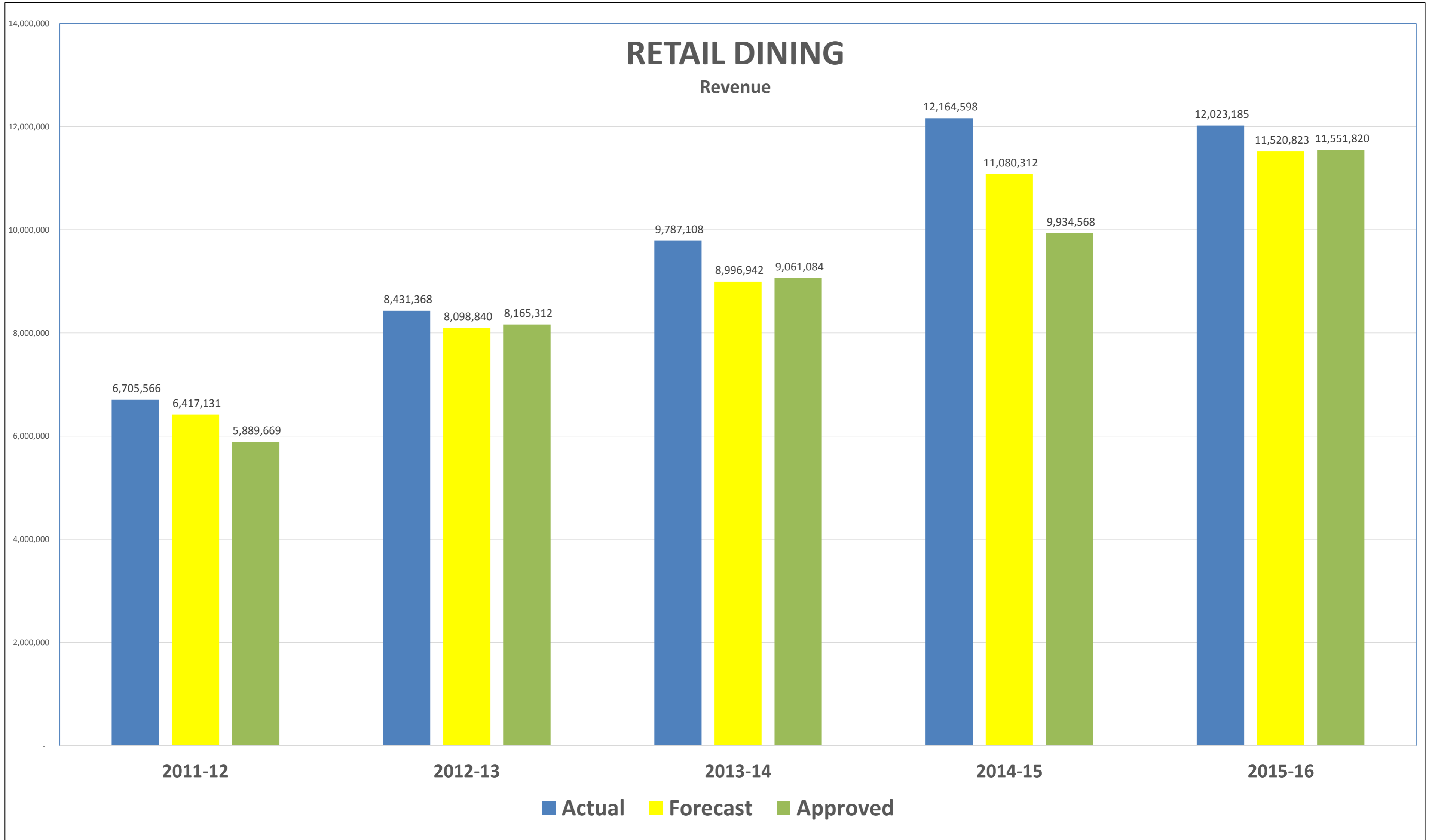


Footnotes

- 2011-12 Mainly due to revenue exceeding forecast
- 2012-13 Small variance
- 2013-14 Mainly due to actual revenue exceeding forecast
- 2014-15 Mainly due revenue exceeding forecast
- 2015-16 Mainly due to expenditures and labor costs under forecast

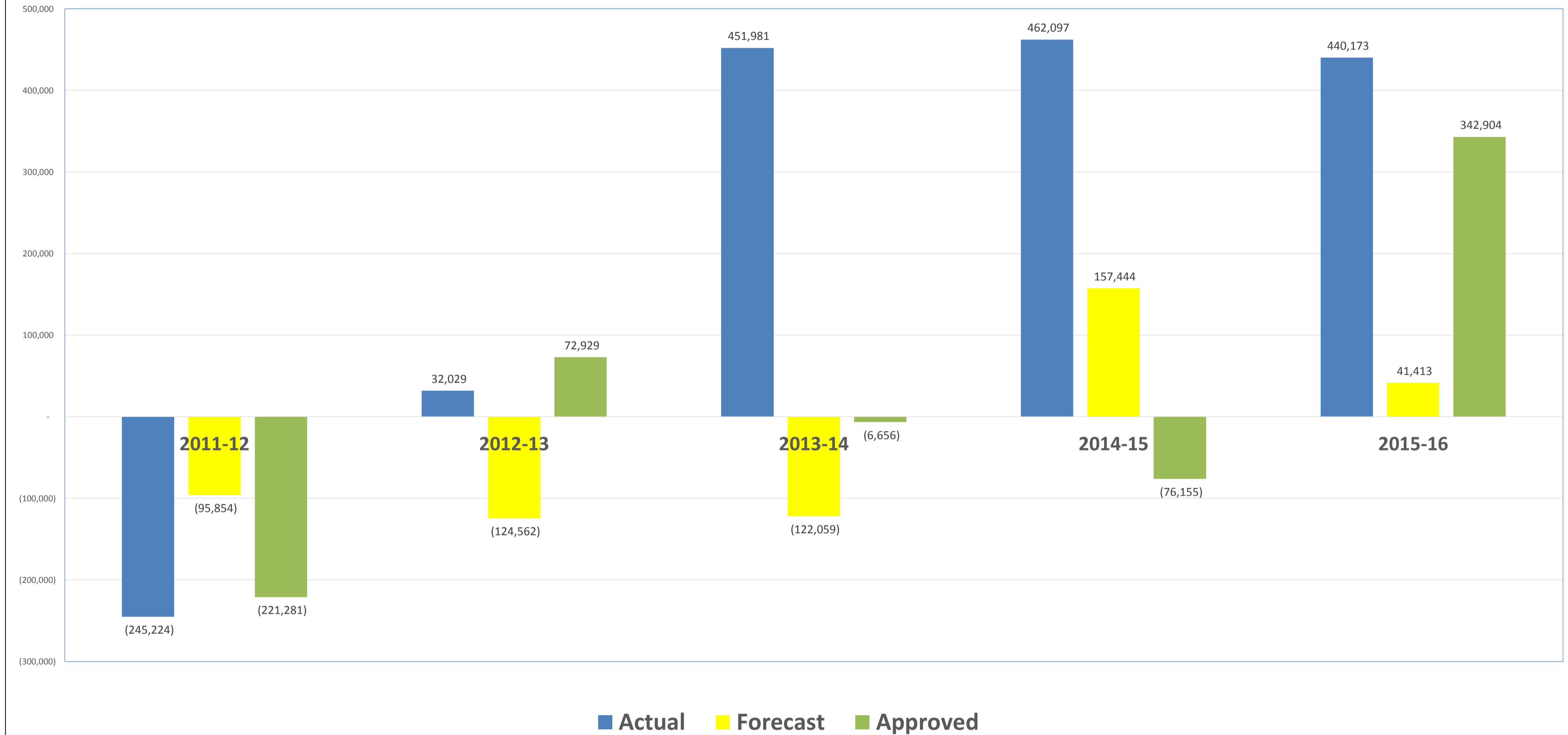
RETAIL DINING

Revenue



RETAIL DINING

Net Surplus



Footnotes

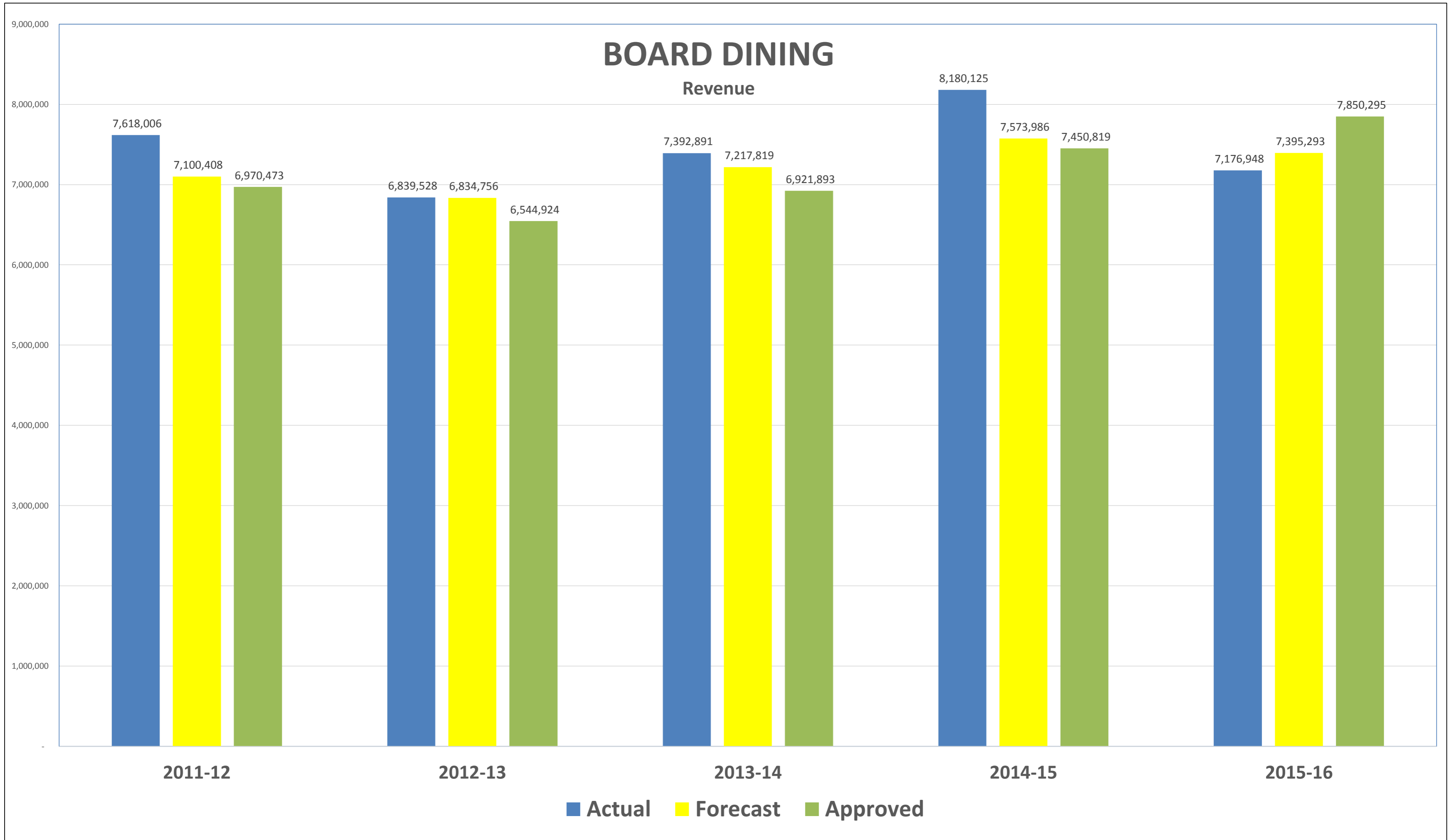
- 2011-12 Mainly due to higher COS and labor costs at Subway, as well as increased controllable expenses in Food Service Management and fewer discounts earned
- 2012-13 Mainly due to the opening of the Convenience Store at the CBA building where revenues were significantly higher than initially expected. There were also higher than expected revenues at CCMP Pony Express and with Kellogg West catering.
- 2013-14 Mainly due to higher than expected revenues at Starbucks & Qdoba (2nd year of operations). Kellogg West catering hired new manager and revenues were increased significantly through catered events. Also had lower than expected costs in Food Service management.
- 2014-15 Mainly due to higher than expected revenues at Starbucks, Kellogg West catering events, and Pony Express at CBA.
- 2015-16 Mainly due to higher than expected revenues at Carl's Jr., and Kellogg West catering events. BSC Overhead saw lower than expected expenses.

Dining Project Changes:

- 2011-12 Last year of Subway Express (170155). Last year of Geneva Café (170300).
- 2012-13 Qdoba opened (170155). Geneva Café closed (170300).
- 2013-14 Last year of CTTi Café (170104). Last year of Kikka Sushi (170116)
- 2014-15 Innovation Brew Works opened (170104). Bronco Bowl replaces Kikka (170116).
- 2015-16 Hibachi San is opened to replace Bronco Bowl (170116). H Café opens (170300).

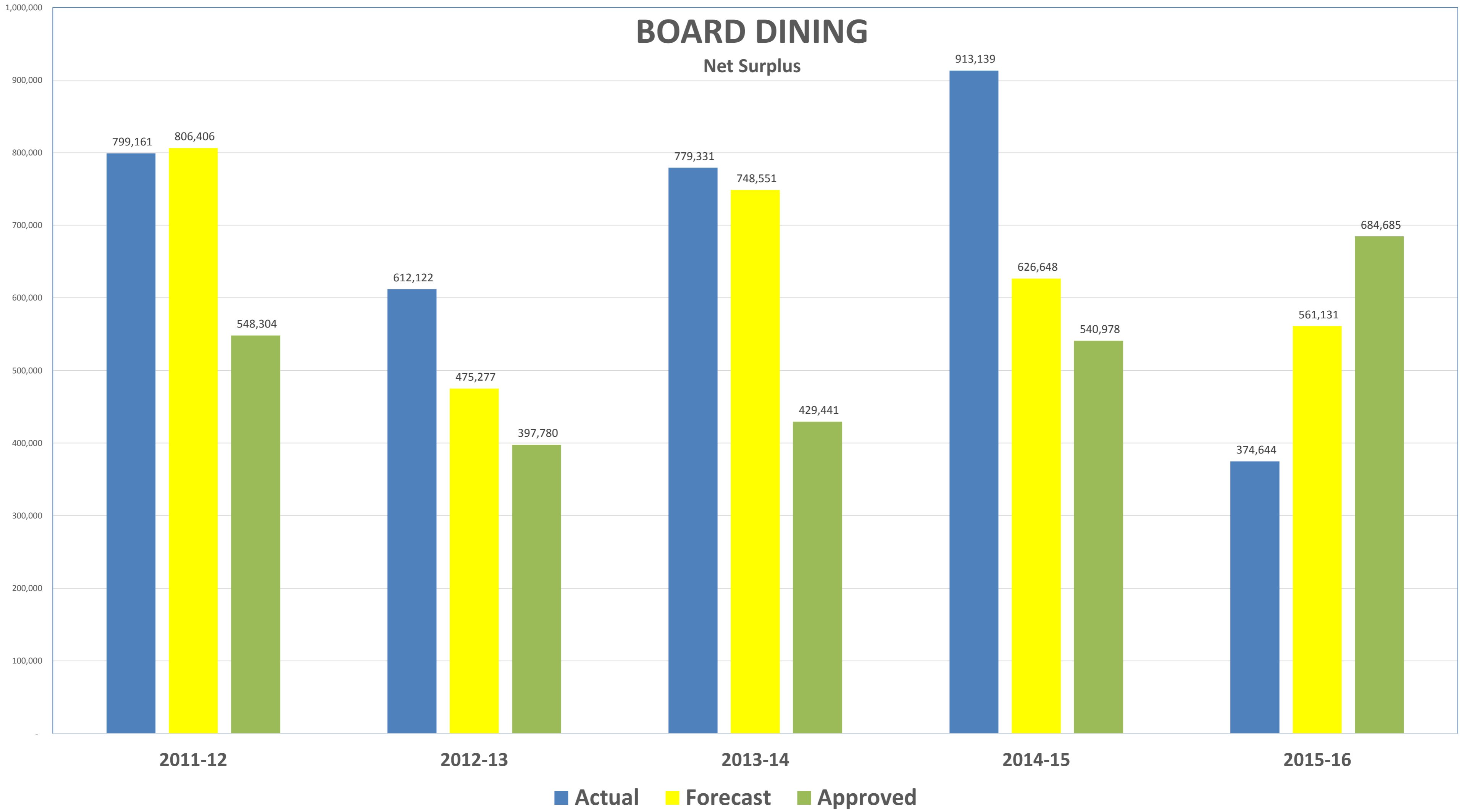
BOARD DINING

Revenue



BOARD DINING

Net Surplus

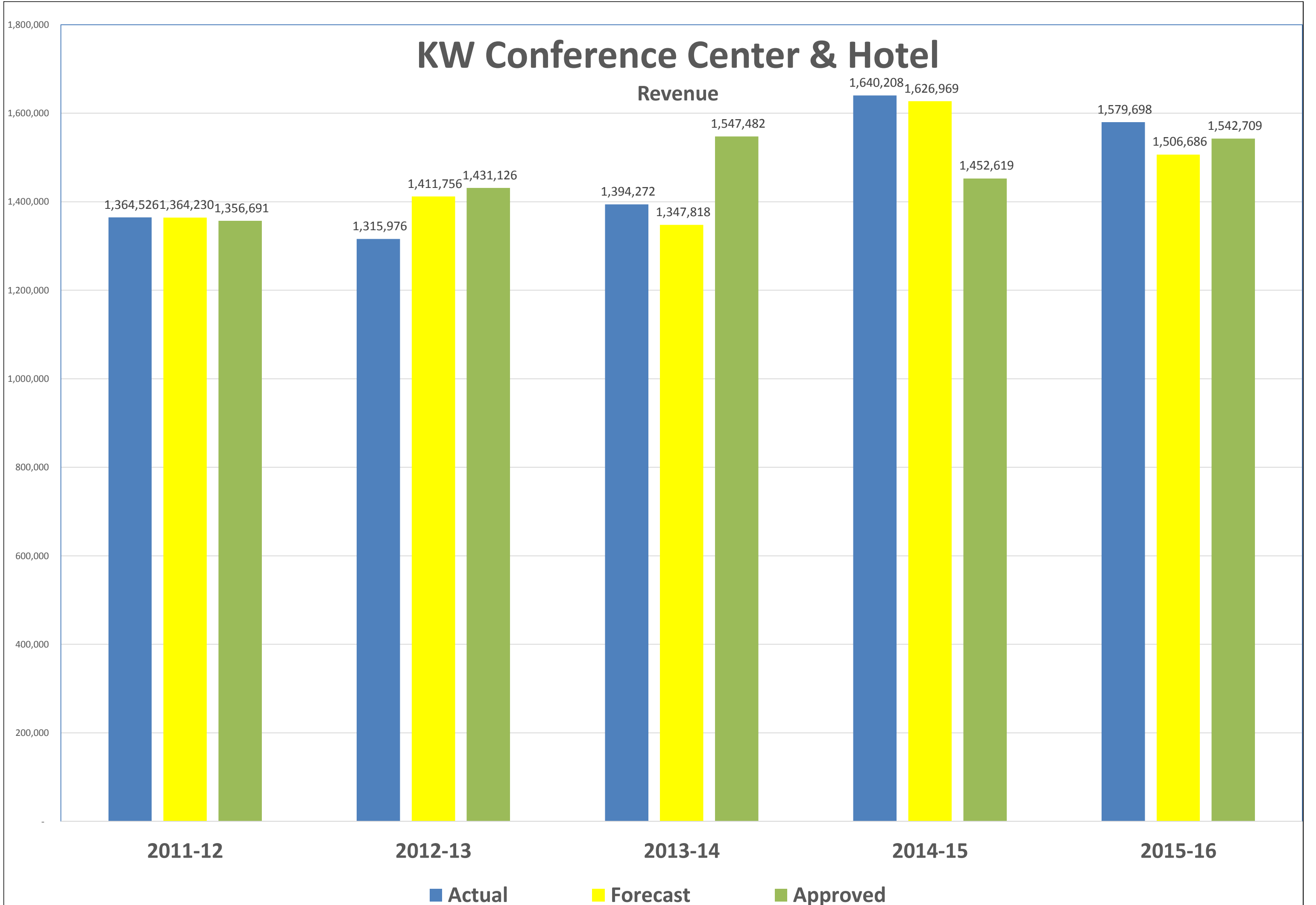


Footnotes

- 2011-12 Small Variance
- 2012-13 Mainly due to higher than expected revenues at Los Olivos & Vista Market.
- 2013-14 Small Variance
- 2014-15 Mainly due to higher than expected revenues at Los Olivos.
- 2015-16 Mainly due to lower enrollment of students in housing than budgeted

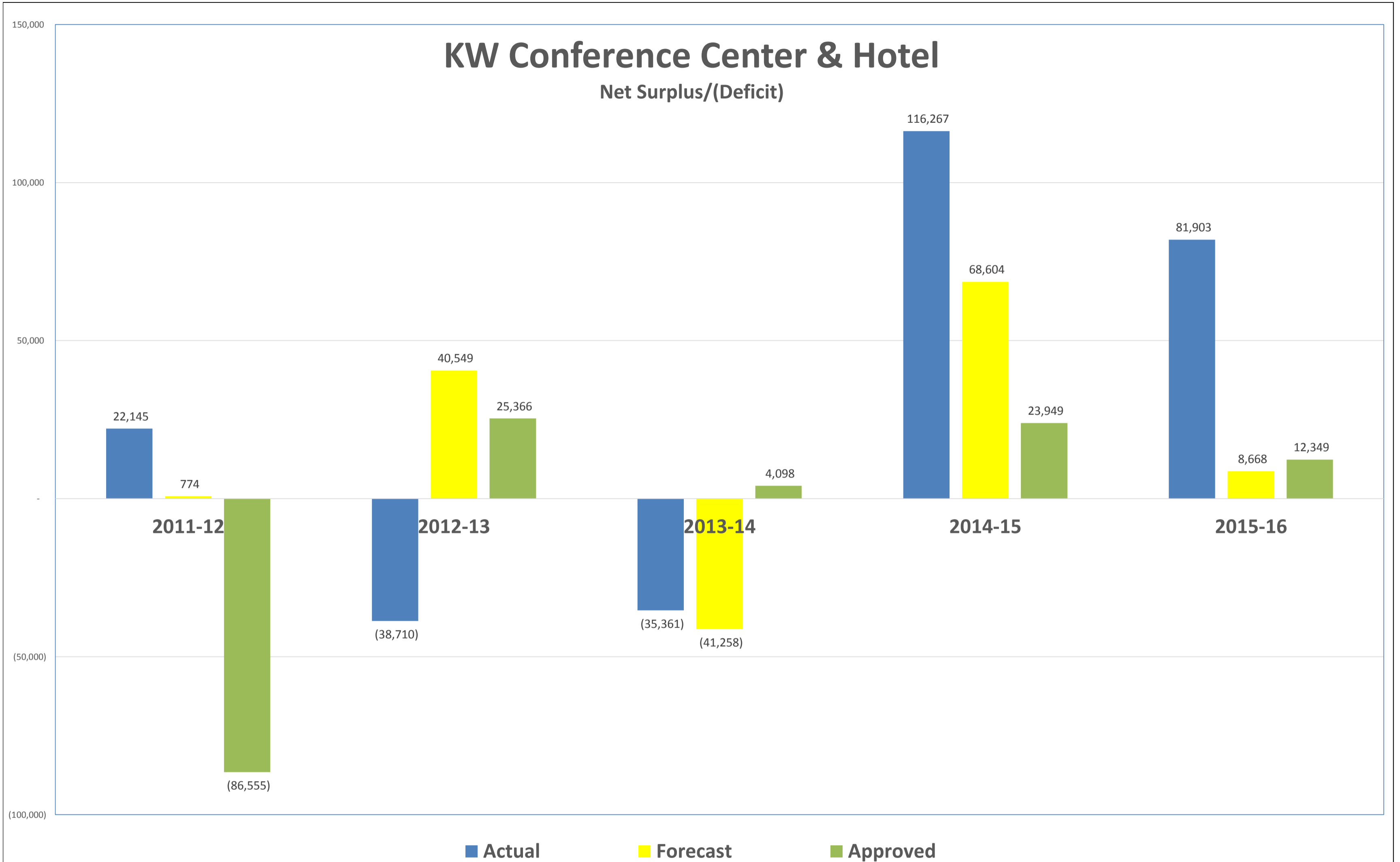
KW Conference Center & Hotel

Revenue



KW Conference Center & Hotel

Net Surplus/(Deficit)



Footnotes

2011-12 Mainly due to labor costs under forecast

2012-13 Mainly due to actual revenue coming in under forecast

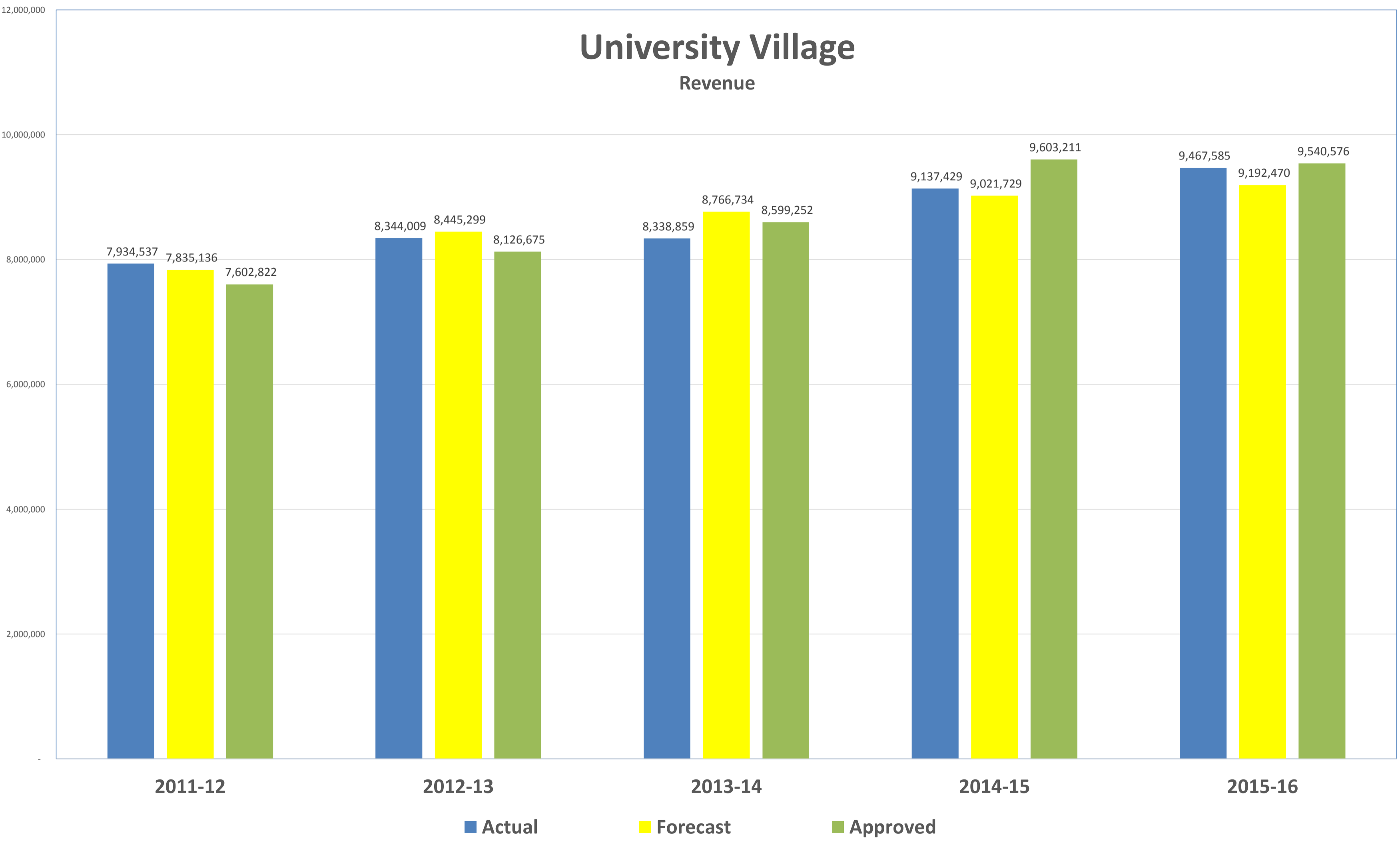
2013-14 Mainly due to renovations to the buildings

2014-15 Mainly due to expenditures coming in under forecast and collaborations with the CEU International programs

2015-16 Mainly due to actual revenue coming in over forecast

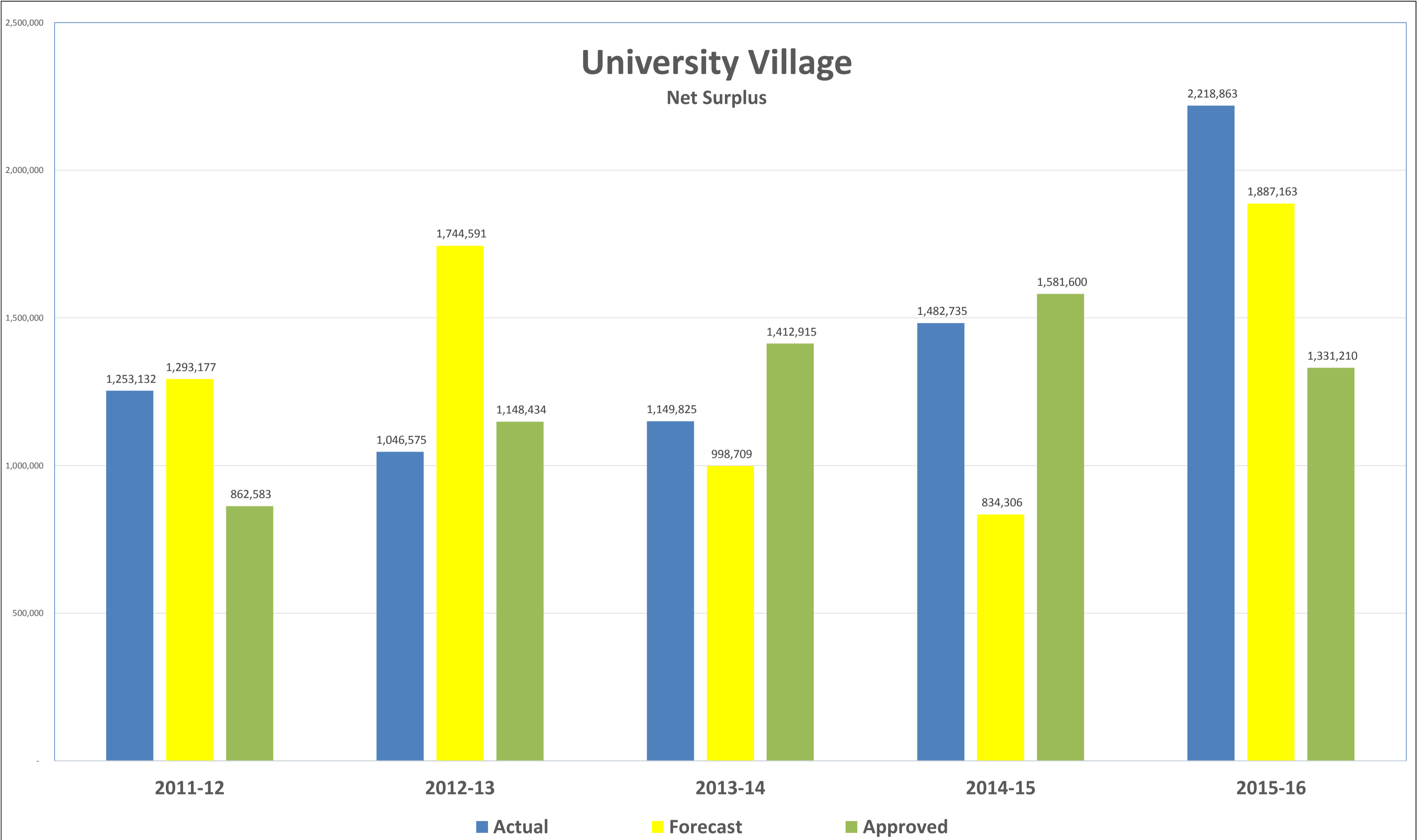
University Village

Revenue



University Village

Net Surplus

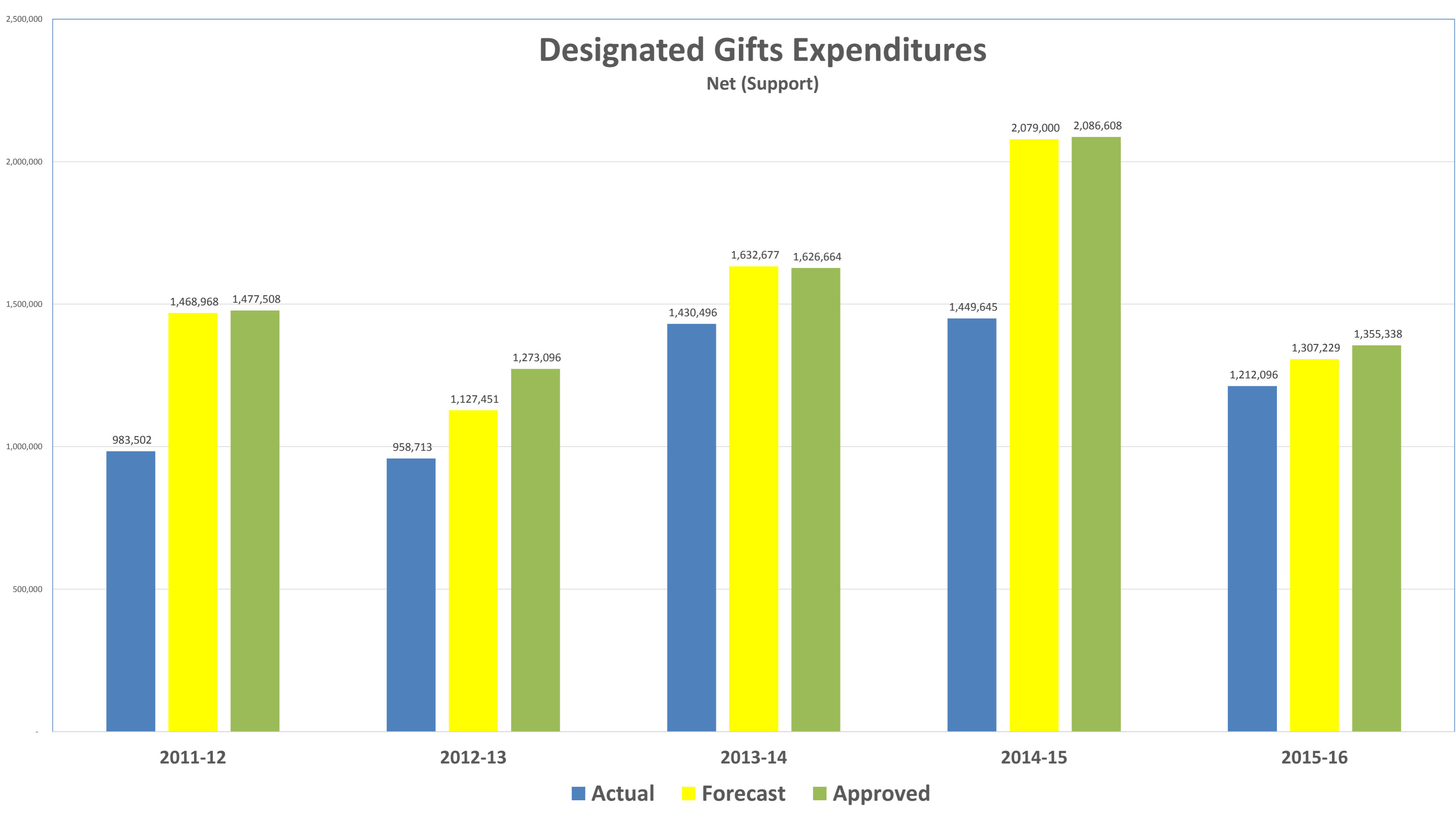


Footnotes

- 2011-12 Small variance <5%
- 2012-13 Mainly due to interest expense and labor costs exceeding forecast
- 2013-14 Mainly due to expenditures under forecast
- 2014-15 Mainly due to expenditures under forecast
- 2015-16 Mainly due to revenue exceeding forecast

Designated Gifts Expenditures

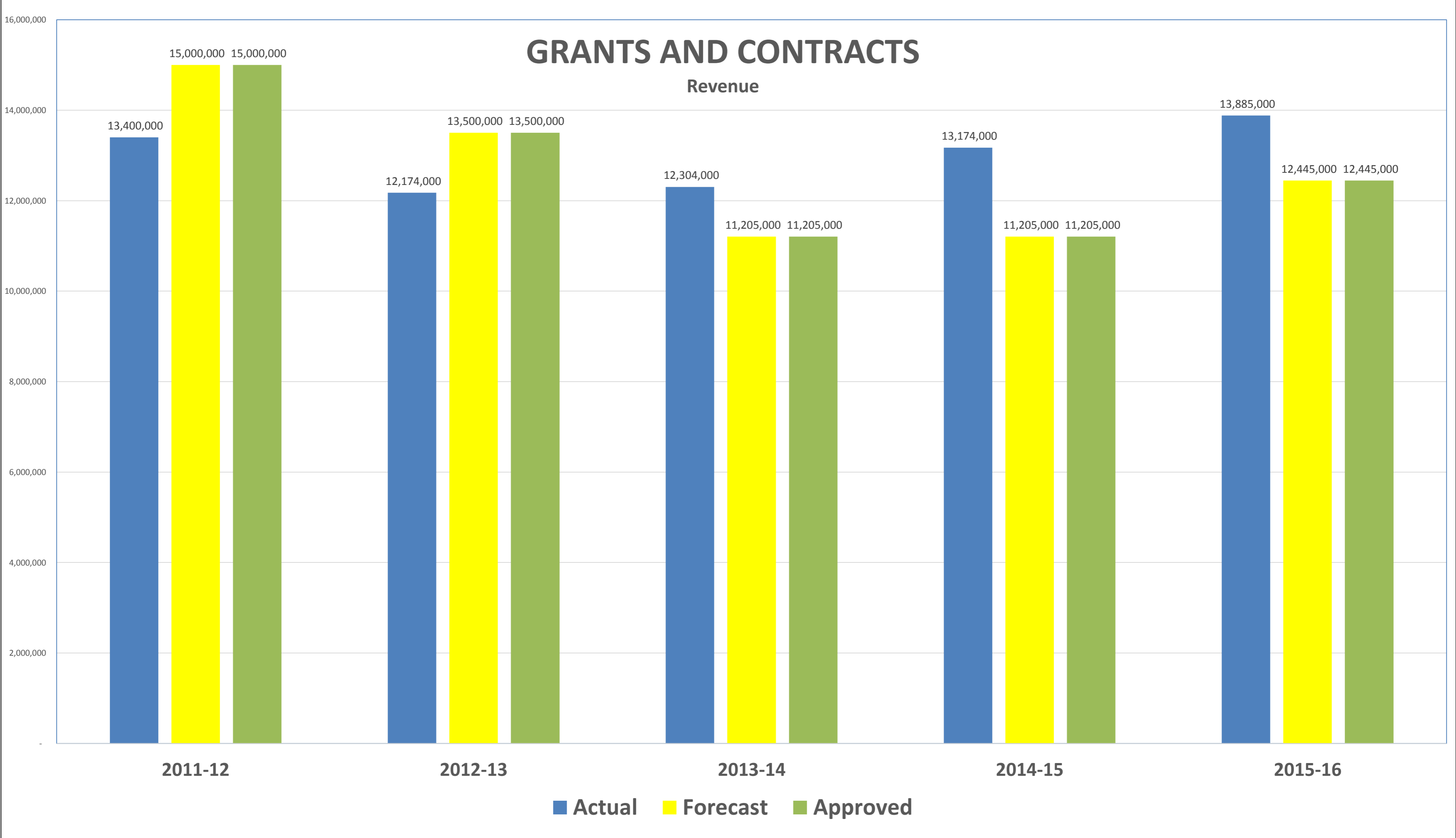
Net (Support)



Footnotes
 2011-12 Mainly due to a transfer of assets for the Foundation Programs Interest Designated Fund of the Kellogg gym bleachers excluded from the actual expenditures
 2014-15 Mainly due to a transfer of assets for the Steinway Initiative Designated Gift of pianos excluded from the actual expenditures

GRANTS AND CONTRACTS

Revenue



Footnotes The Grants and Contracts Division managers externally-funded sponsored programs

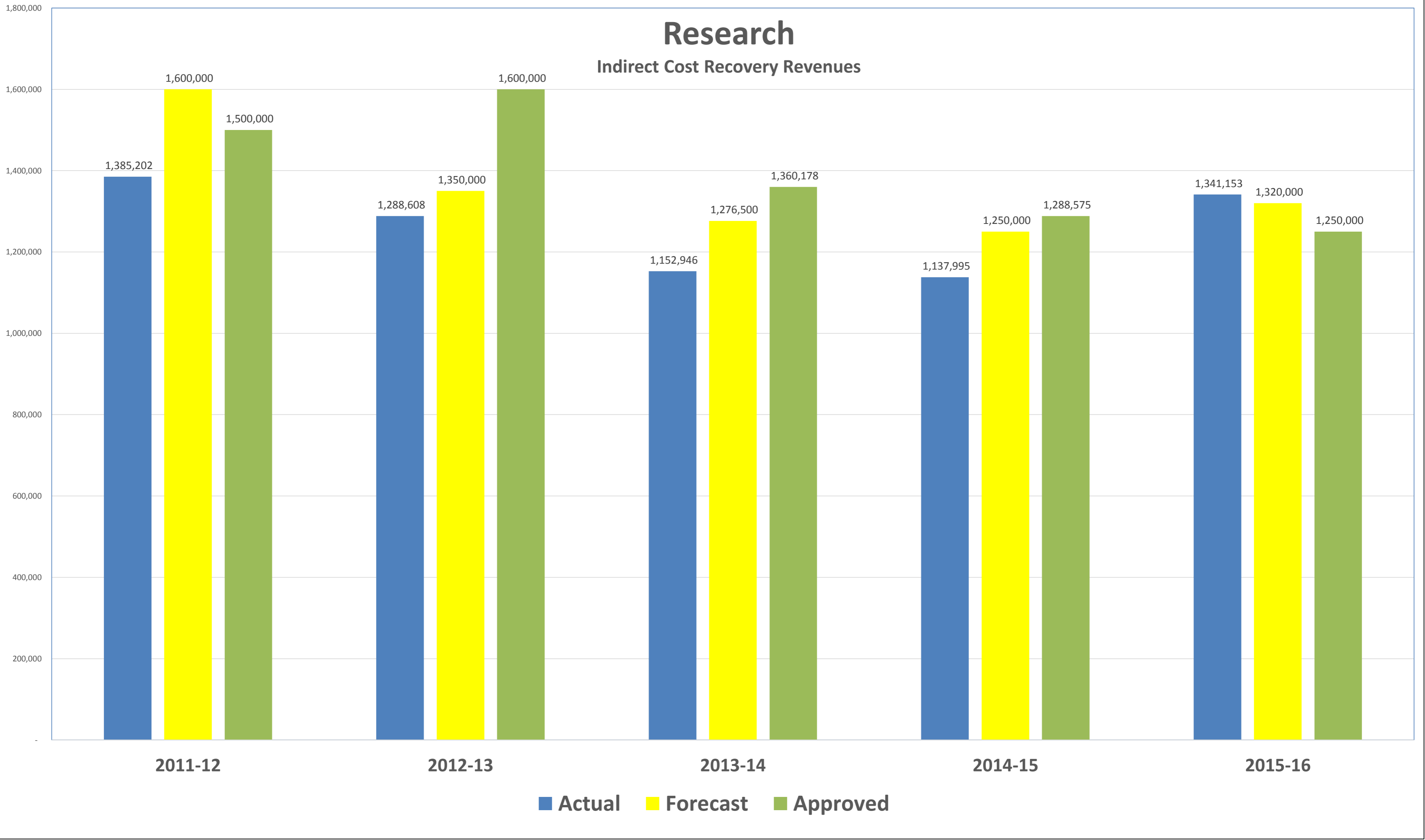
2012-13 Surplus due to capital expenditures for Neutra House roof improvements

2014-15 Surplus due to capital expenditures for Huntley College of Agriculture Greenhouse

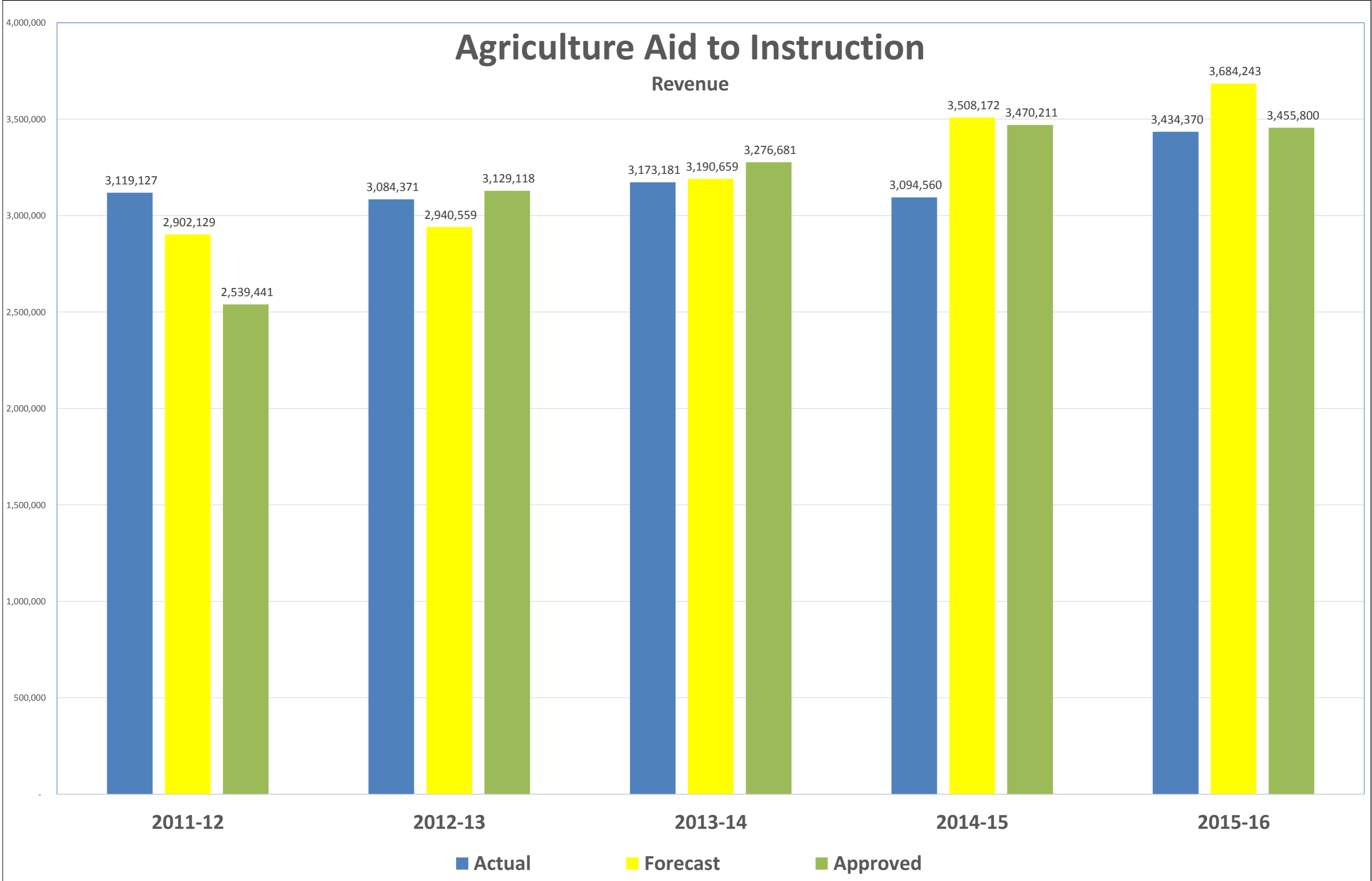
2015-16 Surplus due to capital expenditures for Huntley College of Agriculture Greenhouse

Research

Indirect Cost Recovery Revenues

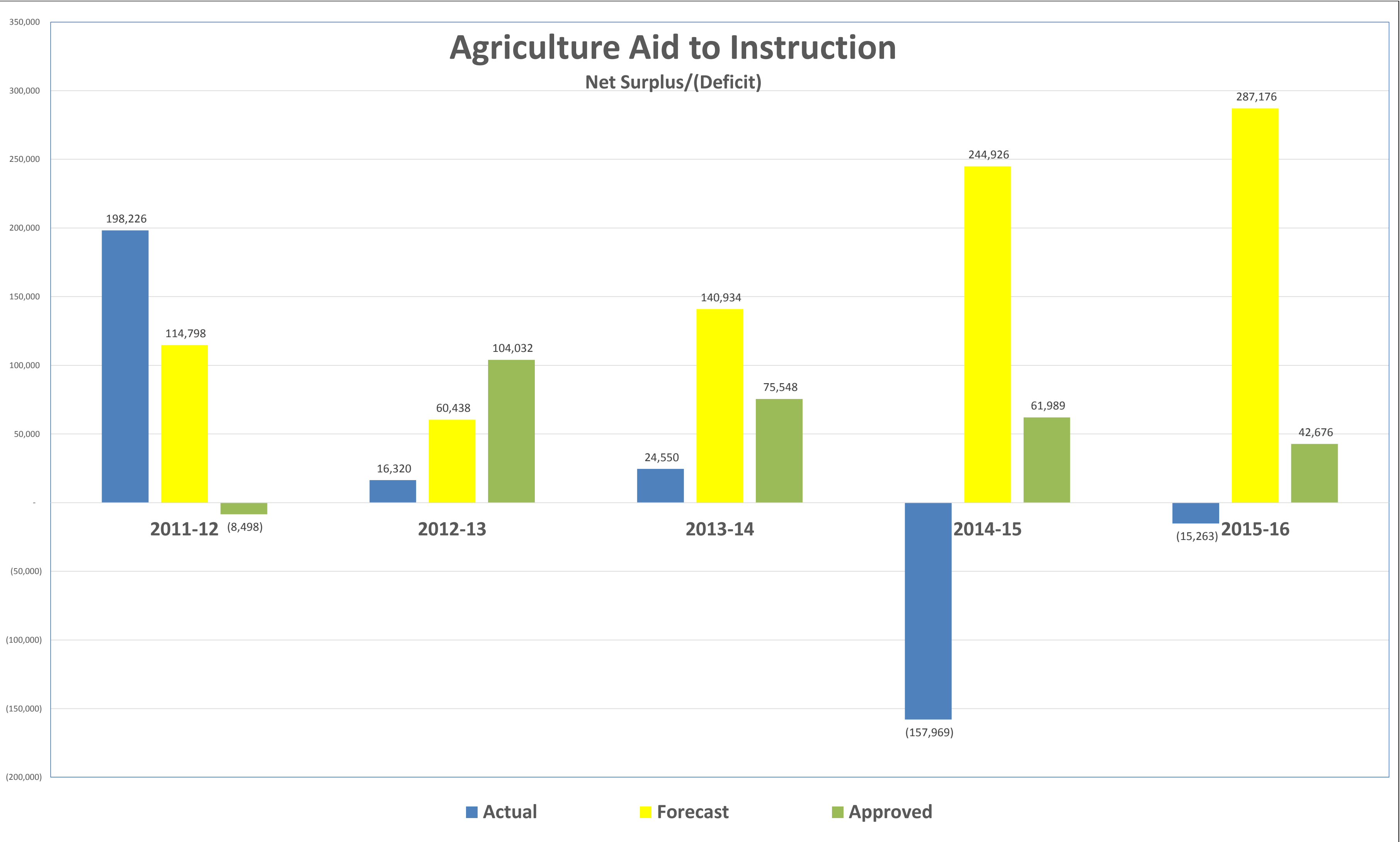


Agriculture Aid to Instruction Revenue



Agriculture Aid to Instruction

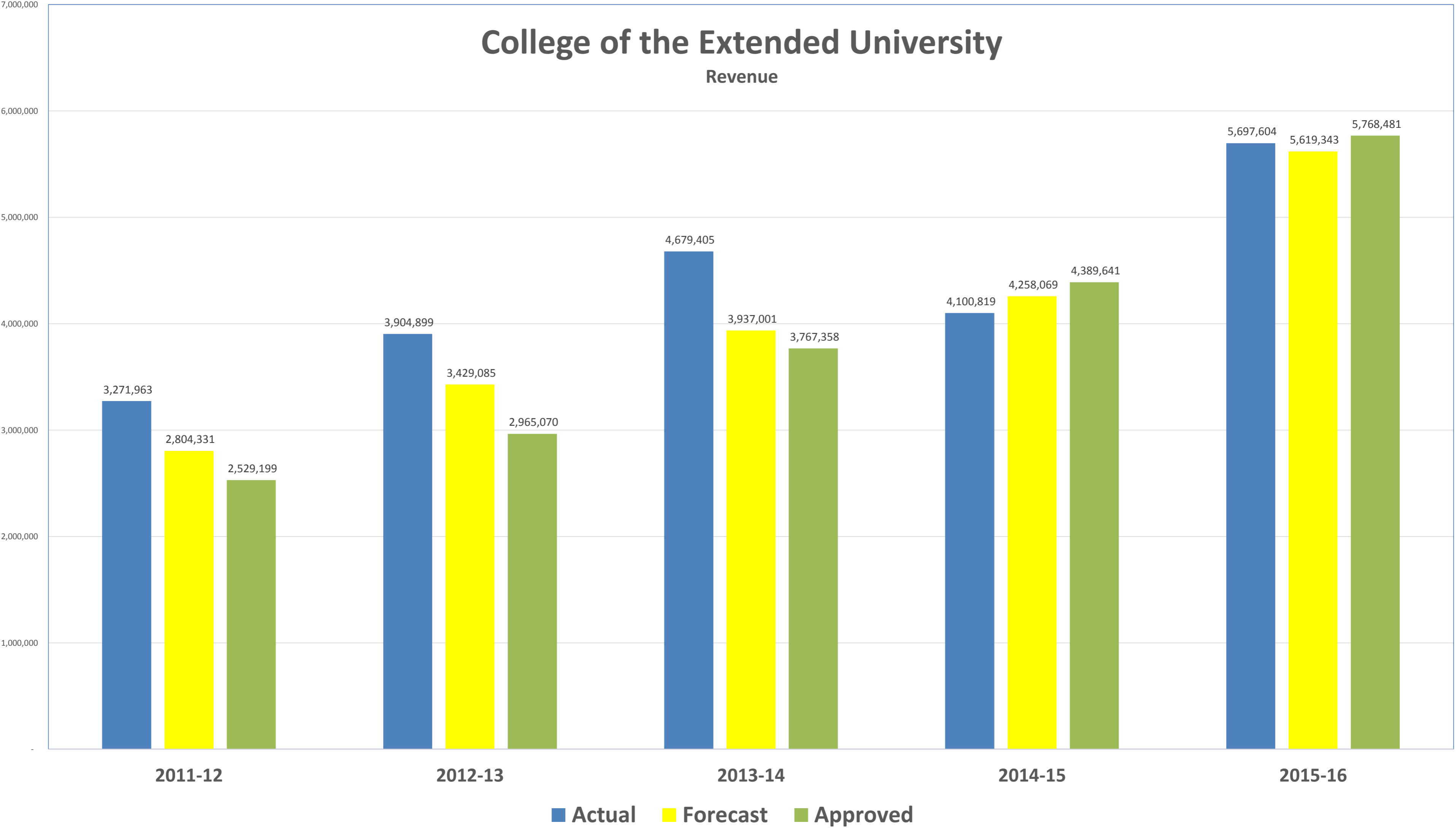
Net Surplus/(Deficit)



Footnotes

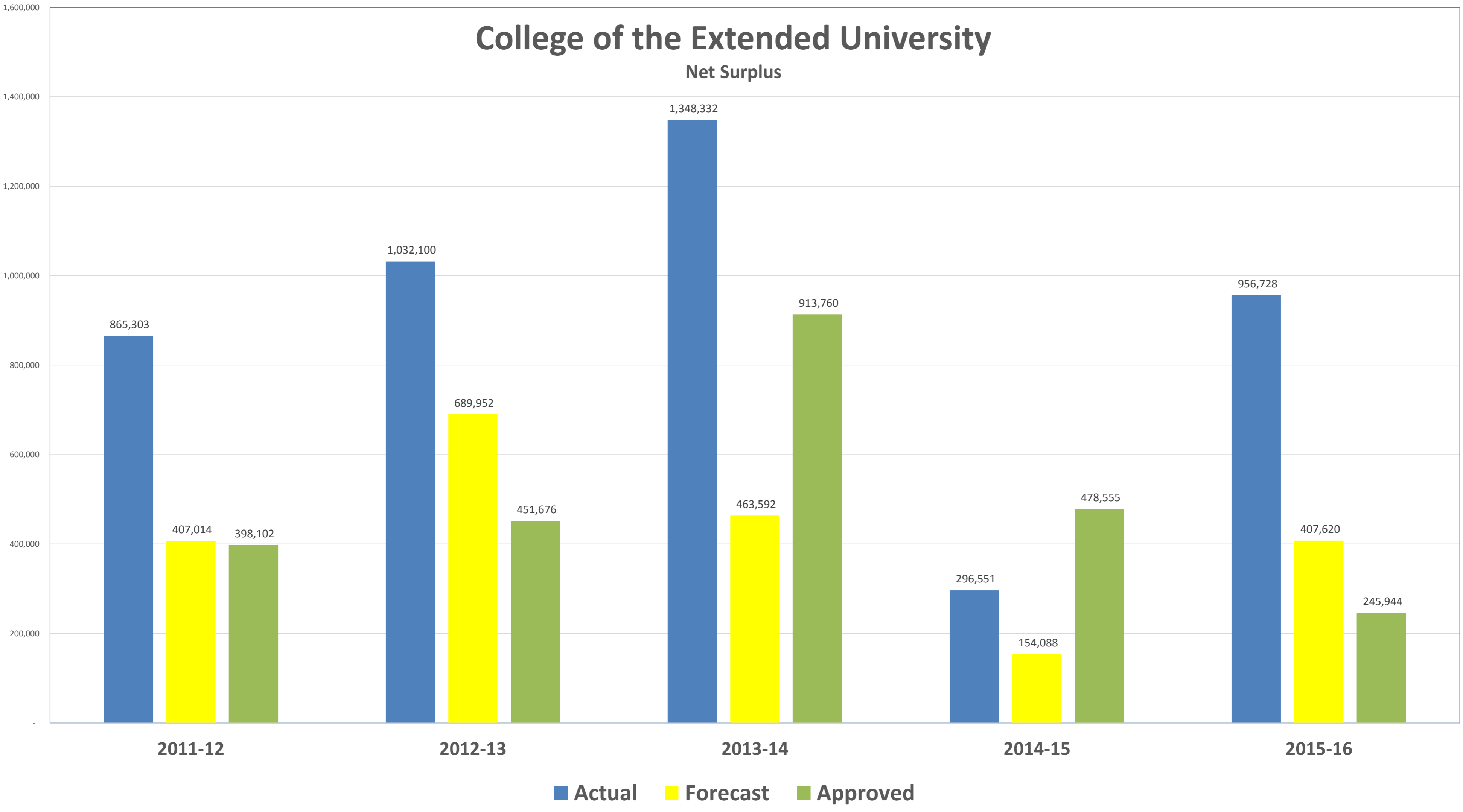
- 2011-12 Mainly due to Agronomy Farm's revenue coming in over forecast
- 2012-13 Mainly due to Arabian Horse Center and Farm Store's revenue coming in under forecast
- 2013-14 Mainly due to Arabian Horse Center's revenue coming in under forecast
- 2014-15 Mainly due to Agronomy Farm, Arabian Horse Center, Beef Unit, and Swine Unit's revenue coming in under forecast
- 2015-16 Mainly due to Agronomy Farm's revenue coming in under forecast

College of the Extended University Revenue



College of the Extended University

Net Surplus

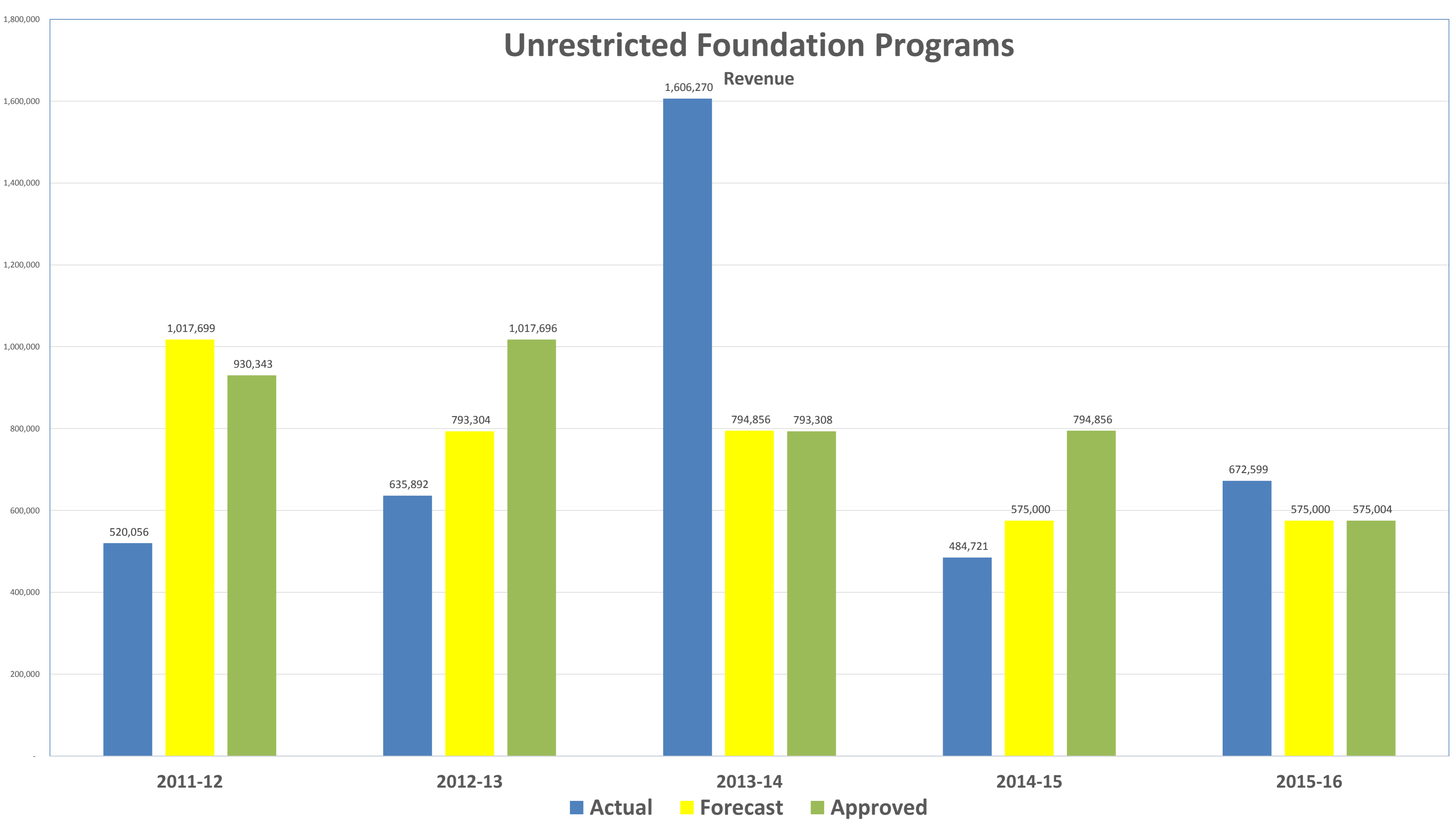


Footnotes

- 2011-12 Mainly due to the success of the programs at the English Language Institute
- 2012-13 Mainly due to the success of the programs at the English Language Institute
- 2013-14 Mainly due to CPELI Standard, offset by Program Development and Global Ed Programs Standard
- 2014-15 Mainly due to Program Development not budgeted
- 2015-16 Mainly due to Administration and Aviation Hospitality coming in over budget

Unrestricted Foundation Programs

Revenue

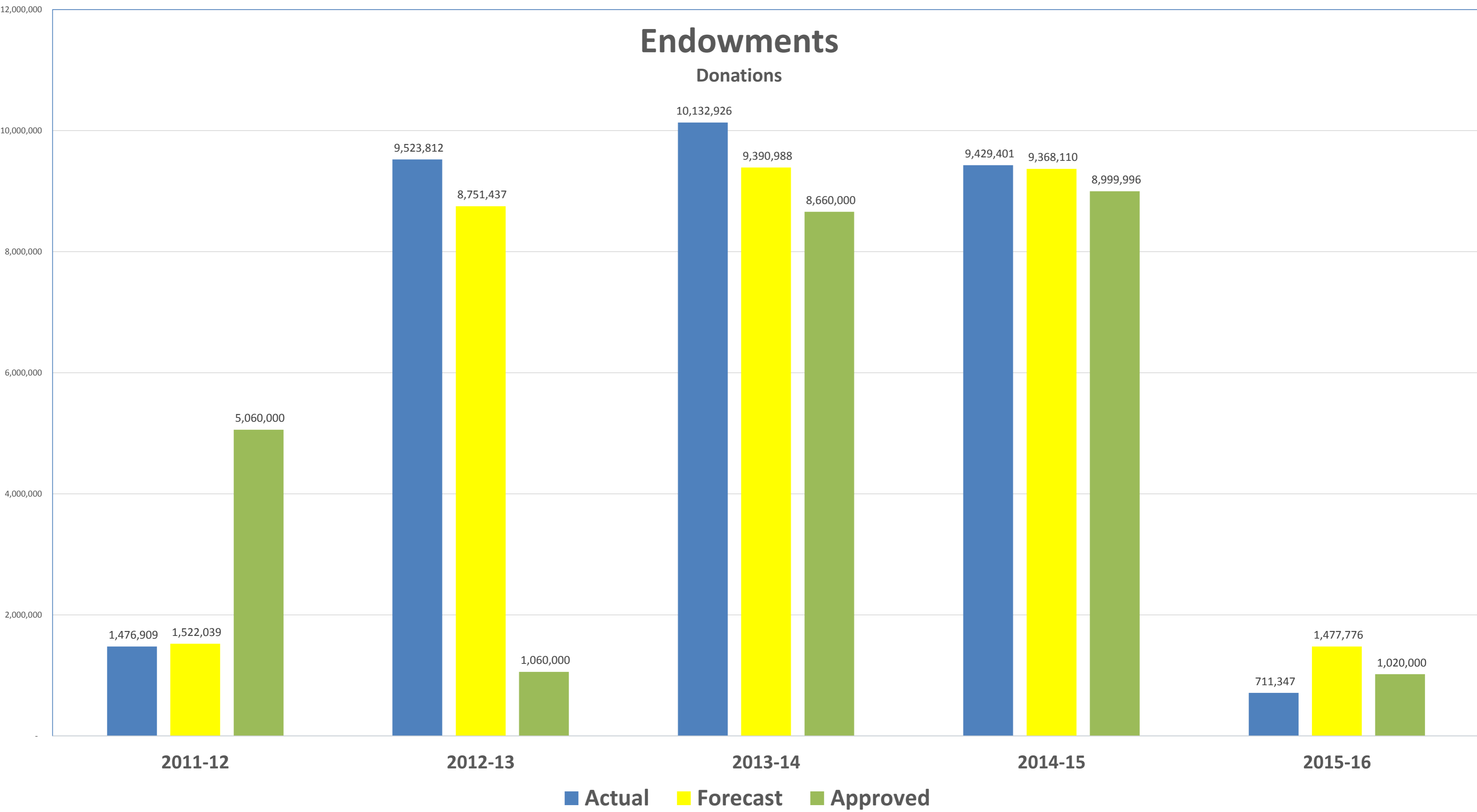


Footnotes

- 2011-12 Mainly due to revenue coming in under budget
- 2012-13 Mainly due to revenue coming in under budget
- 2013-14 Mainly due to receipt of gift of property not included in forecast, while expenditures under budget
- 2014-15 Mainly due to expenditure exceeding budget and revenue under budget
- 2015-16 Mainly due to revenue exceeding budget, while expenditures under budget

Endowments

Donations



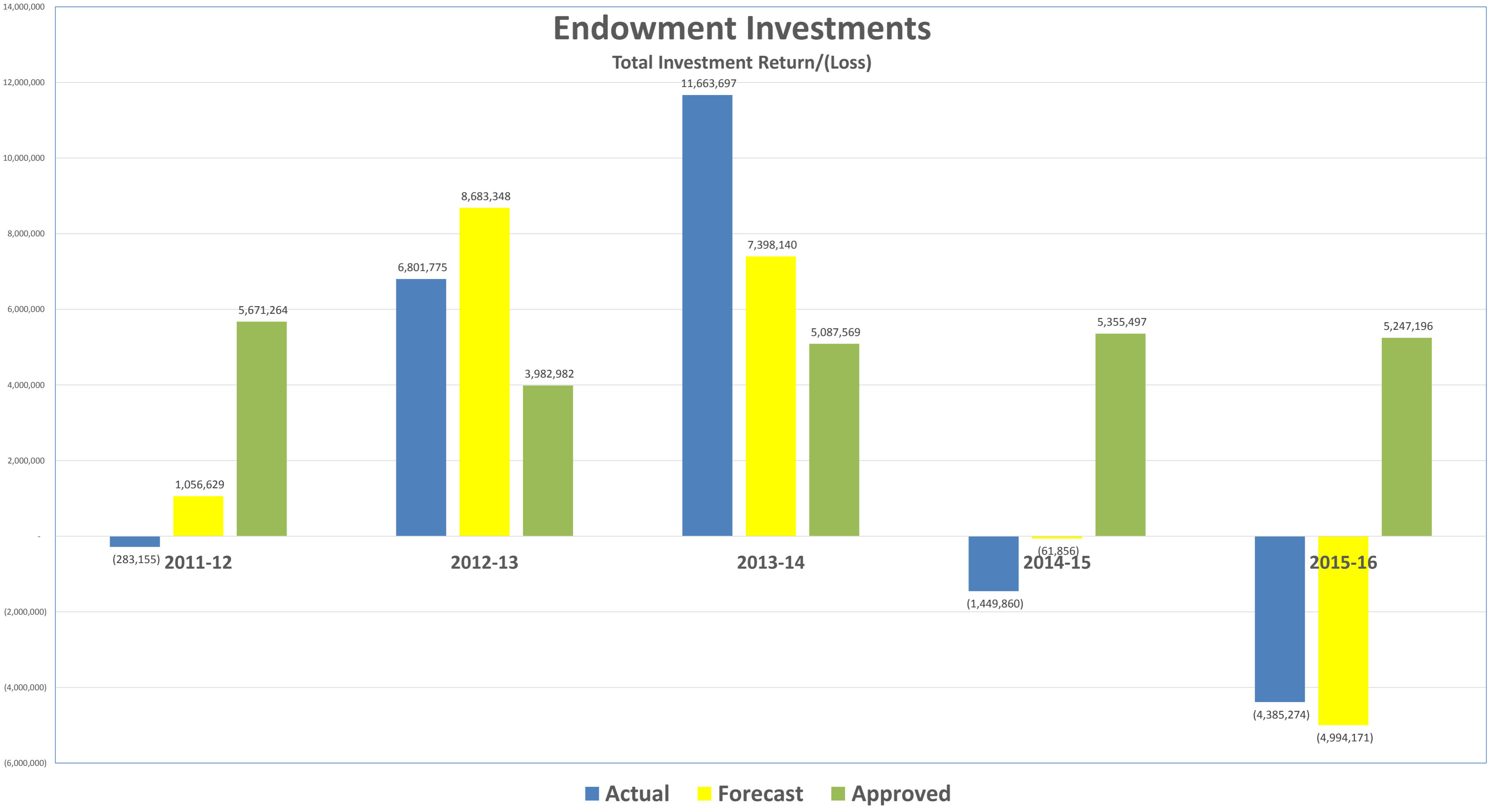
2011-12 Mainly due to donations coming in under budget; note the Kellogg Legacy Project Endowment \$42.0 million pledge was recorded in the University Educational Trust in 2010-2011. The second \$8.0 million payment was applied to the pledge receivable.

2012-13 Mainly due to the conversion of our financial statement presentation from FASB to GASB; the third \$8.0 million installment of the Kellogg pledge was recorded as a donation

2015-16 Mainly due to donations coming in under budget

Endowment Investments

Total Investment Return/(Loss)



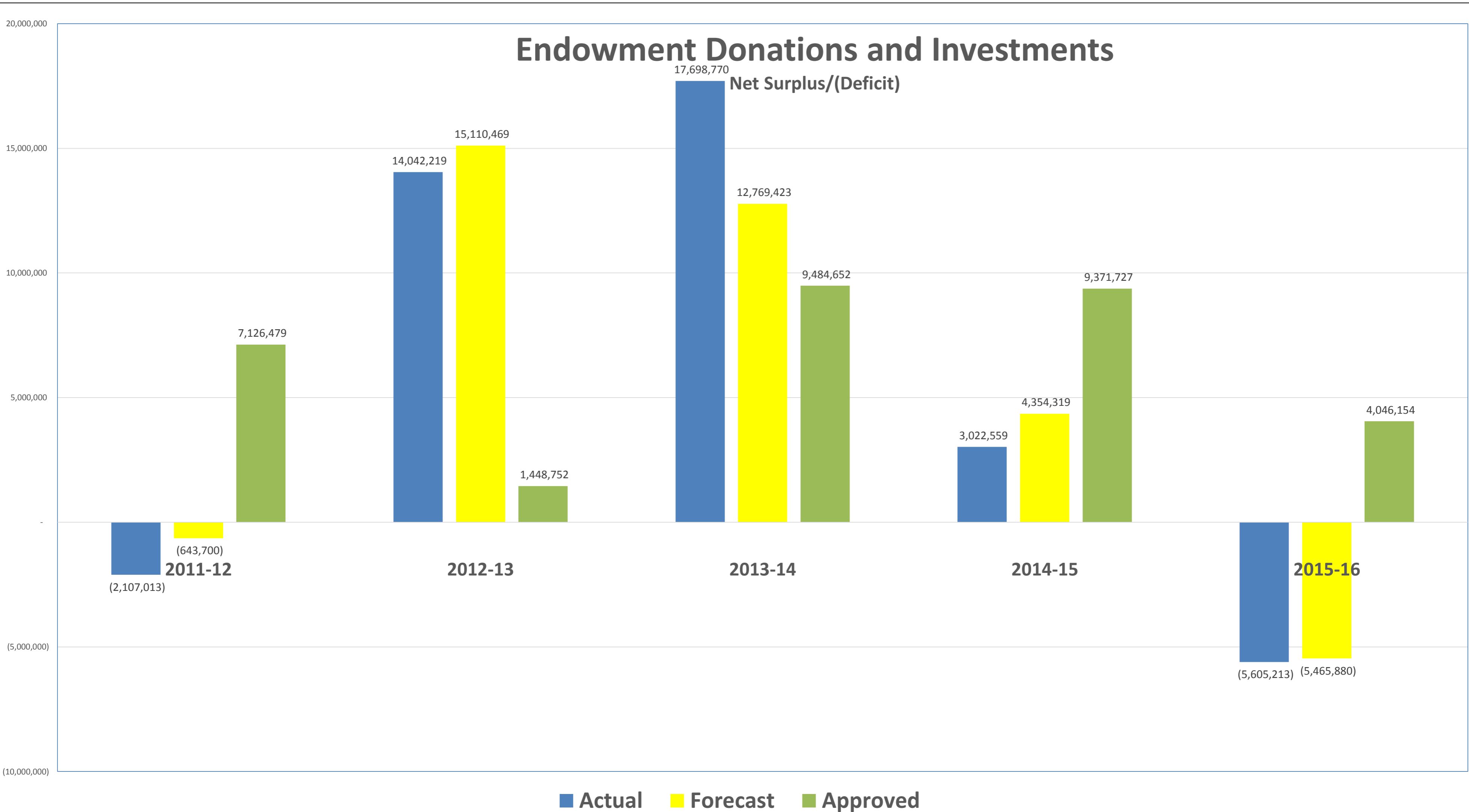
■ Actual ■ Forecast ■ Approved

2011-12 Mainly due to investment loss
 2012-13 Mainly due to investment gain
 2013-14 Mainly due to investment gain
 2014-15 Mainly due to investment loss
 2015-16 Mainly due to investment loss

	Actual	Benchmark
2011-12	-1.13%	0.00%
2012-13	10.95%	13.43%
2013-14	15.80%	18.08%
2014-15	-1.64%	1.15%
2015-16	-5.01%	1.46%

Endowment Donations and Investments

Net Surplus/(Deficit)



Footnotes

2011-12 Mainly due to investment loss and donations coming in under budget; note the Kellogg Legacy Project Endowment \$42.0 million pledge was recorded in the University Educational Trust in 2010-2011. The second \$8.0 million payment was applied to the pledge receivable.

2012-13 Mainly due to the conversion of our financial statement presentation from FASB to GASB; the third \$8.0 million installment of the Kellogg pledge was recorded as a donation

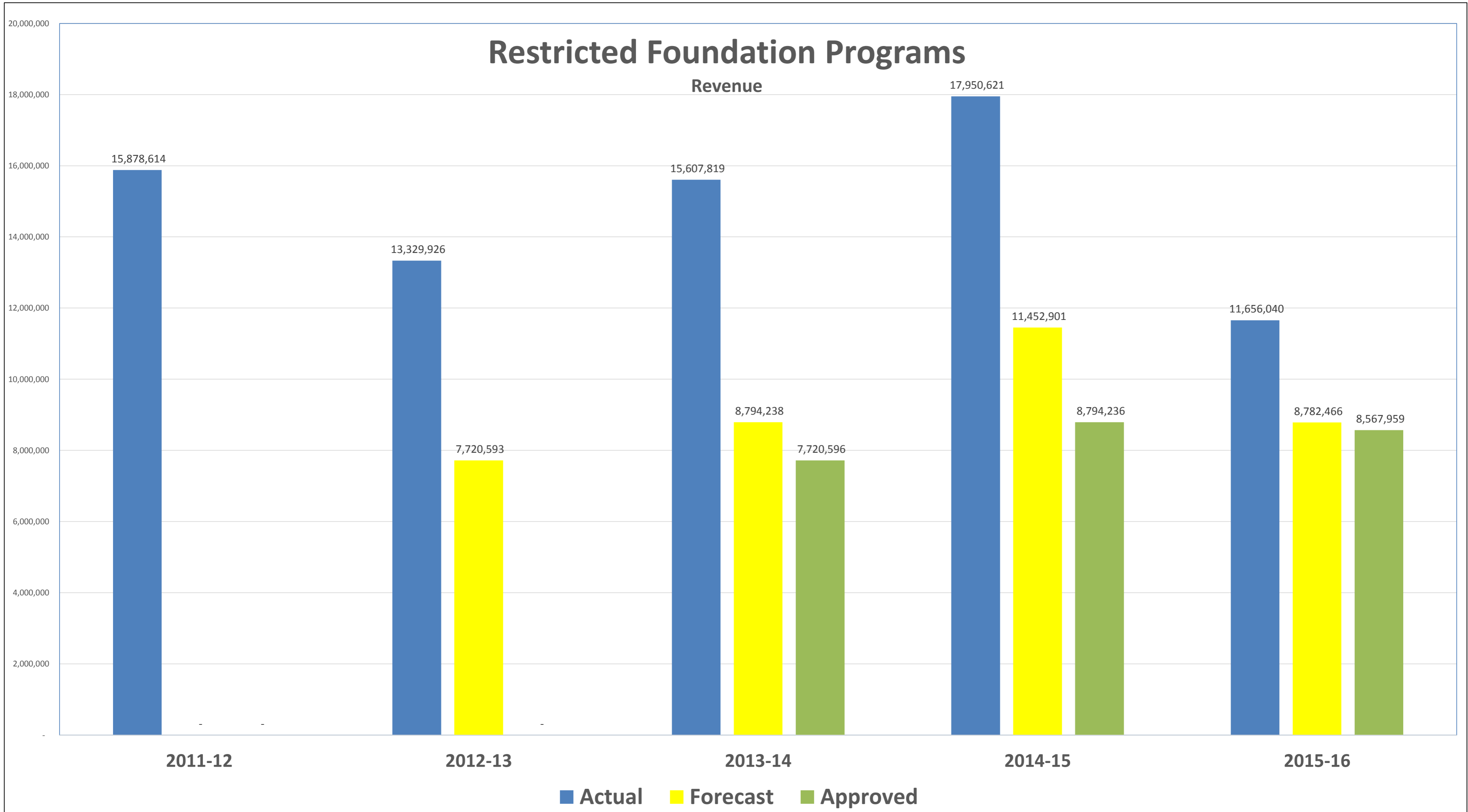
2013-14 Mainly due to investment gain

2014-15 Mainly due to investment loss

2015-16 Mainly due to investment loss

Restricted Foundation Programs

Revenue



Footnotes

2011-12 Was not budgeted

2012-13 Was not budgeted

2013-14 Mainly due to actual gifts exceeding budget and forecast

2014-15 Mainly due to actual gifts exceeding budget and forecast

2015-16 Mainly due to revenue exceeding budget

Memorandum



Date: January 30, 2017
 To: Finance Committee
 Cal Poly Pomona Foundation, Inc.
 From: G. Paul Storey
 Executive Director

Subject: **The CSU Board of Trustees Approves Systemwide Revenue Bonds (SRB) and the Schematic Plans for the Student Housing Replacement, Phase 1 Project including a Dining Commons**

At the February BOT meeting, the Trustees approved the California State Polytechnic University, Pomona Student Housing Replacement, Phase I. The project includes 980 beds in two eight story buildings with lounges, common living space, a convenience store, and a dining commons with indoor and outdoor seating. The project, consisting of approximately 327,000 gross square feet, will replace existing facilities built in the 1960's that are cost prohibitive to renovate and upgrade.

The not-to-exceed par amount of the proposed bonds is \$156,020,000 and is based on a total budget of \$185,000,000 with contributions of \$52 million (\$46 million from the housing program; \$2 million from the parking program; and \$4 million from the Cal Poly Pomona Foundation. Additional net financing costs, such as capitalized interest and cost of issuance (estimated at \$23,020,000), are expected to be funded from bond proceeds. The project is scheduled to start construction in September 2017 with completion expected in June 2019.

The following table summarizes key information about this financing transaction.

Not-to-exceed amount	\$156,020,000
Amortization	Approximately level over 30 years
Projected maximum annual debt service	\$10,306,000
Projected debt service coverage including the new project:	
Net revenue – Pomona pledged revenue programs: ¹	1.50
Net revenue – Projected for the campus housing program:	1.33

1. Based on campus projections of 2020-2021 operations of the project with expected full debt service.

The not-to-exceed amount for the project, the maximum annual debt service, and the ratios above are based on an all-in interest cost of 5.34 percent, inclusive of a cushion for changing financial market conditions that could occur before the permanent financing bonds are sold. The financial plan includes level amortization of debt service, which is the CSU program standard. The campus financial plan projects a housing program net revenue debt service coverage of 1.33 in 2020-2021, the first full year of operations, which exceeds the CSU benchmark of 1.10 for the program. When combining the project with projected information for all campus pledged revenue programs, the campus' overall net revenue debt service coverage for the first full year of operations is projected to be 1.50, which exceeds the CSU benchmark of 1.35 for a campus.

The project includes a single-story dining facility, complete with a general kitchen, food preparation space, a catering service kitchen, event space, and dining space that can be adjusted to serve students during off-peak times, including the late-night hours.

Dining Building Cost is budgeted to be (\$528 per GSF) 18,475,000. The Foundation has budgeted \$24,000,000 for the complete project. The Foundation will enter into an operating agreement with Cal Poly Pomona to operate the dining commons and repay the \$20,000,000 of debt incurred for construction of the dining commons over a term of 30 years.