

Corporate Business Plan

2016

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

2017

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.

No Surprises

No Confusion

No Illusions



No Secrets

No Politics

No Distractions

No Waste

WE ARE
FIFTY
WE ARE
GOLDEN

CAL POLY POMONA
FOUNDATION

Cal Poly Pomona Foundation, Inc.
Fiscal 2016-2017 Business Plan and Budgets

Table of Contents

Executive Overview

Foundation Consolidated Business Plan and Budget Process..... 2
2016-2017 Budget Review PowerPoint 5

Summary

Proposed Budget Highlights 42
Summary of Sources and Uses of Funds 51
Sources / (Uses) and Working Capital 52
Summary Statement of Activity 55
Debt Service Coverage 57

Capital Budgets 59

Asset Protection Management..... 62

Designated Gifts 69

Operating Budgets

General Activities

Administration 85
Financial Services 99
Employment Services 113
Marketing 125
Real Estate Administration 137
Deferred Inflows, EPO Claims & IBNR 141
Real Estate Development..... 144
Investments 157

Enterprises 164

Bookstore 167
Dining Services 180
Kellogg West Conference Center & Hotel 192
Foundation Housing Services 204
Facilities Management 216
Bronco Bucks Office 228

Supplemental Programs

Continuing Education Programs 240
College of the Extended University 244
College of Engineering 257
College of Science 261
Agricultural Aid to Instruction Program 264
Research and Sponsored Programs 291
Unrestricted and Restricted Foundation Programs 303

Long Term Cash Plan / Reserves 308

EXECUTIVE OVERVIEW

The 2016-2017 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.

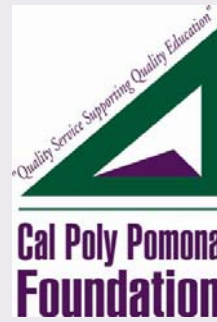
Foundation Consolidated Business Plan and Monthly Meeting

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.

2016 – 2017
BUDGET REVIEW
POWERPOINT PRESENTATION



CAL POLY POMONA FOUNDATION

2016-2017

Board of Directors Meeting
Business Plan & Budget Review

May 19, 2016



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



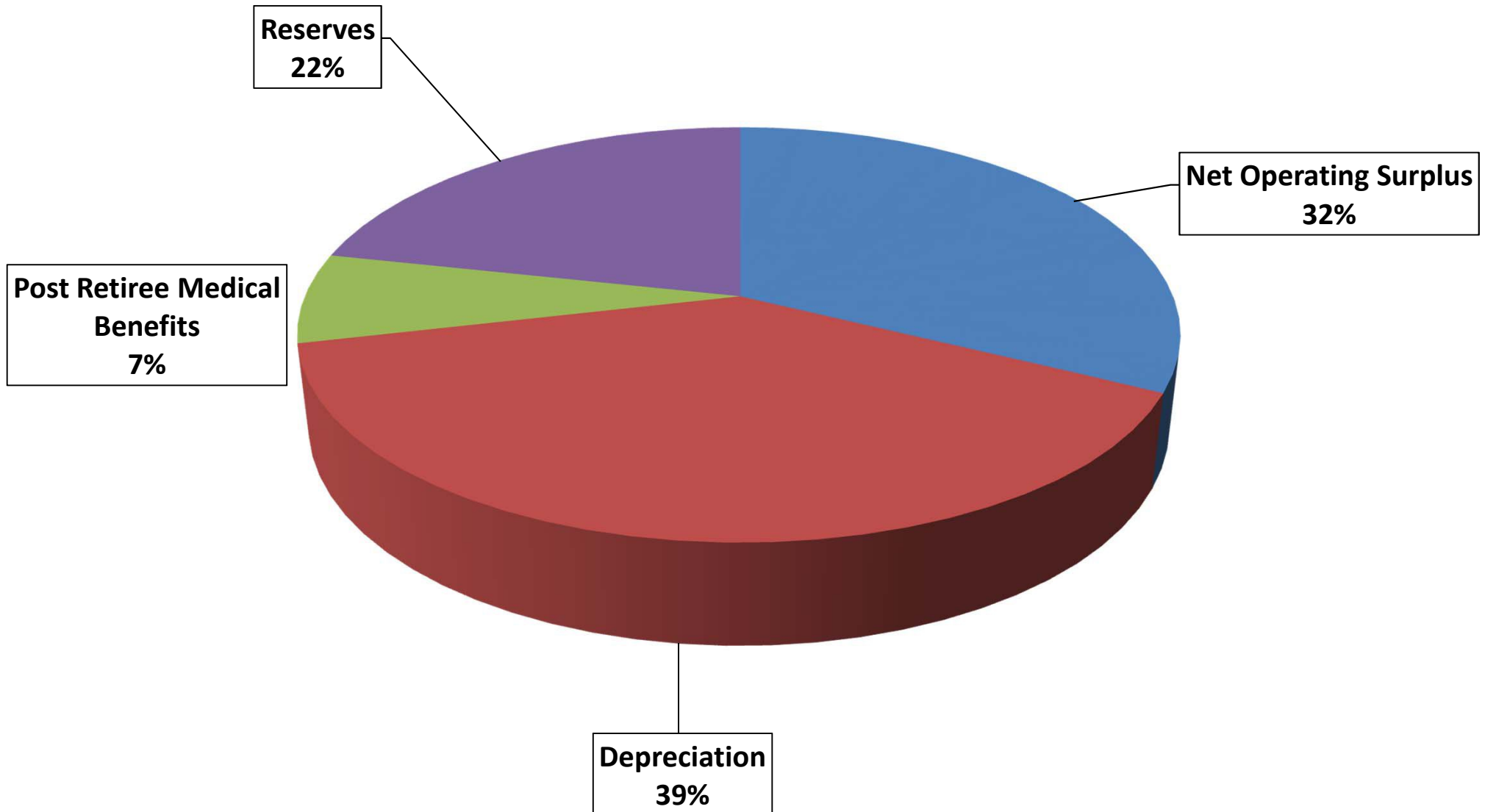
CAL POLY POMONA FOUNDATION

Budget Presentation 2016-2017

SOURCES OF CASH	2015-2016 Approved Budget	2015-2016 Forecast Budget	2016-2017 Proposed Budget
SURPLUS (DEFICIT)			
TOTAL OPERATING SURPLUS (DEFICIT)	3,115,618	2,693,401	4,932,162
Designated Gifts	(1,355,338)	(1,307,229)	(1,558,684)
NET OPERATING SURPLUS (DEFICIT)	1,760,280	1,386,172	3,373,478
NON-CASH TRANSACTIONS:			
Depreciation and Amortization	4,621,610	3,992,716	4,078,026
Post Retiree Medical Benefits	548,209	785,008	731,761
TOTAL CASH GENERATED BY OPERATIONS	6,930,099	6,163,896	8,183,265
FINANCING			
TOTAL SOURCES OF FINANCING	-	-	-
RESERVES			
Capital Reserve	1,230,969	1,469,455	1,187,400
Residential Board Meal Program Surplus Reserve	175,000	122,410	90,000
Venture Capital/Real Estate Reserve	800,000	500,000	500,000
Insurance Reserve	-	7,373	-
Pine Tree Ranch Reserve	-	-	70,000
Agriculture Program Reserve	-	-	14,750
Withdraw of funds from Post Retiree Medical Benefit Trust	372,834	392,879	392,879
TOTAL SOURCES FROM RESERVES	2,578,803	2,492,117	2,255,029
TOTAL SOURCES OF CASH	\$ 9,508,902	\$ 8,656,013	\$ 10,438,294

* Cash generated by Operations, Financing and Reserves \$10.4 Million

SOURCES OF CASH



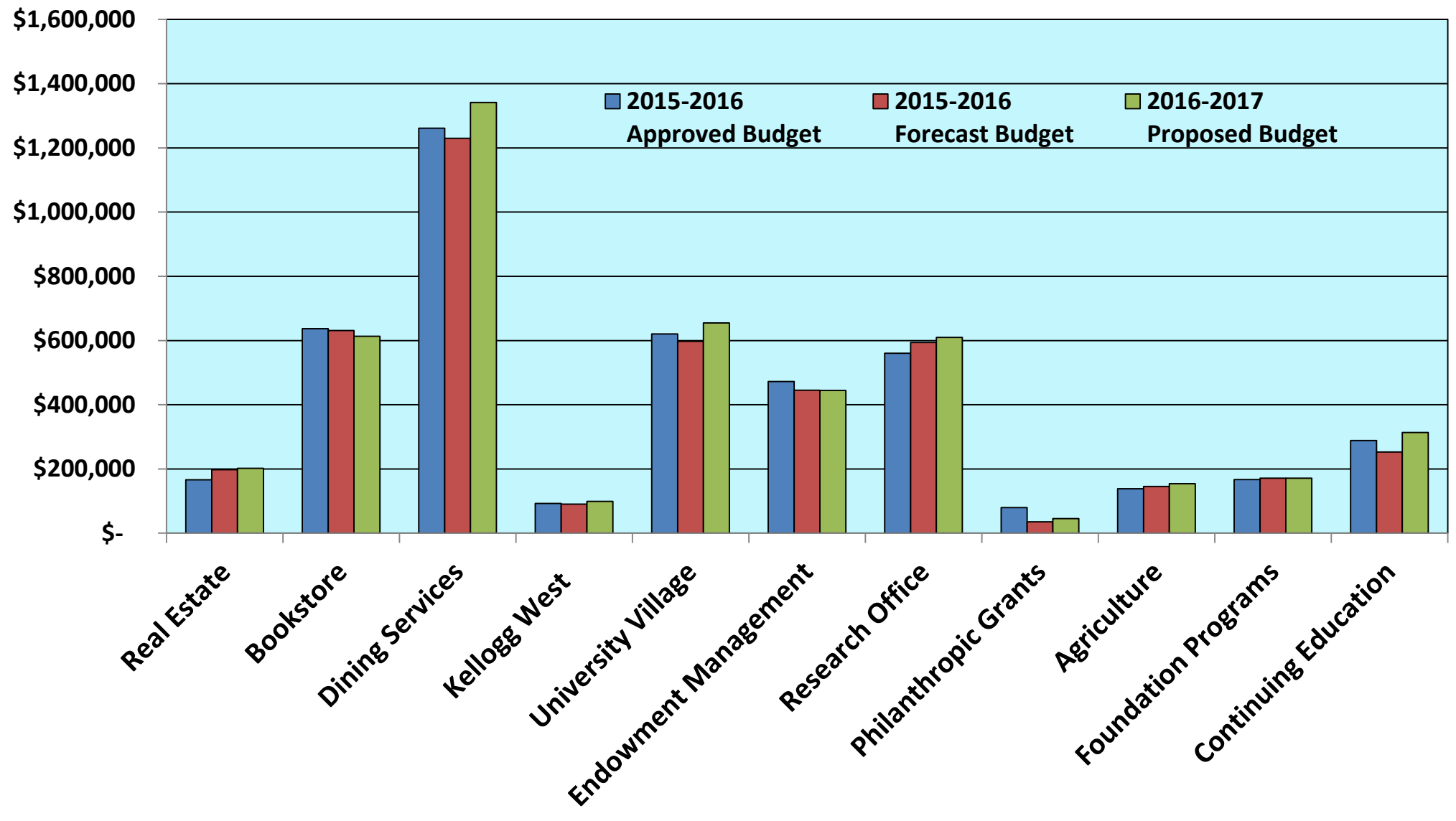


CAL POLY POMONA FOUNDATION

Budget Presentation 2016-2017

ADMINISTRATION	2015-2016 Approved Budget	% Of Revenue	2015-2016 Forecast Budget	% Of Revenue	2016-2017 Proposed Budget	% Of Revenue
Revenues	4,528,054	100%	4,458,498	100%	4,703,009	100%
Expenditures Controllable	892,586	20%	956,275	21%	869,839	18%
Expenditures Non-Controllable	315,931	7%	294,907	7%	331,615	7%
Total Labor	4,331,426	96%	3,091,905	69%	3,472,057	74%
Total Expenditures	5,539,943	122%	4,343,087	97%	4,673,511	99%
Net Income	\$ (1,011,889)	-22%	\$ 115,411	3%	\$ 29,498	1%

Administration Fee Revenues





CAL POLY POMONA FOUNDATION

Budget Presentation 2016-2017

REAL ESTATE	2015-2016 Approved Budget	% Of Revenue	2015-2016 Forecast Budget	% Of Revenue	2016-2017 Proposed Budget	% Of Revenue
Revenues	3,282,739	100%	3,975,830	100%	4,101,132	100%
Cost of Goods Sold	-	0%	-	0%	-	0%
Gross Margin	3,282,739	100%	3,975,830	100%	4,101,132	100%
Expenditures Controllable	1,657,279	50%	2,205,877	55%	2,345,809	57%
Expenditures Non-Controllable	1,349,755	41%	1,250,092	31%	1,177,308	29%
Total Labor	254,986	8%	226,660	6%	245,684	6%
Total Expenditures	3,262,020	99%	3,682,629	93%	3,768,801	92%
Net Income	\$ 20,719	1%	\$ 293,201	7%	\$ 332,331	8%

REAL ESTATE SURPLUS/(DEFICIT) DESCRIPTION	2015-2016 Approved Budget	2015-2016 Forecast Budget	2016-2017 Proposed Budget
<u>REAL ESTATE DEVELOPMENT</u>			
Center for Training Technology & Incubation	(86,353)	(77,165)	(92,490)
Innovation Village	335,657	521,914	740,519
Spadra Farm	-	(500)	-
Support for Lanterman Operations	(500,000)	(500,000)	(500,000)
Total Real Estate Development	(250,696)	(55,751)	148,029
<u>RENTAL BUILDINGS</u>			
Building 66 - Classrooms & Offices	94,124	99,924	131,358
Building 97 - Offices	121,509	127,407	130,638
CTTi Building 220A	(137,600)	(141,710)	(149,632)
Total Rental Buildings	78,033	85,621	112,364
<u>FACULTY HOUSING</u>			
Faculty Housing	193,382	263,331	71,938
Total Faculty Housing	193,382	263,331	71,938
REAL ESTATE TOTAL	\$ 20,719	\$ 293,201	\$ 332,331





CAL POLY POMONA FOUNDATION
Budget Presentation 2016-2017


INVESTMENTS - GENERAL	2015-2016 Approved Budget	% Of Revenue	2015-2016 Forecast Budget	% Of Revenue	2016-2017 Proposed Budget	% Of Revenue
Revenues						
Investment Earnings	1,181,071	100%	(1,116,641)	100%	918,560	100%
Expenditures						
Investment Advisor Fees	96,487	8%	96,384	-9%	87,476	10%
Total Expenditures	96,487	8%	96,384	-9%	87,476	10%
Net Income	\$ 1,084,584	92%	\$ (1,213,025)	109%	\$ 831,084	90%


INVESTMENTS - ENDOWMENTS	2015-2016 Approved Budget	% Of Revenue	2015-2016 Forecast Budget	% Of Revenue	2016-2017 Proposed Budget	% Of Revenue
Revenues						
Investment Earnings	5,247,196	84%	(4,994,171)	142%	4,994,903	79%
Donations	1,020,000	16%	1,477,776	-42%	1,308,000	21%
Total Revenue	6,267,196	100%	(3,516,395)	100%	6,302,903	100%
Endowment Distributions	1,395,955	22%	1,304,318	-37%	-	0%
Expenditures Non-Controllable						
Administrative Fees	472,129	8%	445,455	-13%	444,785	7%
Investment Advisor Fees	352,958	6%	199,712	-6%	332,009	5%
Total Expenditures Non-Controllable	825,087	13%	645,167	-18%	776,794	12%
Total Expenditures	2,221,042	35%	1,949,485	-55%	776,794	12%
Net Income	\$ 4,046,154	65%	\$ (5,465,880)	155%	\$ 5,526,109	88%

ENTERPRISES	2015-2016 Approved Budget	% Of Revenue	2015-2016 Forecast Budget	% Of Revenue	2016-2017 Proposed Budget	% Of Revenue
Revenues	40,427,334	100%	39,490,558	100%	41,843,406	100%
Cost of Goods Sold	13,509,332	33%	13,325,938	34%	13,549,661	32%
Gross Margin	26,918,002	67%	26,164,620	66%	28,293,745	68%
Expenditures Controllable	5,260,912	13%	5,221,305	13%	5,666,253	14%
Expenditures Non-Controllable	8,660,060	21%	8,051,523	20%	8,482,726	20%
Total Labor	10,308,910	25%	10,133,925	26%	10,728,262	26%
Total Expenditures	24,229,882	60%	23,406,753	59%	24,877,241	59%
Net Income	\$ 2,688,120	7%	\$ 2,757,867	7%	\$ 3,416,504	8%

 B R O N C O B O O K S T O R E	2015-2016 Approved Budget	% Of Revenue	2015-2016 Forecast Budget	% Of Revenue	2016-2017 Proposed Budget	% Of Revenue
Revenues	9,763,780	100%	9,705,690	100%	9,310,080	100%
Cost of Goods Sold	6,826,841	70%	6,897,880	71%	6,440,446	69%
Gross Margin	2,936,939	30%	2,807,810	29%	2,869,634	31%
Expenditures Controllable	284,657	3%	246,868	3%	278,132	3%
Expenditures Non-Controllable	982,021	10%	959,676	10%	908,328	10%
Total Labor	1,352,862	14%	1,322,221	14%	1,390,376	15%
Total Expenditures	2,619,540	27%	2,528,765	26%	2,576,836	28%
Net Income	\$ 317,399	3%	\$ 279,045	3%	\$ 292,798	3%

	2015-2016 Approved Budget	% Of Revenue	2015-2016 Forecast Budget	% Of Revenue	2016-2017 Proposed Budget	% Of Revenue
Revenues	19,580,269	100%	19,085,712	100%	20,816,304	100%
Cost of Goods Sold	6,682,491	34%	6,428,058	34%	7,108,315	34%
Gross Margin	12,897,778	66%	12,657,654	66%	13,707,989	66%
Expenditures Controllable	2,145,708	11%	2,290,986	12%	2,402,564	12%
Expenditures Non-Controllable	3,036,039	16%	3,099,756	16%	3,410,933	16%
Total Labor	6,688,869	34%	6,683,921	35%	7,123,474	34%
Total Expenditures	11,870,616	61%	12,074,663	63%	12,936,971	62%
Net Income	\$ 1,027,162	5%	\$ 582,991	3%	\$ 771,018	4%

	2015-2016 Approved Budget	% Of Revenue	2015-2016 Forecast Budget	% Of Revenue	2016-2017 Proposed Budget	% Of Revenue
Revenues	1,542,709	100%	1,506,686	100%	1,648,756	100%
Expenditures Controllable	735,711	48%	707,715	47%	779,526	47%
Expenditures Non-Controllable	167,899	11%	158,969	11%	173,804	11%
Total Labor	626,750	41%	631,334	42%	678,474	41%
Total Expenditures	1,530,360	99%	1,498,018	99%	1,631,804	99%
Net Income	\$ 12,349	1%	\$ 8,668	1%	\$ 16,952	1%

	2015-2016 Approved Budget	% Of Revenue	2015-2016 Forecast Budget	% Of Revenue	2016-2017 Proposed Budget	% Of Revenue
Revenues	9,540,576	100%	9,192,470	100%	10,068,266	100%
Expenditures Controllable	1,986,655	21%	1,873,555	20%	2,098,750	21%
Expenditures Non-Controllable	4,582,282	48%	3,935,303	43%	4,097,842	41%
Total Labor	1,640,429	17%	1,496,449	16%	1,535,938	15%
Total Expenditures	8,209,366	86%	7,305,307	79%	7,732,530	77%
Net Income	\$ 1,331,210	14%	\$ 1,887,163	21%	\$ 2,335,736	23%



CAL POLY POMONA FOUNDATION
Budget Presentation 2016-2017

CONTINUING EDUCATION	2015-2016 Approved Budget	% Of Revenue	2015-2016 Forecast Budget	% Of Revenue	2016-2017 Proposed Budget	% Of Revenue
Revenues	5,768,481	100%	5,619,343	100%	6,967,988	100%
Expenditures Controllable	2,011,434	35%	2,032,026	36%	2,547,235	37%
Expenditures Non-Controllable	470,934	8%	622,322	11%	742,354	11%
Total Labor	3,040,170	53%	2,557,375	46%	3,363,318	48%
Total Expenditures	5,522,538	96%	5,211,723	93%	6,652,907	95%
Net Income	\$ 245,943	4%	\$ 407,620	7%	\$ 315,081	5%



CAL POLY POMONA FOUNDATION

Budget Presentation 2016-2017

CONTINUING EDUCATION PROGRAMS	2015-2016	2015-2016	2016-2017
College of the Extended University - Programs	Approved Budget	Forecast Budget	Proposed Budget
Administration	139,794	202,339	86,471
Six Sigma Program	7,824	16,232	21,570
Professional Project Management Program	11,765	3,219	3,667
On Site Training Programs	10,333	8,897	7,276
Technical Programs	29,996	(5,840)	114
Test Prep Programs	12,584	11,247	542
Summer Support @ CEU	(9,174)	(810)	(1,661)
Accounting & Finance	15,707	(1,234)	-
Math & Science	(2,908)	763	(3,601)
Hospitality & Service Industry	(1,336)	14,654	6,363
Supply Chain Management	(1,374)	(1,680)	378
Human Resources Management	2,365	2,656	2,714
Building & Construction Management	15,091	15,725	13,693
ED 2 GO	(11,355)	7,700	7,697
Art, Media & Design	-	(1,110)	-
Global Ed Programs Standard	132,415	136,104	115,149
Global Ed Programs Camps	-	55,500	83,070
CPELI Camps	57,539	5,686	42,921
CPELI Standard	188,745	147,400	194,043
Program Development	(380,959)	(282,375)	(381,894)
Summer Camps	-	12,121	15,705
IT, Web & Social Media	-	438	(18,600)
CEU CPP Aviation Hospitality	20,391	55,114	66,124
CEU Marketing Research	-	(2,668)	1,462
CEU ASP	-	-	48,576
Total College of the Extended University Programs	\$ 237,443	\$ 400,078	\$ 311,779



CAL POLY POMONA FOUNDATION
Budget Presentation 2016-2017

CONTINUING EDUCATION PROGRAMS	2015-2016 Approved Budget	2015-2016 Forecast Budget	2016-2017 Proposed Budget
College of Engineering			
Non-Credit Learning Administration	48	38	38
Civil Engineering Review	6,064	909	881
Total College of Engineering	6,112	947	919
College of Science			
Chemistry Agilent Project	2,388	6,595	2,383
Total College of Science	2,388	6,595	2,383
TOTAL CONTINUING EDUCATION PROGRAMS	\$ 245,943	\$ 407,620	\$ 315,081

AGRICULTURE	2015-2016 Approved Budget	% Of Revenue	2015-2016 Forecast Budget	% Of Revenue	2016-2017 Proposed Budget	% Of Revenue
Revenues	3,455,800	100%	3,684,243	100%	3,858,345	100%
Cost of Goods Sold	628,239	18%	736,657	20%	800,067	21%
Gross Margin	2,827,561	82%	2,947,586	80%	3,058,278	79%
Expenditures Controllable	1,610,951	47%	1,517,102	41%	1,653,269	43%
Expenditures Non-Controllable	233,745	7%	242,232	7%	255,426	7%
Total Labor	940,189	27%	901,076	24%	1,161,935	30%
Total Expenditures	2,784,885	81%	2,660,410	72%	3,070,630	80%
Net Income	\$ 42,676	1%	\$ 287,176	8%	\$ (12,352)	0%



CAL POLY POMONA FOUNDATION
Budget Presentation 2016-2017

AGRICULTURE AID-TO-INSTRUCTION PROGRAMS Surplus/(Deficit) Budget Comparison Summary	2015-2016 Approved Budget	2015-2016 Forecast Budget	2016-2017 Proposed Budget
DESCRIPTION			
Agronomy Farms	24,341	233,984	125,668
Arabian Horse Center	686	(160,454)	(270,908)
Beef Unit	2,150	6,142	582
Fruit Industry	4,184	1,244	654
Meat Lab	982	-	3,154
Ornamental Horticulture	2,393	28,429	33,095
Pine Tree Ranch	1,996	42,140	4,396
Sheep Unit	841	1,928	2,286
Swine Unit	9,074	908	2,836
Vet Clinic	4,210	2,463	12,839
Pumpkin Festival	(3,516)	3,811	64,192
Wasmansdorff House-Pine Tree	-	102,227	-
Agriscapes	-	-	4,935
Farm Store at Kellogg Ranch	(4,665)	24,354	3,919
Total Agriculture Aid-to-Instruction Programs	\$ 42,676	\$ 287,176	\$ (12,352)



CAL POLY POMONA FOUNDATION

Budget Presentation 2016-2017

RESEARCH OFFICE	2015-2016 Approved Budget	% Of Revenue	2015-2016 Forecast Budget	% Of Revenue	2016-2017 Proposed Budget	% Of Revenue
Revenues	1,250,000	100%	1,320,000	100%	1,355,000	100%
Expenditures Controllable	504,251	40%	537,700	41%	586,202	43%
Expenditures Non-Controllable	560,725	45%	594,000	45%	609,750	45%
Total Labor	139,570	11%	143,148	11%	139,044	10%
Total Expenditures	1,204,546	96%	1,274,848	97%	1,334,996	99%
Net Income	\$ 45,454	4%	\$ 45,152	3%	\$ 20,004	1%

DESIGNATED GIFTS

Per Policy No. 118, the Foundation has included in this year's budget a contribution in support of the University of \$1,558,684. 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:

	2015-2016 Forecast Budget	2016-2017 Proposed Budget
* President's Request	662,350	1,390,000
* University Advancement Request	487,800	-
* Office of Research Request	110,000	110,000
* Administration Operating Endowment Request	35,000	45,000
* Faculty Staff Café Deficit	12,079	13,684
TOTAL REQUESTED	\$ 1,307,229	\$ 1,558,684

* Over the past five years the Foundation Board has designated over \$6.99 million in cash for the benefit of the University.

USES OF CASH

CAPITAL EXPENDITURES

	2015-2016 Approved Budget	2015-2016 Forecast Budget	2016-2017 Proposed Budget
Dining Services	595,500	557,109	415,700
Kellogg West	1,045,000	1,450,920	400,000
Bookstore	25,000	95,000	300,000
University Village	229,000	208,860	220,400
Administration	237,000	168,639	203,990
Real Estate	708,800	180,000	102,000
Agriculture	166,750	150,000	50,000
College of Extended University	10,000	25,000	90,000
Research & Sponsored Programs	-	-	15,900
PY Carryover	1,046,673	-	314,750

TOTAL CAPITAL EXPENDITURES **4,063,723** **2,835,528** **(1)** **2,112,740**

FINANCING

University Village Bond Payment - 2013 & 2014 Series	625,000	625,000	660,000
CTTi Bond Payment - 2007	205,000	205,000	215,000

TOTAL USES OF FINANCING **830,000** **830,000** **875,000**

RESERVES

Agriculture Program Reserve @ 55% net Annual Surplus	-	21,295	-
Capital Reserve @ 1.75% of Gross Auxiliary Revenues	864,302	2,322,031	2,389,138
Innovation Village Demo Reserve	8,740	9,063	11,547
Insurance Reserve	62,747	62,747	36,670
Residential Board Meal Program Surplus Reserve excess 7%	365,004	68,281	400,599
Pine Tree Ranch Reserve @ 50% net Annual Surplus	-	-	-
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	493,887	469,732	508,079

TOTAL RESERVE CONTRIBUTIONS **2,814,680** **3,973,149** **4,366,033**

TOTAL USES OF CASH **\$ 7,708,403** **\$ 7,638,677** **\$ 7,353,773**

Note 1 - The 2016-2017 budget includes funding \$1 Million to the VEBA Trust for the OPEB obligation, and a withdrawal of \$392,879

(1) Capital Expenditures of \$1.75 Million and carryover of \$314,750 for a total of \$2.11 Million

CAL POLY POMONA FOUNDATION

Budget Presentation 2016-2017

CAL POLY POMONA FOUNDATION, INC. 2016-2017 PROPOSED CAPITAL BUDGET

RESERVES		Prior Years Remaining	Proposed Detail 2016-17	Proposed Total 2016-17	
220,400	University Village	-	220,400	220,400	Carpet/tile - Various Apts. (\$60,000), Interior painting Bldg 95 & 105 Phase III (\$92,000), Duct cleaning phase II and bldg 95 and 105 (\$38,400), Replace heating and cooling units in 270 (\$20,000), Star Rez web upgrade (\$10,000)
300,000	Bronco Bookstore	30,000	300,000	300,000	Sales floor, POS, and security server updates
	Dining Services				
113,000	Dining	-	137,000		LO replacement consulting (\$10,000), Cognos Tableau project (\$40,000), ECRS-Micros conversion project (\$28,000), Bldg 97 upgrades (\$35,000), Hill Consultant (\$24,000)
-	Brewing Education	-	27,700		Conical fermenters for Tippy Dumps (\$14,000), Tippy Dump secondary heating element (\$1,700), Remote/mobile fermentation sensor/alarm (\$3,000), Counterflow chillers for Tippy Dumps (\$1,500), Misc. lab equip/hardware (\$7.5K)
-	Carl's Jr.	-	23,500		EOL char broiler replacement, plumbing
50,000	Denny's	-	50,000		Den refresh (\$30,000), Furniture, charging stations (20,000)
-	Einstein's	-	29,000		Microwaves (\$4,000), Bagel oven rebuild (\$10,000), Digital menu boards (\$15,000)
-	Starbucks	-	30,000		Mandatory brand refresh plans, sitework
30,000	Los Olivos	-	30,000		Box truck replacement
-	Qdoba	-	7,500		Rethermolizer
62,000	Kellogg West Dining	-	62,000		Portable electric cambros (\$10,000), Main kitchen 3 compartment sink replacement (\$6,000), Wrap KW catering vehicles with KW catering sign (\$10,000), KW portable walls overhaul (\$6,000), Install sundry/snacks/food kiosk @ front desk (\$12,000), Water heater booster installation for sinks and dishwasher (\$15,000), Chef office remodel (\$3,000)
-	Round Table Pizza	-	8,500		Sound/PA system
-	Innovation Brew Works	-	10,500		Hop planting/trellis (\$2,500), Add hose bib to patio (\$3,000), Bottling line (\$5,000)
	Total Dining Services			415,700	
400,000	Kellogg West Conference & Hotel		400,000	400,000	Conference center renovations, A/V upgrades, replacement of 100 conference chairs and replacement of 100 conference center tables, Hillside Exterior renovations including new railing, lighting and painting
	Facilities	-	-	-	No capital budget requested

CAL POLY POMONA FOUNDATION

Budget Presentation 2016-2017

CAL POLY POMONA FOUNDATION, INC. 2016-2017 PROPOSED CAPITAL BUDGET

(CONTINUED)

RESERVES		Prior Years Remaining	Proposed Detail 2016-17	Proposed Total 2016-17	
	Real Estate Activities				
40,000	Bldg 66	-	40,000		Atrium paint (\$20,000), Restroom walls (\$20,000)
62,000	CTTi Buildings	-	62,000		Retube boiler bldg #C (\$12,000), Water heater replacement bldg #C (\$5,000), Restroom stall replacement CTTi (\$20,000), Fire Suppression System - Data Closets Bldg A (\$25,000)
	Total Real Estate Activities			102,000	
-	Research & Sponsored Prog	-	15,900	15,900	Subscription to Evisions for Cayuse module 424
	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 (\$75k)
20,000	Pine Tree Ranch	20,000	-		Replant 5 acres of avocado (\$20,000)
14,750	Swine Unit	14,750	-		Purchase of Kawasaki quad
50,000	Wasmandorf Avocado House		50,000		Renovations to the Wasmandorf Avocado House
	Total College of Agriculture			50,000	
	College of Science				
	Chemistry Agilent Project	10,000	-	-	Computer Equipment
-	College of Extended University	-	90,000	90,000	Reconfigure 105A to workstations/reception area (\$45,000), Purchase electric vehicle for transporting staff to CEU (\$45,000)
	Administration				
	Human Resources	-	46,000		Kronos Talent Management
	Marketing	-	6,990		OkiDate printer
	Admin	-	55,000		Renovation/Refresh for Bldg 55
	Admin		12,000		HVAC for 55 Executive conference room
	Management Info Systems	25,000	-		Tableau and Consulting Services - To provide business intelligence report and analytics to Enterprise operations
	Management Info Systems	15,000	-		Windows 10/desktop updates - Rollout of new operating system to enterprise units through VDI. Some hardware refreshes to improve speed, automation, and security, including continued SSD disk upgrades where needed.



CAL POLY POMONA FOUNDATION

Budget Presentation 2016-2017

CAL POLY POMONA FOUNDATION, INC. 2016-2017 PROPOSED CAPITAL BUDGET

(CONTINUED)

RESERVES		Prior Years Remaining	Proposed Detail 2016-17	Proposed Total 2016-17	
	Management Info Systems	-	4,000		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	5,000	-		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	5,000	15,000		PCI 3.2 updates - Follow-up penetration testing, consulting on Gap mitigation, PCI training, and quarterly external scanning.
	Management Info Systems	15,000	-		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	5,000	15,000		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	5,000	-		POS Private Network Buildout - SDSL hardware updates to begin building an isolated POS network for Foundation retail services to improve PCI compliance mandates.
	Management Info Systems		50,000		POS VM Infrastructure update - Hardware and VM software updates to provide a next generation virtual server platform dedicated to isolated POS systems across the Foundation retail services.
	Total Administration			203,990	
Prior Years and Proposed Capital Budget		314,750		1,797,990	
Total Prior Years and Proposed Capital Budget				2,112,740	
1,362,150 Capital Funding from Reserves				(1,362,150)	
Capital Funding from Operations				750,590	

Note - The proposed capital budget assumes funding of 1,187,400 from the Capital Reserve, \$90,000 from the Residential Board Meal Program Surplus Reserve, and \$70,000 from the Pine Tree Ranch Reserve, and \$14,750 from the Agriculture Program Reserve.

USES OF CASH

CAPITAL EXPENDITURES

	2015-2016 Approved Budget	2015-2016 Forecast Budget	2016-2017 Proposed Budget
Dining Services	595,500	557,109	415,700
Kellogg West	1,045,000	1,450,920	400,000
Bookstore	25,000	95,000	300,000
University Village	229,000	208,860	220,400
Administration	237,000	168,639	203,990
Real Estate	708,800	180,000	102,000
Agriculture	166,750	150,000	50,000
College of Extended University	10,000	25,000	90,000
Research & Sponsored Programs	-	-	15,900
PY Carryover	1,046,673	-	314,750
TOTAL CAPITAL EXPENDITURES	4,063,723	2,835,528	2,112,740

FINANCING

University Village Bond Payment - 2013 & 2014 Series	625,000	625,000	660,000
CTTi Bond Payment - 2007	205,000	205,000	215,000
TOTAL USES OF FINANCING	830,000	830,000	(2) 875,000

RESERVES

Agriculture Program Reserve @ 55% net Annual Surplus	-	21,295	-
Capital Reserve @ 1.75% of Gross Auxiliary Revenues	864,302	2,322,031	2,389,138
Innovation Village Demo Reserve	8,740	9,063	11,547
Insurance Reserve	62,747	62,747	36,670
Residential Board Meal Program Surplus Reserve excess 7%	365,004	68,281	400,599
Pine Tree Ranch Reserve @ 50% net Annual Surplus	-	-	-
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	493,887	469,732	508,079
TOTAL RESERVE CONTRIBUTIONS	2,814,680	3,973,149	4,366,033

TOTAL USES OF CASH

\$ 7,708,403	\$ 7,638,677	\$ 7,353,773
---------------------	---------------------	---------------------

Note 1 - The 2016-2017 budget includes funding \$1 Million to the VEBA Trust for the OPEB obligation, and a withdrawal of \$392,879

(2) Principal Debt Payment of \$875,000

DEBT SERVICE COVERAGE
(Fiscal Year Ended June 30)

Description	2015-2016 Approved Budget	2015-2016 Forecast Budget	2016-2017 Proposed Budget
Change in Unrestricted Net Assets	1,760,280	1,386,172	3,373,478
Add Back:			
University Designated Expenditures	1,355,338	1,307,229	1,558,684
Surplus (Deficit) before Designated Expenditures - *See Note	3,115,618	2,693,401	4,932,162
Add Back:			
Depreciation and Amortization	4,621,615	3,992,716	4,078,026
Interest Expense (see detail below)	1,034,717	1,036,631	1,024,137
Available for Debt Service	8,771,950	7,722,748	10,034,325
Maximum Annual Debt Service			
2013 & 2014 Series Bonds	1,721,125	1,721,125	1,721,125
2007 Series Bonds	332,750	332,750	332,750
Total Debt Service	2,053,875	2,053,875	2,053,875
Total Debt Service before Designated Expenditures - *See Note	4.27	3.76	4.89
Total Debt Service after Designated Expenditures	3.61	3.12	4.13
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	925,965	927,880	925,969
2007 Series Bonds - Interest	108,752	108,751	98,168
TOTAL INTEREST EXPENSE	1,034,717	1,036,631	1,024,137

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

	<u>Contributions</u>	<u>Requests</u>	<u>Balance @ June 2017</u>
* <u>Policy No. 103</u>			
Indirect Cost (Disallowance) Reserve	-	-	346,406
* <u>Policy No. 170</u>			
Agriculture Program Reserve	-	14,750	60,250
Pine Tree Ranch Reserve	-	70,000	70,886
* <u>Policy No. 171</u>			
Res Board Meal Program Surplus Reserve	400,599	90,000	2,375,748
Cafeteria Equipment Replacement Reserve	-	-	182,062
* <u>Policy No. 172</u>			
Operating Reserve	-	-	7,624,024
Capital Equipment Reserve	2,389,138	1,187,400	8,054,314
Venture Capital/Real Estate Reserve	508,079	500,000	1,852,992
* <u>Policy No. 173</u>			
Funded portion of Retiree Medical Benefits	1,000,000	392,879	1,214,242
* <u>Policy No. 174</u>			
Insurance Reserve	36,670	-	129,297
* <u>Policy No. 175</u>			
Research & Sponsored Programs Reserve	20,000	-	159,270
Innovation Village Demo Reserve	11,547	-	84,516
* <u>Policy No. 134</u>			
Emergency Reserve	-	-	120,152



CAL POLY POMONA FOUNDATION

Budget Presentation 2016-2017

USES OF CASH

CAPITAL EXPENDITURES

	2015-2016 Approved Budget	2015-2016 Forecast Budget	2016-2017 Proposed Budget
Dining Services	595,500	557,109	415,700
Kellogg West	1,045,000	1,450,920	400,000
Bookstore	25,000	95,000	300,000
University Village	229,000	208,860	220,400
Administration	237,000	168,639	203,990
Real Estate	708,800	180,000	102,000
Agriculture	166,750	150,000	50,000
College of Extended University	10,000	25,000	90,000
Research & Sponsored Programs	-	-	15,900
PY Carryover	1,046,673	-	314,750

TOTAL CAPITAL EXPENDITURES **4,063,723** **2,835,528** **2,112,740**

FINANCING

University Village Bond Payment - 2013 & 2014 Series	625,000	625,000	660,000
CTTi Bond Payment - 2007	205,000	205,000	215,000

TOTAL USES OF FINANCING **830,000** **830,000** **875,000**

RESERVES

Agriculture Program Reserve @ 55% net Annual Surplus	-	21,295	-
Capital Reserve @ 1.75% of Gross Auxiliary Revenues	864,302	2,322,031	2,389,138
Innovation Village Demo Reserve	8,740	9,063	11,547
Insurance Reserve	62,747	62,747	36,670
Residential Board Meal Program Surplus Reserve excess 7%	365,004	68,281	400,599
Pine Tree Ranch Reserve @ 50% net Annual Surplus	-	-	-
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	493,887	469,732	508,079

TOTAL RESERVE CONTRIBUTIONS **2,814,680** **3,973,149** **(3)** **4,366,033**

TOTAL USES OF CASH **\$ 7,708,403** **\$ 7,638,677** **\$ 7,353,773**

Note 1 - The 2016-2017 budget includes funding \$1 Million to the VEBA Trust for the OPEB obligation, and a withdrawal of \$392,879

(3) Contribution to Reserves \$4.37 Million

SUMMARY OF SOURCES AND USES OF CASH & WORKING CAPITAL RESERVE

2016-2017 Proposed Budget

	2015-2016 Approved Budget	2015-2016 Forecast Budget	2016-2017 Proposed Budget
Total Sources of Cash	9,508,902	8,656,013	10,438,294
Total Uses of Cash	7,708,403	7,638,677	7,353,773
NET SOURCES (USES) OF CASH - Note 1	1,800,499	1,017,336	3,084,521
Beginning of the Year Working Capital Less Contingency		10,197,179	11,214,515
Net Working Capital Available End of Year - Note 2		11,214,515	14,299,036
Minimum Two Months Working Capital Reserve Required		\$ 6,627,421	\$ 7,649,265

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 2016-2017

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

	ACTUAL 2015	FORECAST 2016	PROPOSED 2017	5 YEARS 2018-2022	10 YEARS 2018-2027	RESERVE	
						BALANCES 2027	GOALS
Total Surplus (Deficit) - Operations	2,825	2,693	4,933	26,843	61,842		
Non-Cash Transactions							
Depreciation	4,168	3,993	4,078	20,390	40,780		
GASB 45 - Post Retiree Medical Benefits	614	785	732	2,960	5,018	8,383	8,383
Total Non-Cash Transaction	4,782	4,778	4,810	23,350	45,798		
TOTAL CASH GENERATED FROM OPERATIONS	7,607	7,471	9,743	50,193	107,640		
TOTAL FINANCING ACTIVITIES	-	-	-	20,000	20,000		
TOTAL RESERVE ACTIVITIES	459	2,491	2,255	14,010	24,638		
TOTAL SOURCES OF CASH	8,066	9,962	11,998	84,203	152,278		
USES OF CASH							
Capital Project Requirements	5,463	2,835	2,113	36,472	59,556		
Financing Activities	820	830	875	7,290	16,730		
Designated Gifts	1,710	1,307	1,559	9,046	20,589		
Reserve Contributions	2,604	3,973	4,366	11,896	20,461	17,310	19,121
TOTAL USES OF CASH	10,597	8,945	8,913	64,704	117,336		
Net Change in Cash	(2,531)	1,017	3,085	19,499	34,942		
Cash Available	10,197	11,214	14,299	33,798	49,241		

Minimum Two Month Working Capital Reserve Required

6,627 7,649

General, Enterprise, and Reserve Budgets for Fiscal Year 2016-17 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 9.2% to the three pension Plans with CALPERS for a total of approximately \$1,083,500 and changes to salary grade ranges (previously approved in February 2016) and a 3% or approximately \$188,000 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 2015-16 fiscal year and who have not had any pay adjustments due to promotions or job restructures during the 2015-16 fiscal year, and among the other employees includes the two Officers of Foundation); and contribute \$1.0 million and withdraw \$392,879 with the VEBA Trust; and assume 7.5% or \$731,761 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 2016-17 and forecasts for fiscal year 2015-16 for General Activities, Enterprise Activities, Supplemental Programs, Designated Gifts, Reserves and the long-range cash plan/reserve.

Passed and adopted this 19th day of May 2016.

By:

Dr. Samir Anz, Secretary

Cal Poly Pomona Foundation Board of Directors

SUMMARY

CAL POLY POMONA FOUNDATION, INC. PROPOSED 2016-17 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 \$11.4 million based upon budgeted revenues of \$79.4 million and budgeted expenditures of \$68.0 million.

The proposed unrestricted operating revenues of \$64.3 million offset by the expenditures of \$60.9 million generate a net unrestricted surplus of \$3,373,478. The proposed unrestricted operating budgeted revenues are projected to increase \$6,315,613 or 10.9% over the current year forecast mainly due to Investments, Dining Services, Continuing Education and University Village. In arriving at this surplus, management recommends the following:

- Allow for a modest 3% increase in traditional board meal plans and a nominal increase in points spending power of \$50 per plan for suite residents;

- Allow for a 3.5% increase in license fee rates at University Village and assume academic year and summer occupancy of 97% 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 9.2% or \$1,083,500 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 February by the Personnel Committee with an effective date of July 1, 2016 and a 3% or approximately \$188,000 wage adjustment for 117 employees; and
- Contribute \$1.0 million to the VEBA Trust and a withdrawal of \$392,879 from the VEBA Trust. In addition, we assume 7.5% of benefited payroll or \$731,761 as the annual OPEB Cost for the postretirement health care plan per the latest actuarial study dated July 1, 2015.

The proposed debt service coverage beginning with the net surplus and adding back the designated gifts, depreciation and interest generates a proposed coverage of 4.89 before and 4.13 after the designated gifts. The proposed budget and forecast meets the CSU Executive Order 994; section 4.4 requires a debt coverage ratio of at least 1.25 and the Foundation currently does not have any proposed capital projects that require additional bond financing.

The proposed unrestricted operating, non-cash transactions including depreciation, financing and uses of reserves as reported in the Summary of Sources of Cash, generates \$10.4 million from the following activities:

• Operating surplus	\$ 4,932,162
• Designated Gifts to the University	(1,558,684)
• Non-cash depreciation and amortization	4,078,026
• Non-cash retirement medical	731,761
• Reserves	<u>2,255,029</u>
• Total cash generated	\$ <u>10,438,294</u>

The proposed unrestricted uses of cash of \$7.3 million are for the following activities:

• Capital improvement requests	\$ 1,797,990
• Capital improvement carry forward	314,750
• Principle bond payments	875,000
• Contributions to reserves	<u>4,366,033</u>
• Total cash used	\$ <u>7,353,773</u>

The proposed capital budget request of \$1.8 million is for Dining Services, Bookstore, Kellogg West Conference Center, Village Housing, Administration, Real Estate, Continuing Education, Wasmansdorff House at Pine Tree Ranch and Research & Sponsored Programs.

General Activities – include administration, real estate and investments are projected to generate a surplus of \$1,192,913 versus a forecasted deficit of (\$804,413) mainly due to

general investment portfolio losses offset by the amortization of deferred inflows (net differences between projected and actual earnings on pension plan investments).

Administration revenues are comprised of fees and are budgeted to increase 5.9% or \$257,441 mainly due to increased revenues from Dining Services, Continuing Education and University Village. Administration is proposing to generate a surplus of \$29,498 and includes proposed EPO claims of \$550,000, IBNR (incurred but not reported) of \$143,793 and offset by amortization of deferred inflows of \$893,868 versus a forecasted surplus of \$115,411 and includes the Foundation's forecasted EPO claims of \$450,985 offset by amortization of deferred inflows of \$825,000.

Administration is requesting capital of \$203,990 for KRONOS Talent Management, Renovation/Refresh for Bldg # 55; Tableau and Consulting Services, Windows10/desktop updates, PCI 3.2 updates, Hybrid Cloud Service Expansion, Financial System Improvements and POS VM Infrastructure update.

Real Estate includes development, building rental and faculty staff housing and is projecting to generate a surplus of \$332,331 that includes support of \$500,000 for Campus South versus the forecasted surplus of \$293,201. The Real Estate Division is requesting capital of \$102,000 for atrium painting and restroom walls in Building # 66 and re-tube boiler and replace water heater Building # C, restroom stall replacement CTTi and fire suppression System – Data Closets Building # A.

General Investments are budgeted to generate a surplus of \$831,084 versus a forecasted deficit of \$1,213,025 assuming a proposed annualized returns of 4% equities, 0.0% fixed income, 1.29% dividends and 2.65% interest. Contribute 3.0 million of working capital to the portfolio, distribute \$544,400 of interest (yield) to the Program and Scholarship accounts and end the fiscal year June 2017 with a projected value of \$47.3 million.

Endowment Investments, Distribution and Donations - Investments are budgeted to generate a surplus of \$5,526,109 versus a forecasted deficit of (\$5,465,880) due to portfolio returns. We assumed annualized returns of 4.0%, dividends 1.06% and interest 3.99% respectively. Total investment fees are forecasted and proposed to be 0.38 basis points. We budgeted a 0% or no endowment earnings distribution in October 2016 due to the forecasted deficit. Endowment donations are projected to be \$1.3 million resulting in a projected endowment portfolio of \$90.9 million by June 2017.

Bookstore - Budgeted revenues decrease by 4.1% or \$395,610 to \$9.3 million generating a proposed surplus of \$292,798 or 3.1%. The Bronco bookstore is on target and expects to meet or exceed the forecasted net surplus for 2015-16. We do not expect and do not propose any significant budget fluctuations for the 2016-2017 fiscal year. Revenue from course materials sales/rental will continue to decrease slightly, but continued emphasis on maximizing rebate opportunities and higher margin sourcing strategies should mostly preserve course materials gross margin amounts. GM sales should continue to increase with the expected increased enrollments, adding additional sales floor space to the first floor will also contribute to growth in GM categories.

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. Adding additional sales floor space by continuing to reduce and rearrange the space previously occupied by non-merchandise space should allow us to increase apparel and gift sales.

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 14.3% or \$129,878 to \$780,000. 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 decrease 11.2% or \$40,052 to \$317,475, 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 Bronco logo, passing the \$1 mil mark in forecasted sales for the second time.

Bookstore capital request is \$300,000 for sales floor upgrades, POS and security server updates.

Dining Services - Dining operations budgeted revenues are proposed to increase by 9.0% or \$1.7 to \$20.8 million with a modest 3% increase in traditional board meal plans and a nominal increase in points spending power of \$50 per plan for suite residents; generating a surplus of 3.7% or \$771,018 versus a forecasted surplus of \$582,990. Proposed student enrollment is budgeted to increase 1.2% benefiting retail dining operations. Labor costs are budgeted to increase by 6.2% or \$387,848 driven by the minimum wage increase, and the proposed addition of 1 full-time benefitted position – Starbuck’s Floor Supervisor. 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 2017, managing food and labor costs will be challenging. 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 \$415,700 includes the following:

- \$137,000 – Dining - LO replacement consulting, Cognos Tableau project, ECRS-Micros conversion project, Bldg 97 upgrades and Consulting;
- \$27,700 – Brewing Education - Conical fermenters for Tippy Dumps, Tippy Dump secondary heating element, Remote/mobile fermentation sensor/alarm, Counter flow chillers for Tippy Dumps, Misc. lab equipment/hardware;
- \$23,500 – Carl’s Jr. – EOL charbroiler replacement, plumbing;
- \$50,000 – Denny’s – Den refresh, Furniture, charging stations;
- \$29,000 – Einstein’s – Microwaves, Bagel oven rebuild, Digital menu boards;
- \$10,500 – Innovation Brew Works – Hop planting/trellis, Add hose bib to patio, Bottling line;

- \$62,000 – Kellogg West Dining - Portable electric cambros, Main kitchen 3 compartment sink replacement, Wrap KW catering vehicles with KW catering sign, KW portable walls overhaul, Install sundry/snacks/food kiosk @ front desk, Water heater booster installation for sinks and dishwasher, Chef office remodel.
- \$30,000 Los Olivos - Box truck replacement;
- \$7,500 – Qdoba - Rethermolizer;
- \$8,500 – Roundtable - Sound/PA system; and
- \$30,000 – Starbucks - Mandatory brand refresh plans, site work.

Kellogg West Conference Center & Hotel - The proposed budgeted revenues are projected to increase by 9.4% or \$142,070 due to guest room renovations completed resulting in a surplus of \$16,952 versus a forecasted surplus of \$8,668. 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.

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 2016-2017 will continue to be tightly controlled and the financial "bottom line" is still the focus.

Kellogg West Conference Center and Hotel is requesting capital funds of \$400,000 for Conference center renovations, A/V upgrades, replacement of 100 conference chairs and replacement of 100 conference center tables, Hillside Exterior renovations including new railing, lighting and painting.

University Village – The proposed revenues are projected to increase by 9.5% or \$875,796 resulting in a surplus of \$2,335,736 versus a forecasted surplus of \$1,887,163. We believe this is a good budget allowing for a necessary 3.5% increase in license fee rates in all Phases while preserving an economic first rate quality of life offered to our residents. With the increase in summer class offerings at a lower tuition rate, we are hopeful that our summer occupancy will grow slightly to 30%. We are also expecting an increase in summer conference groups, specifically international students participating in CPELI and CEU/GEP programs. We are hoping for full or near full occupancy during 2016-2017 academic year, but due to lower occupancy this year we have built our budget conservatively on an estimated 97% occupancy rate. 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.

We have concluded a number of major renovations and refurbishments in all phases, including kitchen cabinet replacement, bathroom vanity replacement, installation of water-saving toilets and energy efficient lighting, and the installation of new bike racks. Additionally, the computer lab/study room has been expanded, the laundry room upgraded, a water filter fountain installed, and the pool furniture has been replaced. We have not planned any major, new capital projects, but will instead focus on perform ongoing, necessary maintenance such as

replacing water heaters, furnaces, A/C units, carpet, tile, and the painting of apartments. This fiscal year, we propose the closing two Phase III buildings (95 and 105) for the summer to allow for painting and duct cleaning and Phase II building 270 for furnace refurbishment. All of the Phase II buildings will also have duct cleaning. University Village is requesting a capital budget of \$220,400

1. Carpet/tile - Various Apts.,
2. Interior painting Bldg 95 & 105 Phase III;
3. Duct cleaning phase II and Bldg 95 and 105;
4. Replace heating and cooling units in 270; and
5. Star Rez web upgrade.

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 \$315,081 versus a forecasted surplus of \$407,620 on revenues of \$7.0 million, an increase of \$1.3 million or 24% over forecasted revenues.

College of the Extended University – The proposed 2016-17 budget includes aggressive growth of 24%, from \$5,572,355 to \$6,921,000 with net surplus of 4.5% or \$311,779. The basis for this growth will include continued growth in Professional Development programs and GEP. This will be augmented by a turnaround in CPELI standard ELI programs, plus growth in CPELI's short term programs, specialty camp programs, and full deployment of ASP.

New programs for HR Management, GIS (online), web media and design, market research, international apparel management, professional certification exam preparation (for multiple disciplines of Engineer in Training, and for Certified Management Accountant), and extensions of offerings in brewing and UAV piloting will provide additional development opportunities for local professionals.

The planned business objectives for 2016-17 will continue to focus on automation of business processes and procedures, security of data storage, reducing and removal of department hard copy filing systems, staff and faculty training, and focused marketing efforts with a strong emphasis on social media marketing and target marketing through the full implementation of the new CRM system. The 2016-17 budget demonstrates anticipated increased costs related to advertising and marketing to support the expansion of CEU's marketing efforts into new mediums, expanded territories, and with additional third party vendors. It also demonstrates an anticipated increase costs associated to software and services to accommodate the new CRM system and increased live-chat features that CEU recently implemented from the prior year.

Successful achievement of the planned objectives will depend on successfully replacing key professionals in Marketing, CPELI business operations, and GEP; all three left for significant promotions in new areas or organizations. Replacing our AHP Coordinator will also be required since the current coordinator is completing her year of OPT and will return to China. The proposed budget also includes provisions for adding three new positions, one each in CPELI, GEP and Program Development.

College of the Extended University is requesting a capital budget of \$90,000 to reconfigure 105A to workstations/reception area and purchase electric vehicle for transporting staff.

College of Engineering – proposed budget consists of a Civil Engineering Review program and an Administrative project and is projecting to generate a surplus of \$919 versus a forecasted surplus of \$947 on revenues of \$32,386 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 \$2,383 versus a forecasted surplus of \$6,595 on proposed and forecasted revenues of \$14,602.

Agricultural Programs – proposed budget is projecting to generate a deficit of (\$12,352) versus a forecasted surplus of \$287,176 on revenues of \$3.8 million, an increase of \$174,102 or 4.7% over the current year forecasted revenues. AGRIsclapes is requesting a full-time Administrative Assistant position to help manage increasing outreach activities. Animal Vet Science is requesting a full-time meat lab manager. Agriculture Programs is requesting a capital budget of \$50,000 to continue restoration of the Wasmandorff House at Pine Tree Ranch.

Arabian Horse Center - The proposed budget includes a decrease in revenues of \$67,792 or 34% mainly due to no endowment distribution and generates a proposed deficit of (\$270,908) versus a forecasted deficit of (\$160,454). We are launching a "Friends of the Horse Center" program fall quarter 2016, with the intent of helping to replace some of the revenue lost in endowment distributions.

Labor is now the single largest expense item on our budget, with the employee related budget totaling \$114,800 and stipends at \$75,000. We recover some of the stipend cost from the state (\$40,000 in FY 2015-2016). The assumption that this money will be appropriated by the state in FY 2016-17 is reflected in the proposed budget.

The variable expense of caring for the horses is the other large item - feed/hay, and vet and farrier. The feed and hay are subject to market fluctuations and the market conditions make these very hard to control.

The revenue from horse sales (estimated at \$75,000) will be used to offset feed costs, and that assumption is reflected in the proposed budget. Vet and farrier were not accurately reflected in the 2015-2016 budget, so they have been adjusted accordingly. The best way to control these is to lower the number of horses and focus on productive management and preventative care. The herd size has been reduced since in FY 2015-16 through sale and retirement. This is an ongoing focus, but some horses have to be replaced as others are retired so we have reached the end of the benefit of this approach. Secondarily, we are focusing on productive management and preventative care by making adjustments to their daily care. I am hesitant to reduce the budget numbers on these variable expenses a significant amount given the market volatility and incorrect budgeting noted earlier.

Animal Veterinary Science Farm - The proposed budget includes an increase in the revenue of \$155,839 or 66% mainly due to the Meat Lab that was not operational in 2015-16 and generates a proposed surplus of \$21,697 versus a forecasted surplus of \$11,441. The Meat Lab operations are dependent upon the approval of the manager position and will be responsible for covering the salary costs. 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 \$60,045 or 1.8% mainly due to the Agronomy Farm, Wasmandorff House and Pine Tree Ranch offset by Ornamental Horticulture, Fruit Industries and Pumpkin Festival and generates a proposed surplus of \$231,924 versus a forecasted surplus of \$436,189. The Plant Science Department is looking at all of its components to reduce cost and increase revenue.

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 \$199,482 versus a forecasted surplus of \$276,192 that will be distributed to the Division of Academic Affairs through the Indirect Surplus project that is generating a corresponding proposed budgeted deficit of \$179,478 and forecasted deficit of \$231,040 to allow for a proposed budgeted net surplus of \$20,004. This surplus is used to fund the patent reserve for \$20,000.

The outlook reflects improving trends, with 2016-2017 revenues forecasted to be in line with last year's and continue to show improvements in the overall rates of indirect cost reimbursements on current awards. There appears to be indications of growth in grant expenditures which could be attributed to an increase in the number of active sponsored projects. There were several new major awards received from the U.S. Department of Education amounting to over \$6 million combined project costs; although little to no ICR recovery is allowed. The College of Science has two very promising/pending applications at the National Institutes of Health (NIH) SCORE program that would yield full ICR revenues. Perhaps the most promising funding potential is the fact that CPP will be participating as one of the six university partners for research and workforce support on Raytheon, Inc.'s Department of Homeland Security proposal to protect the government networks from cyber-threats. This future contract/agreement has a \$1.15 billion ceiling over the next five years.

Personnel changes (interim transitions and turnover) have not diminished the administrative support level in proposal development, grant processing, and contract negotiations; however resources need to be considered to alleviate staff burden in order to maximize services to faculty and staff research efforts.

Support of employment for student assistants will be continued. 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.

The annual event for the Principal Investigator (PI) Reception held each Spring to honor all PIs and co-PIs applying or managing grants and contracts will be continued. 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. In sum, total revenues and grant expenditures indicate a little higher rate than 2015-2016.

The Research Office is requesting a capital budget of \$15,900 for a subscription to Evisions for Cayuse module 424.

Board Designated Gifts – for the benefit of the University is projected to increase 19% or \$251,455 to \$1.5 million; the President plans to meet and discuss with each Vice President and will determine the allocation of the designated gifts.

Unrestricted Foundation Programs – Revenues and expenditures of \$575,000 are projected to remain the same as the forecast and breakeven.

Restricted Foundation Programs - Revenues are budgeted to be \$8.8 million and expenditures \$6.3 million generating a surplus of \$2.5 million.

CAL POLY POMONA FOUNDATION, INC.
2016-17 PROPOSED BUDGET
SUMMARY OF SOURCES AND USES OF FUNDS

	Revised 2015-2016 <u>PROPOSED BUDGET</u>	2015-2016 <u>FORECAST</u>	2016-2017 <u>PROPOSED BUDGET</u>
SOURCES OF CASH			
SURPLUS (DEFICIT)			
Administration	(1,011,889)	115,411	29,498
Real Estate	20,719	293,201	332,331
Investments	1,084,583	(1,213,025)	831,084
Bookstores	317,399	279,045	292,798
Dining Services	1,027,162	582,990	771,018
Kellogg West Conference Center	12,349	8,668	16,952
University Village	1,331,210	1,887,163	2,335,736
Supplementary Programs	334,085	739,948	322,745
TOTAL OPERATING SURPLUS (DEFICIT)	<u>3,115,618</u>	<u>2,693,401</u>	<u>4,932,162</u>
Designated Gifts	<u>(1,355,338)</u>	<u>(1,307,229)</u>	<u>(1,558,684)</u>
NET OPERATING SURPLUS (DEFICIT)	<u>1,760,280</u>	<u>1,386,172</u>	<u>3,373,478</u>
NON-CASH TRANSACTIONS:			
Depreciation and Amortization	4,621,610	3,992,716	4,078,026
Post Retiree Medical Benefits - See Note 1	548,209	785,008	731,761
TOTAL CASH GENERATED BY OPERATIONS	<u>6,930,099</u>	<u>6,163,896</u>	<u>8,183,265</u>
FINANCING			
TOTAL SOURCES OF FINANCING	-	-	-
RESERVES			
Capital Reserve	1,230,969	1,469,455	1,187,400
Residential Board Meal Program Surplus Reserve	175,000	122,410	90,000
Venture Capital/Real Estate Reserve	800,000	500,000	500,000
Insurance Reserve		7,373	
Pine Tree Ranch Reserve			70,000
Agriculture Program Reserve			14,750
Withdraw of funds from Post Retiree Medical Benefit Trust	372,834	392,879	392,879
TOTAL SOURCES FROM RESERVES	<u>2,578,803</u>	<u>2,492,117</u>	<u>2,255,029</u>
TOTAL SOURCES OF CASH	<u>9,508,902</u>	<u>8,656,013</u>	<u>10,438,294</u>
USES OF CASH			
CAPITAL EXPENDITURES			
University Village	229,000	208,860	220,400
Bookstore	25,000	95,000	300,000
Dining Services	595,500	557,109	415,700
Kellogg West	1,045,000	1,450,920	400,000
Real Estate	708,800	180,000	102,000
Research & Sponsored Programs			15,900
Agricultural Units	166,750	150,000	50,000
Continuing Education	10,000	25,000	90,000
Administration	237,000	168,639	203,990
Prior Year Carryover	1,046,673		314,750
TOTAL CAPITAL EXPENDITURES	<u>4,063,723</u>	<u>2,835,528</u>	<u>2,112,740</u>
FINANCING			
University Village Bond payment - 2013 and 2014 series	625,000	625,000	660,000
CTTi Bond payment - 2007 series	205,000	205,000	215,000
TOTAL USES OF FINANCING	<u>830,000</u>	<u>830,000</u>	<u>875,000</u>
RESERVES			
Agriculture Program Reserve @ 55% net Annual Surplus		21,295	
Cafeteria State Share Reserve			
Capital Reserve @ 1.75% of Gross Auxiliary Revenues	864,302	2,322,031	2,389,138
Emergency Reserve			
Indirect Cost Disallowance Reserve			
Innovation Village Demo Reserve	8,740	9,063	11,547
Insurance Reserve	62,747	62,747	36,670
Pine Tree Ranch Reserve @ 50% net Annual Surplus			
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%	365,004	68,281	400,599
Venture Capital/Real Estate Reserve @ 1.0% of Gross Rev.	493,887	469,732	508,079
TOTAL RESERVE CONTRIBUTIONS	<u>2,814,680</u>	<u>3,973,149</u>	<u>4,366,033</u>
TOTAL USES OF CASH	<u>7,708,403</u>	<u>7,638,677</u>	<u>7,353,773</u>
NET SOURCES & (USES) OF CASH	<u>1,800,499</u>	<u>1,017,336</u>	<u>3,084,521</u>
BEGINNING OF THE YEAR WORKING CAPITAL LESS CONTINGENCY		<u>10,197,179</u>	<u>11,214,515</u>
NET WORKING CAPITAL AVAILABLE END OF YEAR - Note 2		<u>11,214,515</u>	<u>14,299,036</u>
Minimum Two Months Working Capital Reserve Required		<u>6,627,421</u>	<u>7,649,265</u>

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

	Balance as of 6/30/2015	Forecast Fiscal 15/16	Proposed Budgeted 16/17	Net End of 6/30/2017	Goal
Sources of Funds:					
Fund Balance (Unrestricted)	34,977,935	1,386,172	3,373,478	39,737,585	
Current & Long term debt					
University Village Series 2013 and 2014	22,155,000	(625,000)	(660,000)	20,870,000	
CTTI Bonds Series 2007	2,590,000	(205,000)	(215,000)	2,170,000	
Excess Accts Payable over Accts Receivable	12,764,847			12,764,847	
Post Retiree Medical Benefits - Note 1	(291,658)	785,008	731,761	1,225,111	1,225,111
Total Available	72,196,124	1,341,180	3,230,239	76,767,543	
Uses of Funds					
Investment in fixed assets	98,478,351	2,835,528	2,112,740	103,426,619	
Depreciation	(49,457,413)	(3,992,716)	(4,078,026)	(57,528,155)	
Inventory	1,915,135			1,915,135	
Reserves :					
Board Designated Reserves					
Agriculture Program Reserve	53,705	21,295	(14,750)	60,250	75,000
Cafeteria State Share Reserve	182,062			182,062	
Capital Reserve	6,000,000	852,576	1,201,738	8,054,314	6,000,000
Emergency Reserve	120,152			120,152	
Indirect Cost Disallowance Reserve	346,406			346,406	346,406
Innovation Village Demo Reserve	63,906	9,063	11,547	84,516	
Insurance Reserve	37,253	55,374	36,670	129,297	
Pine Tree Ranch Reserve	140,886		(70,000)	70,886	75,000
Auxiliaries Multiple Employer VEBA Trust - Note 1		607,121	607,121	1,214,242	
Research & Sponsored Programs	119,270	20,000	20,000	159,270	
Residential Board Meal Program Surplus Res	2,119,278	(54,129)	310,599	2,375,748	
Venture Capital/Real Estate Reserve	1,875,181	(30,268)	8,079	1,852,992	6,000,000
Other	4,773			4,773	
Total Uses	61,998,945	323,844	145,718	62,468,507	
Available for Working Capital	10,197,179	1,017,336	3,084,521	14,299,036	
Net Working Capital - Note 2	10,197,179	11,214,515	14,299,036	14,299,036	
Minimum Two Months Working Capital Reserve Required	7,278,504	6,627,421	7,649,265	7,649,265	

Note 1 - Forecast and Proposed Budget includes funding of \$1.0 million and withdraws of \$392,879 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
	2015-2016	2015-2016	2016-2017	2015-2016	2015-2016	2016-2017	2015-2016	2015-2016	2016-2017
GENERAL ACTIVITIES:									
ADMINISTRATION	4,528,054	4,458,498	4,703,009	5,539,943	4,343,087	4,673,511	(1,011,889)	115,411	29,498
REAL ESTATE	3,282,739	3,975,830	4,101,132	3,262,020	3,682,629	3,768,801	20,719	293,201	332,331
INVESTMENTS	1,181,071	(1,116,641)	918,560	96,488	96,384	87,476	1,084,583	(1,213,025)	831,084
TOTAL GENERAL ACTIVITIES	8,991,864	7,317,687	9,722,701	8,898,451	8,122,100	8,529,788	93,413	(804,413)	1,192,913
ENTERPRISE ACTIVITIES:									
Bookstore									
BRONCO BOOKSTORE	9,763,780	9,705,690	9,310,080	9,446,381	9,426,645	9,017,282	317,399	279,045	292,798
Total Bookstore	9,763,780	9,705,690	9,310,080	9,446,381	9,426,645	9,017,282	317,399	279,045	292,798
Dining Services									
FOUNDATION MAINTENANCE	0	0	0	2	0	6	(2)	0	(6)
POLY TROLLEY	323,500	220,000	238,002	326,990	277,193	256,235	(3,490)	(57,193)	(18,233)
FRESH ESCAPES	173,224	176,978	183,000	141,247	148,387	151,510	31,977	28,591	31,490
CARL'S JR.	537,127	500,000	562,000	448,518	434,986	470,617	88,609	65,014	91,383
PONY EXPRESS - CCMP	785,501	800,000	831,000	644,489	693,897	664,112	141,012	106,103	166,888
PONY EXPRESS - CLA	196,115	197,700	199,102	178,752	176,607	186,188	17,363	21,093	12,914
INNOVATION BREW WORKS	546,400	664,705	770,894	538,494	746,210	804,563	7,906	(81,505)	(33,669)
POLY FRESH	441,401	444,000	449,000	376,571	390,994	389,164	64,830	53,006	59,836
PONY EXPRESS - ENV	60,700	70,000	70,200	56,056	62,540	63,807	4,644	7,460	6,393
ENG COFFEE SHOP	45,100	5,800	9,750	41,418	19,224	24,278	3,682	(13,424)	(14,528)
STARBUCKS COFFEE	1,147,501	1,225,000	1,248,000	1,036,909	1,130,195	1,152,411	110,592	94,805	95,589
PANDA EXPRESS	118,438	127,108	130,921	8,071	11,732	13,094	110,367	115,376	117,827
HIBACHI SAN	94,860	105,960	108,150	32,593	29,123	29,759	62,267	76,837	78,391
LOS OLIVOS	5,562,607	5,152,048	6,094,640	4,863,847	4,596,176	5,328,370	698,760	555,872	766,270
VISTA CAFE	1,403,402	1,489,399	1,572,523	1,350,524	1,449,006	1,532,448	52,878	40,393	40,075
DENNYS	884,286	753,846	780,091	951,239	788,981	782,827	(66,953)	(35,135)	(2,736)
VENDING	134,100	116,095	119,572	112,951	82,274	84,375	21,149	33,821	35,197
BEER EDUCATION PROGRAM	0	20,000	71,000	0	6,550	24,461	0	13,450	46,539
QDOBA	829,000	830,000	885,000	694,398	701,522	747,179	134,602	128,478	137,821
JAMBA JUICE	290,000	225,000	239,000	284,614	259,865	262,868	5,386	(34,865)	(23,868)
SUBWAY	948,000	950,000	956,000	832,277	823,374	827,709	115,723	126,626	128,291
ROUND TABLE	491,000	470,000	491,000	429,650	415,952	433,290	61,350	54,048	57,710
DINING ADMINISTRATION	0	0	0	1,051,993	689,524	845,404	(1,051,993)	(689,524)	(845,404)
EINSTEIN'S BAGELS	427,000	450,000	488,000	414,826	439,396	452,258	12,174	10,604	35,742
PONY EXPRESS AT CBA	1,046,000	1,008,000	1,101,000	842,136	818,889	880,975	203,864	189,111	220,025
FRESHENS	193,501	189,000	193,501	190,385	189,597	191,776	3,116	(597)	1,725
TACO BELL	302,672	280,000	294,502	264,835	253,568	274,853	37,837	26,432	19,649
H-CAFE	0	25,800	78,600	0	30,001	76,132	0	(4,201)	2,468
BRONCO BUCKS CARD OFFICE	178,154	169,596	190,440	178,579	189,149	196,698	(425)	(19,553)	(6,258)
BSC & CAMPUS CENTER/OVERHEAD	0	0	0	0	441,882	546,686	0	(441,882)	(546,686)
SCE LOBBY SHOP	84,426	80,000	88,100	71,821	70,609	77,329	12,605	9,391	10,771
KW - CATERING/CONF. FOODS	2,336,254	2,339,677	2,373,316	2,188,922	2,135,319	2,273,904	147,332	204,358	99,412
Total Dining Services	19,580,269	19,085,712	20,816,304	18,553,107	18,502,722	20,045,286	1,027,162	582,990	771,018

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
	2015-2016	2015-2016	2016-2017	2015-2016	2015-2016	2016-2017	2015-2016	2015-2016	2016-2017
K.W. Conference Ctr. & Lodge	1,542,709	1,506,686	1,648,756	1,530,360	1,498,018	1,631,804	12,349	8,668	16,952
University Village	9,540,576	9,192,470	10,068,266	8,209,366	7,305,307	7,732,530	1,331,210	1,887,163	2,335,736
TOTAL ENTERPRISE ACTIVITIES	40,427,334	39,490,558	41,843,406	37,739,214	36,732,692	38,426,902	2,688,120	2,757,866	3,416,504
TOTAL GENERAL & ENTERPRISE ACTIVITIES	49,419,198	46,808,245	51,566,107	46,637,665	44,854,792	46,956,690	2,781,533	1,953,453	4,609,417
DESIGNATED GIFTS - University	0	0	0	1,355,338	1,307,229	1,558,684	(1,355,338)	(1,307,229)	(1,558,684)
SURPLUS (DEFICIT) AFTER DESIGNATED GIFTS	49,419,198	46,808,245	51,566,107	47,993,003	46,162,021	48,515,374	1,426,195	646,224	3,050,733
SUPPLEMENTAL PROGRAMS									
RESEARCH OFFICE	1,250,000	1,320,000	1,355,000	1,204,546	1,274,848	1,334,996	45,454	45,152	20,004
AGRICULTURE UNITS	3,455,800	3,684,243	3,858,345	3,413,124	3,397,067	3,870,697	42,676	287,176	(12,352)
CONTINUING EDUCATION	5,768,481	5,619,343	6,967,988	5,522,538	5,211,723	6,652,907	245,943	407,620	315,081
UNRESTRICTED FOUNDATION PROGRAMS	575,004	575,000	575,004	574,992	575,000	574,992	12	0	12
TOTAL SUPPLEMENTAL	11,049,285	11,198,586	12,756,337	10,715,200	10,458,638	12,433,592	334,085	739,948	322,745
TOTAL SURPLUS (DEFICIT) UNRESTRICTED	60,468,483	58,006,831	64,322,444	58,708,203	56,620,659	60,948,966	1,760,280	1,386,172	3,373,478
RESTRICTED:									
ENDOWMENT/INVESTMENTS	6,267,196	(3,516,395)	6,302,903	2,221,042	1,949,485	776,794	4,046,154	(5,465,880)	5,526,109
RESTRICTED FOUNDATION PROGRAMS	8,567,959	8,782,466	8,782,466	6,150,507	6,304,493	6,304,493	2,417,452	2,477,973	2,477,973
TOTAL RESTRICTED	14,835,155	5,266,071	15,085,369	8,371,549	8,253,978	7,081,287	6,463,606	(2,987,907)	8,004,082
TOTAL	75,303,638	63,272,902	79,407,813	67,079,752	64,874,637	68,030,253	8,223,886	(1,601,735)	11,377,560

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

FISCAL YEAR	DEPRECIATION & AMORTIZATION			Carryover	CAPITAL REQUESTS			NET CASH GENERATED		
	Revised Budget	Current Forecast	Proposed Budget	Revised Budget	Current Forecast	Prior Years	Proposed Budget	Revised Budget	Current Forecast	Proposed Budget
	2015-2016	2015-2016	2016-2017	2015-2016	2015-2016	Carryover	2016-2017	2015-2016	2015-2016	2016-2017
GENERAL ACTIVITIES:										
ADMINISTRATION	203,976	190,987	223,848	305,500	168,639	75,000	203,990	(1,113,413)	137,759	(25,644)
REAL ESTATE	894,069	874,757	813,396	888,800	180,000		102,000	25,988	987,958	1,043,727
INVESTMENTS								1,084,583	(1,213,025)	831,084
TOTAL GENERAL ACTIVITIES	1,098,045	1,065,744	1,037,244	1,194,300	348,639	75,000	305,990	(2,842)	(87,308)	1,849,167
ENTERPRISE ACTIVITIES:										
Bookstore										
BRONCO BOOKSTORE	162,000	142,176	120,000	125,000	95,000	30,000	300,000	354,399	326,221	82,798
Total Bookstore	162,000	142,176	120,000	125,000	95,000	30,000	300,000	354,399	326,221	82,798
Dining Services										
FOUNDATION MAINTENANCE	3,000	3,000	3,000	6,000	6,000			(3,002)	(3,000)	2,994
POLY TROLLEY	33,072	32,500	33,072					29,582	(24,693)	14,839
FRESH ESCAPES	5,292	5,868	5,868					37,269	34,459	37,358
CARL'S JR.	15,744	18,600	9,604	15,000	15,000		23,500	89,353	68,614	77,487
PONY EXPRESS - CCMP	5,400	6,700	6,720					146,412	112,803	173,608
PONY EXPRESS - CLA	3,936	4,000	3,936					21,299	25,093	16,850
INNOVATION BREW WORKS	12,000	66,240	66,240	75,000	131,131		10,500	(55,094)	(146,396)	22,071
POLY FRESH	17,160	17,160	17,160					81,990	70,166	76,996
PONY EXPRESS - ENV	360							5,004	7,460	6,393
ENG COFFEE SHOP	5,004	5,000	5,592					8,686	(8,424)	(8,936)
STARBUCKS COFFEE	10,104	8,745	6,240	20,000	8,767		30,000	100,696	94,783	71,829
PANDA EXPRESS	372	370	372					110,739	115,746	118,199
HIBACHI SAN	15,672	15,672	15,672					77,939	92,509	94,063
LOS OLIVOS	100,968	97,846	133,980	175,000	122,410		30,000	624,728	531,308	870,250
VISTA CAFÉ	4,020	5,444	2,060					56,898	45,837	42,135
DENNYS	7,800	7,800	13,560				50,000	(59,153)	(27,335)	(39,176)
VENDING								21,149	33,821	35,197
BEER EDUCATION PROGRAM							27,700	0	13,450	18,839
QDOBA	47,208	40,932	40,932	14,000	9,300		7,500	167,810	160,110	171,253
JAMBA JUICE	10,236	5,880	5,880	15,000	3,300			622	(32,285)	(17,988)
SUBWAY	18,000	24,000	24,000	18,500	7,259			115,223	143,367	152,291
ROUND TABLE	11,304	11,004	10,368	23,204	11,809		8,500	49,450	53,243	59,578
DINING ADMINISTRATION	82,392	84,921	87,948	245,000	143,818		137,000	(1,214,601)	(748,421)	(894,456)
EINSTEIN'S BAGELS	43,680	34,866	21,456				29,000	55,854	45,470	28,198
PONY EXPRESS AT CBA	20,208	20,524	22,284					224,072	209,635	242,309
FRESHENS	16,440	16,440	16,440					19,556	15,843	18,165
TACO BELL	15,804	6,500	8,774					53,641	32,932	28,423
H-CAFE			9,996		50,780			0	(54,981)	12,464
BRONCO BUCKS CARD OFFICE								(425)	(19,553)	(6,258)
BSC & CAMPUS CENTER/OVERHEAD								0	(441,882)	(546,686)
SCE LOBBY SHOP	2,280	2,280	2,280					14,885	11,671	13,051
KW - CATERING/CONF. FOODS	46,001	45,555	46,001	59,969	47,535		62,000	133,364	202,378	83,413
Total Dining Services	553,457	587,847	619,435	666,673	557,109	0	415,700	913,946	613,728	974,753

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

	DEPRECIATION & AMORTIZATION			Carryover Revised Budget	CAPITAL REQUESTS			NET CASH GENERATED		
	Revised Budget	Current Forecast	Proposed Budget		Current Forecast	Prior Years	Proposed Budget	Revised Budget	Current Forecast	Proposed Budget
	2015-2016	2015-2016	2016-2017	2015-2016	2015-2016	Carryover	2016-2017	2015-2016	2015-2016	2016-2017
K.W. Conference Ctr. & Lodge	55,282	43,568	51,260	1,192,000	1,450,920		400,000	(1,124,369)	(1,398,684)	(331,788)
University Village	2,668,680	2,055,822	2,139,996	229,000	208,860	0	220,400	3,770,890	3,734,125	4,255,332
TOTAL ENTERPRISE ACTIVITIES	3,439,419	2,829,413	2,930,691	2,212,673	2,311,889	30,000	1,336,100	3,914,866	3,275,390	4,981,095
TOTAL GENERAL & ENTERPRISE ACTIVITIES	4,537,464	3,895,157	3,967,935	3,406,973	2,660,528	105,000	1,642,090	3,912,024	3,188,082	6,830,242
DESIGNATED GIFTS - University	0	0	0					(1,355,338)	(1,307,229)	(1,558,684)
SURPLUS (DEFICIT) AFTER DESIGNATED GIFTS	4,537,464	3,895,157	3,967,935	3,406,973	2,660,528	105,000	1,642,090	2,556,686	1,880,853	5,271,558
SUPPLEMENTAL PROGRAMS										
RESEARCH OFFICE	0	0	0				15,900	45,454	45,152	4,104
AGRICULTURE UNITS	49,302	58,826	61,734	646,750	150,000	199,750	50,000	(554,772)	196,002	(200,368)
CONTINUING EDUCATION	34,849	38,733	48,357	10,000	25,000	10,000	90,000	270,792	421,353	263,438
UNRESTRICTED FOUNDATION PROGRAMS	0	0	0					12	0	12
TOTAL SUPPLEMENTAL	84,151	97,559	110,091	656,750	175,000	209,750	155,900	(238,514)	662,507	67,186
TOTAL SURPLUS (DEFICIT) UNRESTRICTED	4,621,615	3,992,716	4,078,026	4,063,723	2,835,528	314,750	1,797,990	2,318,172	2,543,360	5,338,744
RESTRICTED:										
ENDOWMENT/INVESTMENTS	0	0	0					4,046,154	(5,465,880)	5,526,109
RESTRICTED FOUNDATION PROGRAMS	0	0	0					2,417,452	2,477,973	2,477,973
TOTAL RESTRICTED	0	0	0					6,463,606	(2,987,907)	8,004,082
TOTAL	4,621,615	3,992,716	4,078,026	4,063,723	2,835,528	314,750	1,797,990	8,781,778	(444,547)	13,342,826

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

Description	Revised Budget 2015-16	Forecast 2015-16	Proposed Budget 2016-17
Change in unrestricted net assets	\$ 1,760,280	\$ 1,386,172	\$ 3,373,478
Add Back:			
University Designated Expenses	1,355,338	1,307,229	1,558,684
Surplus (Deficit) before Designated Expenses - see Note	\$ 3,115,618	\$ 2,693,401	\$ 4,932,162
Add Back:			
Depreciation and amortization	4,621,615	3,992,716	4,078,026
Interest (see detail below)	1,034,717	1,036,631	1,024,137
Available for Debt Service	\$ 8,771,950	\$ 7,722,748	\$ 10,034,325
Maximum Annual Debt Service *			
2013 & 2014 Series Bonds	1,721,125	1,721,125	1,721,125
2007 Series Bonds	332,750	332,750	332,750
Total Debt Service	\$ 2,053,875	\$ 2,053,875	\$ 2,053,875
Total Debt Service before Designated Expenses - see Note	4.27	3.76	4.89
Total Debt Service after Designated Expenses	3.61	3.12	4.13
 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	925,965	927,880	925,969
2007 Series Bonds - Interest	108,752	108,751	98,168
Total Interest Expense	\$ 1,034,717	\$ 1,036,631	\$ 1,024,137

CAPITAL BUDGETS

**CAL POLY POMONA FOUNDATION, INC
2016-17 PROPOSED CAPITAL BUDGET**

		Prior Years Remaining	Proposed Detail 2016-17	Proposed Total 2016-17	
	Enterprise Activities				
	Reserves				
	Foundation Housing				
220,400	University Village		220,400	220,400	Carpet/tile - Various Apts. (\$60,000), Interior painting Bldg 95 & 105 Phase III (\$92,000), Duct cleaning phase II and bldg 95 and 105 (\$38,400), Replace heating and cooling units in 270 (\$20,000), Star Rez web upgrade (\$10,000)
	Bronco Bookstore				
300,000	Bookstore	30,000	300,000	300,000	Sales floor, POS, and security server updates
	Dining Services				
113,000	Dining		137,000		LO replacement consulting (\$10,000), Cognos Tableau project (\$40,000), ECRS-Micros conversion project (\$28,000), Bldg 97 upgrades (\$35,000), Hill Consultant (\$24,000)
	Brewing Education		27,700		Conical fermenters for Tippy Dumps (\$14,000), Tippy Dump secondary heating element (\$1,700), Remote/mobile fermentation sensor/alarm (\$3,000), Counterflow chillers for Tippy Dumps (\$1,500), Misc. lab equipment/hardware (\$7,500)
50,000	Carl's Jr.		23,500		EOL charbroiler replacement, plumbing
	Denny's		50,000		Den refresh (\$30,000), Furniture, charging stations (20,000)
	Einsteins		29,000		Microwaves (\$4,000), Bagel oven rebuild (\$10,000), Digital menu boards (\$15,000)
	Innovation Brew Works		10,500		Hop planting/trellis (\$2,500), Add hose bib to patio (\$3,000), Bottling line (\$5,000)
62,000	Kellogg West Dining		62,000		Portable electric cambros (\$10,000), Main kitchen 3 compartment sink replacement (\$6,000), Wrap KW catering vehicles with KW catering sign (\$10,000), KW portable walls overhaul (\$6,000), Install sundry/snacks/food kiosk @ front desk (\$12,000), Water heater booster installation for sinks and dishwasher (\$15,000), Chef office remodel (\$3,000)
30,000	Los Olivos		30,000		Box truck replacement
	Qdoba		7,500		Rethermolizer
	Round Table Pizza		8,500		Sound/PA system
	Starbucks		30,000		Mandatory brand refresh plans, sitework
	Total Dining Services			415,700	
	Kellogg West Conference Center & Hotel				
400,000	Kellogg West Rooms & Conference		400,000	400,000	Conference center renovations, A/V upgrades, replacement of 100 conference chairs and replacement of 100 conference center tables, Hillside Exterior renovations including new railing, lighting and painting
	Facilities				
	Facilities		-	-	No capital budget requested
	Real Estate Activities				
40,000	Bldg 66		40,000		Atrium paint (\$20,000), Restroom walls (\$20,000)
62,000	CTTI Buildings		62,000		Retube boiler bldg #C (\$12,000), Water heater replacement bldg #C (\$5,000), Restroom stall replacement CTTi (\$20,000), Fire Suppression System - Data Closets Bldg A (\$25,000)
	Total Real Estate Activities			102,000	
	Office of Research				
	Research and Sponsored Prog		15,900	15,900	Subscription to Evisions for Cayuse module 424
	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)
20,000	Pine Tree Ranch	20,000	-		Replant 5 acres of avocado (\$20,000)
14,750	Swine Unit	14,750	-		Purchase of Kawasaki quad
50,000	Wasmandorf Avocado House		50,000		Renovations to the Wasmandorf Avocado House
	Total College of Agriculture			50,000	

**CAL POLY POMONA FOUNDATION, INC.
2016-17 PROPOSED CAPITAL BUDGET**

	Prior Years Remaining	Proposed Detail 2016-17	Proposed Total 2016-17	
College of Science				
Chemistry Agilent Project	10,000		-	Computer Equipment
College of Extended University				
CEU		90,000	90,000	Reconfigure 105A to workstations/reception area (\$45,000), Purchase electric vehicle for transporting staff to CEU (\$45,000)
Administration				
Human Resources		46,000		Kronos Talent Management
Marketing		6,990		Okidata printer
Admin		55,000		Renovation/Refresh for Bldg 55
Admin		12,000		HVAC for 55 Executive conference room
Management Info Systems	25,000	-		Tableau and Consulting Services - To provide business intelligence report and analytics to Enterprise operations
Management Info Systems	15,000	-		Windows 10/desktop updates - Rollout of new operating system to enterprise units through VDI. Some hardware refreshes to improve speed, automation, and security, including continued SSD disk upgrades where needed.
Management Info Systems		4,000		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	5,000	-		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	5,000	15,000		PCI 3.2 updates - Follow-up penetration testing, consulting on Gap mitigation, PCI training, and quarterly external scanning.
Management Info Systems	15,000	-		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	5,000	15,000		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	5,000	-		POS Private Network Buildout - SDSL hardware updates to begin building an isolated POS network for Foundation retail services to improve PCI compliance mandates.
Management Info Systems		50,000		POS VM Infrastructure update - Hardware and VM software updates to provide a next generation virtual server platform dedicated to isolated POS systems across the Foundation retail services.
Total Administration			203,990	
Prior Years and Proposed Capital Budget	314,750		1,797,990	
Total Prior Years and Proposed Capital Budget			2,112,740	
<u>1,362,150</u> Capital Funding from Reserves			<u>(1,362,150)</u>	
Capital Funding from Operations			<u>750,590</u>	

Note - the proposed capital budget assumes funding of \$1,187,400 from the Capital Reserve, \$90,000 from the Residential Board Meal Program Surplus Reserve \$70,000 from the Pine Tree Ranch Reserve, and \$14,750 from the Agriculture Program Reserve

ASSET PROTECTION MANAGEMENT

Asset Protection Management-2016-2017

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

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

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

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

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

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

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

Information Technology

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

Real Estate

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

Dining Services

In Dining Services, we have several areas where Asset Protection and Risk Management play a significant role. Looking at Corporate Assets, Dining Services have several: Food, Liquor, Beer, Wine, Cash and equipment to mention a few. Vault and Storage rooms are locked at all times; locks and combinations are modified when authorized individuals change; cameras are in place to monitor incoming and outgoing activities. Change fund and petty cash fund procedures are in place; overage and shortages are accounted for, reconciled and verified in accordance with our procedures. PCI Assessment complete. Taking affirmative action with the 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

University Village

1. Shelter in place program communicated and tested at least annually. Program is in development; next meeting with Emergency Services and UPD is scheduled for May 2016.
2. Employees trained in interviewing, hiring, discipline, termination. Supervisors will undergo new/refresher training in 2016.
3. Health Department and Food Safety policies followed and documented. Supervisors and staff will undergo new/refresher training in 2016.
4. Staff evaluations. Performance reviews will be done in a timelier manner.

Bronco Bookstore

Physical Safety and Security

1. Elevator - hardware was replaced in December 2015.
2. 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.
3. 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.

College of the Extended University

To protect the CEU server assets, fire suppression was added to our server room including additional security via video monitoring and access control. Back-up processes are in place for all CEU servers and software assets. CEU's technology assets are recorded and tracked on a continuing basis and a CEU Business Continuity Plan is updated and "table-top" tested annually.

Kellogg West Conference Center and Hotel

1. Suggestion to install video security cameras - Under review for possible installation in the very near future.
2. Update of KW Emergency Procedures and manuals - Completed/ongoing and updated annually or as needed.
3. Separation of duties with KW Director - Completed and ongoing with KW Accountant placing orders and Director reviewing/approving.
4. Change safe combinations and keep a record of who has access and knowledge of combination - Completed and ongoing. Record of who has access and safe combination now in sealed envelope in Foundation safe.
5. Yearly risk assessment is completed by the Foundation IT Team on all Kellogg West IT systems. This includes a review/prioritizing of old risks & potential new risks as well as potential "gaps" caused by changing technologies. - Completed and ongoing.

Pumpkin Festival

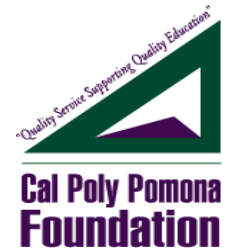
There is a need to review and define procedures related to cash handling and employee training. We will develop a process to ensure training is accomplished and documented.

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 2016-2017**

DESIGNATED GIFTS

	Revised 2015-2016	Forecast 2015-2016	Proposed 2016-2017
Designated Gifts to the University	\$ 1,339,650	\$ 1,295,150	\$ 1,545,000
Faculty/Staff Café	15,688	12,079	13,684
Designated Gifts	<u>\$ 1,355,338</u>	<u>\$ 1,307,229</u>	<u>\$ 1,558,684</u>



Associate Vice President for Research

March 22, 2016

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

Via: Soraya M. Coley, President, California State Polytechnic University, Pomona

Via: Sylvia A. Alva, Provost, California State Polytechnic University, Pomona

From: Frank W. Ewers, Associate Vice President for Research

Subject: 2016-2017 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. Known as the Provost's Teacher Scholar program from 2006 to 2014, 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 February 23, 2016, the Return on Investment (ROI) has been 10.7 to 1

The cost would be \$110,000 for the 2016-17 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 107 Cal Poly faculty members have participated in the program. Below are summaries of the distribution of participants by gender, college, and academic rank.

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
9	6	4	10
Total	50	57	107

Distribution of participants by College and Faculty Rank

College	Assoc.	Asst.	Grand Total
Agriculture	1	3	4
BUS	2	2	4
CEIS	1	6	7
CLASS	3	29	32
Collins	0	4	4
Engineering	7	10	17
ENV	1	2	3
Science	7	29	36
Total	21	76	107

The ten members of the ninth cohort will be joined by ten more who will be selected to comprise the tenth cohort. The new applicants will start working on their professional development plans in Spring of 2016. The stipends that will be provided to the eighth and ninth cohorts for the summer of 2016 will be funded by the Designated Gift approved by the Foundation last year. *1/1/16*

The funds requested for the 2016-17 fiscal year (\$110,000) will be used to provide the 10 members of the tenth cohort with stipends of \$5,000 and the 10 continuing members of the ninth cohort with stipends of \$6,000 during the summer of 2017. 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 \$3,109,497. Four were not funded. Two projects were funded for a total of \$586,716.

Fifth Cohort: Of the 11 participants, five people submitted a total of 36 projects for \$6,409,628. Nine projects were funded for a total of \$701,225.

Sixth Cohort: Of the 10 participants, five people have so far submitted a total of 14 projects for \$3,077,979. 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 38 projects for \$5,537,021. So far, five of the projects were funded for a total of \$1,475,221.

Eight Cohort: Of the 10 applicants, five have submitted a total of 17 projects for \$3,560,209. Two of the projects were funded for \$453,694, and several others are pending.

Ninth Cohort: Of the 10 applicants, six have submitted a total of 13 projects for \$8,856,026. One of the projects were funded for \$1,795,782, and several others are pending.

Overall: Within a three year time frame following their awards, 58 of 107 participants submitted a total of 203 applications for external funding. This has resulted so far in 58 successful applications totaling \$ 10.64 m.

The program has cost \$990,000 thus far; there has been a greater than 10 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.

Summary table of grant applications and funded applications from the participants

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	6	\$ 0.26
4	4/11	7	\$ 2.1	2	2	\$ 0.59
5	5/11	36	\$ 6.4	3	9	\$ 0.70
6	5/10	14	\$ 3.1	3	7	\$ 2.03
7	9/10	38	\$ 5.5	5	11	\$ 1.48
8	5/10	17	\$ 3.6	2	2	\$ 0.45
9	6/10	13	\$ 8.9	1	1	\$ 1.80
Totals	58/107	203	\$51.5	31	58	\$ 10.64

Total cost of designated gift program: \$ 0.99 million

Grant funding garnered: \$10.64 million

Return on investment (ROI): 10.7 X

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.

Faculty Early Career Summer Support program (former Teacher Scholar program)

Cohort	years	Last Name	First Name	College
9	2015-16	Brown	Stacy	Science
9	2015-16	Davila	Brianne	CLASS
9	2015-16	Hajimirza	Shima	Engineering
9	2015-16	Husain	Mohammad	Science
9	2015-16	Liu	Xin	Business
9	2015-16	Lomiento	Giuseppe	Engineering
9	2015-16	Morales	Erica	CLASS
9	2015-16	Seyranian	Viviane	CLASS
9	2015-16	Snyder	Jamie	Science
9	2015-16	Steele	Andrew	Science
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

Cohort	years	Last Name	First Name	College
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
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

Cohort	years	Last Name	First Name	College
1	2009-10	Ahn	Ruth	CEIS
1	2009-10	Chavez	Christina	CEIS
1	2009-10	Kersten	Jodene	CEIS
1	2009-10	Casad	Bettina	CLASS
1	2009-10	Conway	Kristen	CLASS
1	2009-10	Hunter	Greg	CLASS
1	2009-10	McGoldrick	Stacy	CLASS
1	2009-10	Nessler	Jeffrey	CLASS
1	2009-10	Posey	Sandra	CLASS
1	2009-10	Wachs	Faye	CLASS
1	2009-10	Wang	Zuoyue	CLASS
2	2009-10	LaRoche	Pablo	ENV
1	2009-10	Dong	Winy	Engineering
1	2009-10	Pernalete	Norali	Engineering
1	2009-10	Yeung	Ronald	Engineering
1	2009-10	Corcoran	Timothy	Science
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

CAL POLY POMONA FOUNDATION, INC.

Memorandum



Date: February 16, 2016

To: Dr. Soraya M. Coley
President

From: G. Paul Storey
Executive Director

Subject: 2016-2017 Designated Gift Request

The Foundation is requesting a designated gift of \$45,000 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 2016/2017 of approximately \$1 million, the Foundation requests a designated gift for the administrative fee of \$45,000 for FYE June 30, 2016.

Period of Award	Due Date	Account Number	Account Name	Previous Award Amount	New Awards 15-16	Award Amount	School	Project Director	Total Expenditures 7/1/15-12/31/15	Total Remaining
7/10-6/16	06/30/16	060130	Graduation Initiative	204,000	-	204,000	ACCAFF	Claudia Pinter-Lucke	16,358.19	77,203.48
7/10-6/16	06/30/16	060150	Parent Institute for Quality Education (PIQE)	125,000	125,000	250,000	PRES	J. Michael Ortiz	-	25,000.00
7/11-6/15	CLOSED	060190	Bronco Activity Record-Promoting, Measuring, and Enhancing Student Engagement (MyBar)	160,000	-	160,000	STUAF	Rebecca Gutierrez-Keeton	-	-
7/11-6/16	06/30/16	060220	Enrollment Communication Plan	100,000	-	100,000	STUAF	Kathleen Street	785.24	60,019.02
7/11-6/16	06/30/16	060230	Foster Supportive Learning Environment For Diverse Students in STEM Through Cooperative Research	100,000	-	100,000	ENG	Winyi Dong	604.98	8,152.16
7/11-6/16	06/30/16	060250	Kellogg Distinguished Public Lecture Series	345,000	135,000	480,000	ACCAFF	Marissa Martinez	96,067.70	90,119.19
7/11-6/15	CLOSED	060280	Expansion of the Maximizing Engineering Program (MEP) Student Success Programs and Services	97,500	-	97,500	ENG	Lily Gossage	-	-
7/11-6/16	06/30/16	060290	Provost's Awards	32,000	-	32,000	ACCAFF	Marten denBoer	-	-
7/11-6/16	06/30/16	060294	Provost's Awards-Jill Adler Moore	3,000	-	3,000	SCI	Jill Adler-Moore	-	19.37
7/14-6/16	06/30/16	060296	Provost's Awards-Richard Willson	3,000	-	3,000	ENV	Richard Willson	-	3,000.00
7/14-6/16	06/30/16	060297	Provost's Awards-Winyi Dong	3,000	-	3,000	ENG	Winyi Dong	2,758.72	2,41.28
7/11-6/16	06/30/16	060310	Renaissance Scholars	400,000	-	400,000	STUAF	Leticia Guzman Scott	15,532.62	-
7/11-6/16	06/30/16	060330	Student Scholarship Administration	35,000	-	35,000	STUAF	Diana Minor	2,395.36	4,216.57
7/11-6/16	06/30/16	060390	Kellogg Foundation General Expenditure Account	7,435	-	7,435	PRES	Soraya Coley	-	-
7/11-9/16	09/30/16	060560	RSCA Summer Stipends for Research Fellows	189,398	120,000	309,398	ACCAFF	Frank Ewers	-	162.00
7/15-6/16	06/30/16	060730	EOP Scholarships	-	25,000	25,000	STUAF	Leticia Guzman Scott	5,756.37	19,243.63
7/13-6/16	06/30/16	060721	An Innovative Approach To Recruit and Retain Students	127,500	35,000	162,500	STUAF	Cordelia Ontiveros	-	35,300.00
7/13-6/16	06/30/16	060740	Helping American Veterans With Educational Services	119,875	34,250	154,125	STUAF	Elke Azpeitia	21,854.88	16,596.08
7/13-6/16	06/30/16	060750	Native American Youth Pipeline to College	57,400	16,400	73,800	EDU	Sandra Dixon	8,654.68	15,283.17
7/13-6/16	06/30/16	060760	President Special Travel Funds for Students	52,000	15,000	67,000	ACCAFF	Frank Ewers	6,885.00	17,692.91
7/13-6/15	CLOSED	060770	Transfer Evaluation System	35,000	-	35,000	STUAF	Dora Lee	-	-
7/13-6/16	06/30/16	060780	Particle Surface Modification Characterization	5,000	-	5,000	ENG	Laila Jallo	1,989.94	571.60
7/13-6/16	06/30/16	060810	Quantifications of Allicin in Garlic Extract and Stability Study	10,000	-	10,000	ENG	Yan Liu	2,596.67	-
7/13-6/16	06/30/16	060830	Source of Waters and Salinity at the Dos Palmas Springs Preserve	8,389	-	8,389	SCI	Stephen Osborn	4,145.39	905.16
7/13-10/15	10/01/15	060830	Investigating The Contribution of Dopamine Receptor	5,000	-	5,000	SCI	Andrew Steele	-	-
7/14-6/16	06/30/16	060860	Promoting Graduate Education for Hispanic and Other Low Income Students	69,500	-	69,500	ENG	Behnam Bahr	1,147.79	66,949.61
7/14-6/16	06/30/16	060870	Enhancement of Student Learning in Roadway Safety	70,000	-	70,000	ENG	Wen Cheng	5,644.15	6,106.95
7/14-6/15	CLOSED	060880	College Theme Communities	70,000	-	70,000	STUAF	Reyes Luna	1,200.00	-
7/14-6/16	06/30/16	060890	Study Abroad Pilot Project for Underrepresented Students	70,000	-	70,000	CEU	Annel Adams	-	70,000.00
7/14-6/16	06/30/16	060900	Sustainability for Undergraduate Research Funding	70,000	-	70,000	SCI	Jeffrey Marshall	5,069.10	944.13
7/14-6/16	06/30/16	060920	Textbooks for Income Eligible Students	75,000	-	75,000	STUAF	Christi Chisler	(90.74)	20,623.14
7/14-10/15	10/01/15	060930	Hydrodynamics and Transport Characteristics in Industrial Reverse Osmosis Membranes	5,000	-	5,000	ENG	Mingheng Li	4,578.94	-
7/14-6/16	06/30/16	060940	Imaging the Los Angeles Basin with a Dense Seismic Survey	10,000	-	10,000	SCI	Jascha Polet	6,828.21	1,923.21
7/14-6/16	06/30/16	060950	Friction Performance of Gecko-like Synthetic Adhesives	10,000	-	10,000	ENG	Jonathan Puthoff	7,591.81	1,345.79
7/14-6/16	06/30/16	060960	Renewable Energy for Desalination	2,826	-	2,826	ENG	Ali Shabhat	-	2,826.00
7/14-6/16	06/30/16	060970	Understanding the Genetic and Developmental Pathways of Different Cymose	5,000	-	5,000	SCI	Bharti Sharma	1,514.26	3,485.74
7/14-6/16	06/30/16	060980	The Impact of Warm and Dry Santa Ana Winds on Rocky Intertidal Communities	4,500	-	4,500	SCI	Jayson Smith	4,140.93	143.29
7/14-10/15	10/01/15	060990	Determining the Critical Residues in an Archael Virus Lysis Protein	1,512	-	1,512	SCI	Jamie Snyder	1,512.00	-
7/14-6/16	06/30/16	061000	Autotransporter Fitness Factors of the Probiotic Strain	5,000	-	5,000	SCI	Christos Stathopoulos	2,110.71	1,825.37
7/14-10/15	10/01/15	061010	Vision Based Autonomous Landing System for UAVs	5,000	-	5,000	ENG	Navid Nadjbiji	1,721.45	-
7/14-6/16	06/30/16	061020	The Effects of Pedometer-Metered Walking	8,500	-	8,500	AG	Bonny Burns-Whitmore	3,004.06	495.94
7/14-10/15	10/01/15	061030	Potential Utilization of Edible Insects	5,000	-	5,000	AG	Olive Yao Li	1,926.56	-
7/14-10/15	10/01/15	061040	Sulfur-base Thermal Energy Storage System	2,825	-	2,825	ENG	Reza Lakeh	2,123.57	-
7/14-6/16	06/30/16	061050	Development of Ceramic Metal Oxide Membranes	5,783	-	5,783	CLASS	Faye Wachs	-	5,783.00
7/14-6/16	06/30/16	061060	Understanding the Social Impact of Facial Paralysis	6,500	-	6,500	ENG	Keith Forward	1,269.07	4,079.70
7/14-6/16	06/30/16	061070	Interregional Interaction in Early Classic (250-700 CE) Los Horcones, Chiapas	9,050	-	9,050	CLASS	Claudia Garcia-Des	8,910.00	-
7/14-10/15	10/01/15	061080	Earthquake and Tsunami Hazards of the Hikurangi Subduction Margin	10,000	-	10,000	SCI	Jeffrey Marshall	451.00	-
7/15-6/16	06/30/16	061090	Educational Materials for Income Eligible Students	69,000	69,000	138,000	STUAF	Christi Chisler	33,810.00	35,190.00
7/15-6/16	06/30/16	061100	Poly-Transfer Peer Mentoring: Expanding HIPs To Support Transfer Student Success	40,000	40,000	80,000	EDU	Terrí Gomez	6,206.83	33,793.17
7/15-6/16	06/30/16	061110	Project SUCCESS: Increasing the First-Year Persistence Rates	10,000	10,000	20,000	STUAF	Byron Howlett	349.81	9,650.19
7/15-6/16	06/30/16	061120	Native American Pipeline to College	36,670	36,670	73,340	EDU	Sandra Dixon	-	36,670.00
7/15-6/16	06/30/16	061130	Maximizing Engineering Potential: Learn by Doing	20,000	20,000	40,000	ENG	Lily Gossage	-	20,000.00
7/15-6/16	06/30/16	061140	Renaissance Scholars	100,000	100,000	200,000	STUAF	Leticia Guzman Scott	3,029.38	96,970.62
7/15-6/16	06/30/16	061150	Veteran Success Program	60,000	60,000	120,000	STUAF	Kathleen Street	1,623.90	58,376.10
				<u>2,745,490</u>	<u>716,320</u>	<u>3,461,810</u>			<u>292,058.53</u>	<u>850,907.57</u>

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)	1,345,517.51
Expenditure Activity-Year 6 (15-16)	292,058.53
Total Expenditures Since Inception	<u>4,384,479.20</u>

TOTAL SOURCES OF INCOME: (192550)

Initial Funds Awarded by Kellogg Foundation	2,000,000.00
RSCA Accounts Closed Due to Faculty Leaving University	-
060020 060020	588.63
060120 060120	12,000.00
Various (Closed Sep) Various (Closed September 2014--IDT20140924)	211,144.44
Various (Closed June) Various (Closed June 2015--IDT20150629)	7,783.23
Various (Closed August) Various (Closed August 2015--IDT20150812)	712.99
Various (Closed December) Various (Closed December 2015-IDT20151216)	1,480.94
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	74,097.63
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>6,101,151.18</u></u>

TOTAL FUNDS COMMITTED TO DATE:

Ending Balance of 7348 as of December 31, 2015 (Accounts Opened Since Inception)	5,388,259.00
FY 15-16 New Projects Awarded as of December 31, 2015	154,250.00
Donation and Other Charges Recorded in Error to be Reversed (Q2 2015)	18.57
NET AMOUNT AVAILABLE TO DISTRIBUTE AS OF DECEMBER 31, 2015	<u><u>619,119.75</u></u>

NOTE:

Cash Balance as of December 31, 2015	773,369.75
New Projects Awarded as of December 31, 2015	(154,250.00)
TOTAL FUNDS AVAILABLE TO DISTRIBUTE:	<u><u>619,119.75</u></u>

ADMIN FEE CALCULATION:

Total Remaining To Be Spent As of December 31, 2015	850,907.57	A
Total Remaining To Be Distributed as of December 31, 2015	619,119.75	B
Total Funds Available to Spend	<u><u>1,470,027.32</u></u>	

Estimated Expenditures in 16-17:

Funds Remaining as of December 31, 2015 On Current Projects (75 Percent of A)	638,181.00
Funds to be Distributed as of December 31, 2015 (50 Percent of B)	309,560.00
	<u><u>947,741.00</u></u>

Total Admin Fee for 16-17 at 4.5 Percent

	42,648.00
--	-----------

Total Designated Gift For FYE June 30, 2017

	<u><u>45,000.00</u></u>
--	-------------------------

Estimated Spending on FY 16-17

	<u><u>1,000,000.00</u></u>
--	----------------------------

FY 15-16 Projection for Admin Fee For Kellogg Legacy Projects:

Cal Poly Pomona Foundation
Faculty Staff Café
Consolidated Budget Comparison Summary
For the 2016-17 Fiscal Year

	2015-16 Approved Budget	2015-16 Forecast	2016-17 Proposed	\$ Change Forecast to Proposed Budget
Cost of Goods Sold				
Cost of Goods Sold		2		(2)
Total Cost of Goods Sold		2		(2)
Expenditures- Controllable				
Rent/Commissions		2		(2)
Supplies	1,480	1,000	1,300	300
Other	624			
Total Expenditures- Controllable	2,104	1,002	1,300	298
Expenditures- Non-Controllable				
Other	250	250		(250)
Total Expenditures- Non-Controllable	250	250		(250)
Labor Costs				
Salaries & Wages	11,970	9,815	11,094	1,279
Employee Benefits	1,364	1,010	1,290	280
Total Labor Costs	13,334	10,825	12,384	1,559
Total Expenses	15,688	12,079	13,684	1,605
Net Income	(15,688)	(12,079)	(13,684)	(1,605)

OPERATING BUDGETS
GENERAL ACTIVITIES

ADMINISTRATION

**Cal Poly Pomona Foundation
Administration
Consolidated Budget Comparison Summary
For the 2016-17 Fiscal Year**

	2015-16 Approved Budget	2015-16 Forecast	2016-17 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Administrative Fees	4,482,750	4,390,448	4,647,889	257,441
Other	1,500	19,000	8,700	(10,300)
Sales	43,804	49,050	46,420	(2,630)
Total Revenues	4,528,054	4,458,498	4,703,009	244,511
Expenditures- Controllable				
Utilities	32,897	27,500	28,691	1,191
Insurance	(7,025)	68,625	(26,866)	(95,491)
Repairs & Maintenance	197,644	197,300	204,904	7,604
Meals & Refreshments	18,816	16,710	20,906	4,196
Postage & Freight	21,728	25,050	25,186	136
Advertising	115,649	102,154	92,578	(9,576)
Rent/Commissions	4,800	6,000	9,000	3,000
Services	223,398	239,978	231,502	(8,476)
Supplies	131,630	123,006	119,730	(3,276)
Telephone	53,760	52,920	55,740	2,820
Travel	37,542	31,218	37,170	5,952
Other	61,747	65,814	71,298	5,484
Total Expenditures- Controllable	892,586	956,275	869,839	(86,436)
Expenditures- Non-Controllable				
Administrative Fees	91	91	91	
Depreciation	203,976	190,987	223,848	32,861
Interest Expense	120	100	120	20
Rent/Commissions	9,780	7,915	8,904	989
Bank Card Fees		366	372	6
Other	101,964	95,448	98,280	2,832
Total Expenditures- Non-Controllable	315,931	294,907	331,615	36,708
Labor Costs				
Salaries & Wages	2,595,988	2,490,706	2,598,812	108,106
Employee Benefits	1,735,438	601,199	873,245	272,046
Total Labor Costs	4,331,426	3,091,905	3,472,057	380,152
Total Expenses	5,539,943	4,343,087	4,673,511	330,424
Net Income	(1,011,889)	115,411	29,498	(85,913)

CAL POLY POMONA FOUNDATION, INC.

ADMINISTRATION FEE SUMMARY

<i>FISCAL YEAR</i>	Current Approved Budget 2015-2016	Forecast Budget 2015-2016	Proposed Budget 2016-2017	Variance
REAL ESTATE:				
TOTAL REAL ESTATE ADMIN FEE	166,284	197,766	201,744	3,978
ENTERPRISES:				
Bookstore	636,751	631,380	612,998	(18,382)
Dining Services	1,261,100	1,229,839	1,341,282	111,443
K.W. Conference Ctr. & Lodge	92,562	90,401	98,926	8,525
University Village	620,137	597,511	654,437	56,926
TOTAL ENTERPRISES ADMIN FEE	2,610,550	2,549,131	2,707,643	158,512
FUND 5, 8 10, ENDW, & RESEARCH:				
Endowments	472,129	445,455	444,785	(670)
Research Office	560,025	594,000	609,750	15,750
Fund 3 - Admin Philanthropic Grants	79,500	35,000	45,000	10,000
Fund 5 - Agriculture	138,351	145,162	154,333	9,171
Fund 8 - Foundation Programs	167,226	171,065	171,062	(3)
Fund 10 - CEU	288,685	252,869	313,572	60,703
TOTAL 3, 5, 8, 10, UET, & RESEARCH ADMIN FEE	1,705,916	1,643,551	1,738,502	94,951
TOTAL FOUNDATION ADMIN FEE	4,482,750	4,390,448	4,647,889	257,441

*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:

165,806	247,979	247,979	-
---------	---------	---------	---

Cal Poly Pomona Foundation
 Cost Allocation Analysis
 For the fiscal year ended June 30, 2015

Fund	2014-15 Computer Transactions	% Accounting	2014-15 Acctg & MIS Actual Allocation	Adjustments For Time	Adjusted 2014-15 Acctg & MIS Actual Allocation	Administrative %	2014-15 Administration Actual Allocation	Human Resources %	2014-15 Human Resources Actual Allocation	2014-15 Actual Total Allocation	2014-15 Foundation Prg. 75% Total Allocation	2014-15 Amount Charged	Overage (Shortage) Variance Amount	Variance %	
General	39,037	9.64%	241,086		241,086	9.64%	1.00%	14,004	1.00%	5,817	260,907	-	(260,907)	-100.00%	
Real Estate	14,074	3.48%	86,919		86,919	3.48%	1.00%	14,004		-	100,922	155,391	54,469	53.97%	
Grants and Contracts	34,587	8.54%	213,603	59,703	273,306	10.93%	23.00%	322,084	50.00%	290,869	886,259	532,290	(353,969)	-39.94%	
Designated	4,845	1.20%	29,922		29,922	1.20%		-		-	29,922	60,548	30,626	102.35%	
Enterprise	188,945	46.67%	1,166,891.59	(34,003)	1,132,889	45.31%	62.00%	868,226	35.00%	203,608	45,204,723	2,688,567	483,844	21.95%	
Agriculture	18,787	4.64%	116,025	(3,400)	112,625	4.50%	3.00%	42,011	3.00%	17,452	172,088	123,782	(48,306)	-28.07%	
Endowment	14,791	3.65%	91,347	20,000	111,347	4.45%	3.00%	42,011		-	153,358	383,904	230,546	150.33%	
Programs/Scholarships	78,345	19.35%	483,845	(41,600)	442,245	17.69%	3.50%	49,013	2.00%	11,635	502,893	377,170	372,323	(4,846)	-0.96%
Continuing Education	11,425	2.82%	70,559	(700)	69,859	2.79%	3.50%	49,013	9.00%	52,356.42	171,228	183,941	12,713	7.42%	
Total	404,836	100%	2,500,197	-	2,500,197	100.00%	100.00%	1,400,365	100.00%	581,738	4,482,300	377,170	4,500,746	144,169	3.216%

Programs/Scholarships Actual total allocation vs. amount charged (130,569)

Fund	2014-15 Allocated Actual Cost per Transaction	2014-15 Amount Charged per Transaction	Variance
General/Innovation Village	6.68	-	0%
Rental Buildings	7.17	11.04	154%
Grants	25.62	15.39	60%
Designated	6.18	12.50	202%
Enterprise	11.67	14.23	122%
Agriculture	9.16	6.59	72%
Endowment	10.37	25.96	250%
Foundation	6.42	4.75	74%
Continuing Education	14.99	16.10	107%
Avg. per Trans.	10.92	11.84	108%

Average Balance Quarterly

Amount Distributed	Foundation Prgs	Scholarships	Yield Returned	Foundation Prgs	Scholarships	Yield Withheld	Foundation Prgs	Scholarships	Total Withheld
Sept	97,026.62	10,987.59	0.34267%	28,314,886.04	3,206,463.94	0.12500%	35,393.61	4,008.08	39,401.69
Dec	349,930.35	41,250.13	1.16079%	30,145,879.10	3,553,625.55	0.12500%	37,682.35	4,442.03	42,124.38
Mar	87,288.73	9,676.49	0.26367%	33,105,294.50	3,669,924.53	0.12500%	41,381.62	4,587.41	45,969.02
June	181,556.22	20,519.59	0.55509%	32,707,528.51	3,696,623.97	0.12500%	40,884.41	4,620.78	45,505.19
	715,801.92	82,433.80					155,341.99	17,658.30	173,000.28

798,235.72

CAL POLY POMONA FOUNDATION, INC.

ADMINISTRATION

2016-2017

BUSINESS PLAN



APRIL 2016

SECTION TABLE OF CONTENTS

Proposed Fiscal Year Budget	A
Business Plan Narrative	
Overview of Current Fiscal Year	B
Explanation of Proposed Fiscal Year Budget	B
Changes in Programs and Services for Proposed Fiscal Year	C
Explanation of Proposed Fiscal Year Capital Requests	C
Changes in Staffing	C
Outlook Next 3 Years and 4 to 10 Years Beyond	C
Major Projects and Business Goals for Proposed Fiscal Year	D
Mission/Vision Statement	E
Strengths and Challenges	E
Employee Survey	F
Customer Survey	F
Keys to Success	G
Corporate Culture	G
Business Controls and Vital Factors	H
Asset Protection/Risk Management	H
Organization Chart	I
Business Plan Narrative Continuation - If needed (OPTIONAL)	J

Proposed Fiscal Year Budget

A

Cal Poly Pomona Foundation Admin Executive Consolidated Budget Comparison Summary For the 2016-17 Fiscal Year

	2015-16 Approved Budget	2015-16 Forecast	2016-17 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Administrative Fees	4,482,750	4,390,448	4,647,889	257,441
Sales	36,000	45,000	43,724	(1,276)
Total Revenues	4,518,750	4,435,448	4,691,613	256,165
Expenditures- Controllable				
Utilities	32,897	27,500	28,691	1,191
Insurance	(7,205)	68,425	(27,070)	(95,495)
Repairs & Maintenance	20,440	17,200	17,400	200
Meals & Refreshments	11,800	10,000	13,600	3,600
Postage & Freight	8,430	11,000	10,400	(600)
Advertising	51,500	31,400	33,200	1,800
Rent/Commissions	3,600	6,000	7,800	1,800
Services	41,040	37,420	42,070	4,650
Supplies	18,580	12,300	11,760	(540)
Telephone	38,200	35,000	38,400	3,400
Travel	6,000	3,220	6,370	3,150
Other	38,430	36,600	44,930	8,330
Total Expenditures- Controllable	263,712	296,065	227,551	(68,514)
Expenditures- Non-Controllable				
Depreciation	40,800	33,000	26,400	(6,600)
Interest Expense	120	100	120	20
Rent/Commissions	3,600	1,600	2,400	800
Bank Card Fees		10		(10)
Other	1,320	500	600	100
Total Expenditures- Non-Controllable	45,840	35,210	29,520	(5,690)
Labor Costs				
Salaries & Wages	346,116	306,900	355,248	48,348
Employee Benefits	136,600	119,700	121,926	2,226
Total Labor Costs	482,716	426,600	477,174	50,574
Total Expenses	792,268	757,875	734,245	(23,630)
Net Income	3,726,482	3,677,573	3,957,368	279,795

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

Forecasted Revenue is anticipated to be approximately \$4,665,765 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 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. The campus will review the Foundation Designated Gift for opportunities of re-purposing to align with current needs and proposed strategic goals.

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:

N/A

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

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

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

Major Projects and Business Goals for Proposed Fiscal Year

D

Action Steps	Person Responsible	Due Date
*Implement water-reduction initiatives per the CA Emergency Water Conservation Regulations	All	June 2017
*Assist the University in Reviewing Options related to the acceptance of Lanterman Development Center	Admin. & Real Estate	June 2017
*Provide information and support to assist Advancement's implementation of Software .	Admin. and Financial Services	June 2017
*Innovation Village: marketing, and options for remaining land.	Admin. & Real Estate	June 2017
*Review effects of CSU salary inversion and new state minimum wage guidelines	CEO,CFO,ChiefEmploymentOfficer	June 2017
*Long-term plan-Kellogg West Conf. Ctr. & Lodge for financial and facility substantiality.		
for renovation of Main Lodge, and inclusion of Collins curriculum.	Admin. & Kellogg West	June 2017
*Increase specialized training for managers including online performance management.	Employment Services	June 2017
*Dining Services - max innovation and talent to create customer tailored dining environments that		
support the university. Development of an updated Dining Services Plan to new Dining Commons.	Dining Services	June 2017
*Bronco Bookstore-provide savings to students thru an aggressive rental program and the		
Bookstore renovation of the Ground Floor.	Bronco Bookstore	June 2017
* 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 2017
Public Relations campaign-Foundation Gives back to the University	Admin & Marketing	June 2017
*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 2017
*Review options: Master Planning/Development of South Campus including student/faculty mixed housing	Univ Facilities/Design, Admin. RE	June 2017
*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 2017
*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 2017

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 is 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

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

Employee Survey

(Surveys were conducted at the unit level)



Customer Survey

(Surveys were conducted at the unit level)

Keys to Success

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

Corporate Culture

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

Business Controls and Vital Factors

H

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

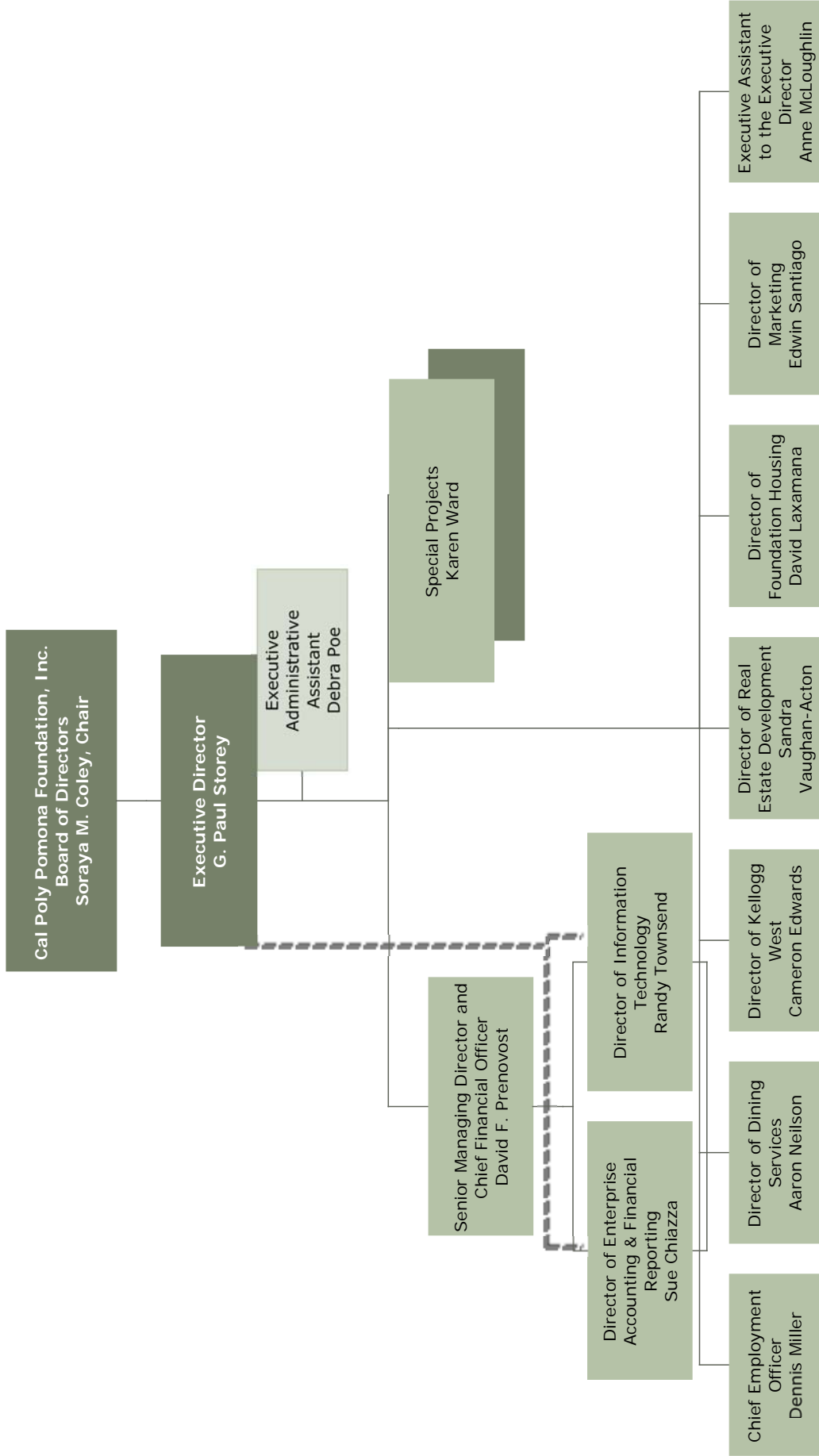
Asset Protection/Risk Management

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



April 2016

CAL POLY POMONA FOUNDATION, INC.

FINANCIAL SERVICES AND MIS

2016-2017

BUSINESS PLAN



APRIL 2016

SECTION TABLE OF CONTENTS

Proposed Fiscal Year Budget	A
Business Plan Narrative	
Overview of Current Fiscal Year	B
Explanation of Proposed Fiscal Year Budget	B
Changes in Programs and Services for Proposed Fiscal Year	C
Explanation of Proposed Fiscal Year Capital Requests	C
Changes in Staffing	C
Outlook Next 3 Years and 4 to 10 Years Beyond	C
Major Projects and Business Goals for Proposed Fiscal Year	D
Mission/Vision Statement	E
Strengths and Challenges	E
Employee Survey	F
Customer Survey	F
Keys to Success	G
Corporate Culture	G
Business Controls and Vital Factors	H
Asset Protection/Risk Management	H
Organization Chart	I
Business Plan Narrative Continuation - If needed (OPTIONAL)	J

Proposed Fiscal Year Budget

A

Cal Poly Pomona Foundation Financial Services Consolidated Budget Comparison Summary For the 2016-17 Fiscal Year

	2015-16 Approved Budget	2015-16 Forecast	2016-17 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Sales	504	400	396	(4)
Total Revenues	504	400	396	(4)
Expenditures- Controllable				
Insurance		200	204	4
Repairs & Maintenance	174,104	176,500	184,304	7,804
Meals & Refreshments	4,116	4,060	4,056	(4)
Postage & Freight	12,468	13,550	13,956	406
Advertising	5,724	6,504	5,328	(1,176)
Services	142,858	137,800	145,332	7,532
Supplies	35,100	41,756	32,940	(8,816)
Telephone	6,300	5,700	5,700	
Travel	10,992	10,698	10,500	(198)
Other	4,092	3,689	4,296	607
Total Expenditures- Controllable	395,754	400,457	406,616	6,159
Expenditures- Non-Controllable				
Depreciation	159,204	155,501	193,200	37,699
Insurance	180			
Rent/Commissions	6,180	6,315	6,504	189
Bank Card Fees		356	372	16
Other	100,644	94,948	97,680	2,732
Total Expenditures- Non-Controllable	266,208	257,120	297,756	40,636
Labor Costs				
Salaries & Wages	1,395,720	1,326,873	1,365,288	38,415
Employee Benefits	547,644	487,051	528,102	41,051
Total Labor Costs	1,943,364	1,813,924	1,893,390	79,466
Total Expenses	2,605,326	2,471,501	2,597,762	126,261
Net Income	(2,604,822)	(2,471,101)	(2,597,366)	(126,265)

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

190010:

Object Code 7103: There were a number of computers, scanners, and printers purchased in FY 16 to update staff equipment.

Object Code 7105: A new currency counter was purchased for use in the cash room. In addition, new credit card machines were purchased for Financial Services.

Object Code 7125: Stand-up computer desks and floor pads were purchased for a number of staff members in Financial Services.

Object Code 7210: The Accounts Payable department conducted a hiring search for a new technician.

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 expanded need for dining support services. In fiscal year 2015-2016, project goals were met to perform the following: Financial system upgrade OneSolution v15.1, workflows, new reports and training sessions; WellsFargo processor conversion; Kronos v8 system upgrade; e-cart purchase for moving computers; Micros/ECRS/KW/Bookstore POS upgrade to P2PE/EMV readers; Bookstore Winprism upgrade and tokenization; PCI penetration testing and gap assessment for v3.1; PCI network isolation; PCI RapidSAQ installation and multiple SAQ completion; IT PCI policy/procedure updates; Tableau analytics dashboard for dining services; Solar Winds Log Management expansion; Dining H-cafe POS install; VDI expansion and testing; CCS off-site disaster recovery hardware contracting; Foundation IT Website refresh. Projects are still open for the following: VDI testing; Enterprise services analytics project; e-cart storage, Windows 10 testing, Azure disaster recovery testing.

Explanation of Proposed Fiscal Year Budget:

190010:

190030:

In the coming year costs for computer maintenance will level out after two years of decline. Power consumption will continue to drop through the upgrade of older virtualize servers, VDI for desktops, and the move to backup/disaster recovery processes via hosted Exagrid and Azure cloud services. Vendor software maintenance will continue to increase gradually due to increased outsourcing, mobility and cloud services. This trend will be offset somewhat by lower inhouse maintenance costs and greater business continuity. PCI consulting costs will be reduced from the previous year do to the completion of gap/pen testing assessment and mitigation. Perpetual PCI compliance service expenses will be reduced by renegotiated with vendors/consultants, staff training and certification, and automated online documentation. Expenses associated with cellular wireless services will continue a slow increase as more tablets, smart phones, and other IOT devices become strategic to business processes. Increased demand for technology driven by business growth and security compliance requirements is pressing the need for more analytics and document writer related consulting time. In-house labor resources are stable and efficient at this time.

Changes in Programs and Services for Proposed Fiscal Year:

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

190030:

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

Explanation of Proposed Fiscal Year Capital Requests:

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

1. Windows 8 Updates - Initial rollout of this new desktop operation system to the enterprise units.
2. Financial System enhancements to expand workflow automation, and prepare for the next release of OneSolution.
3. Phase II Tableau analytics expansion to support enterprise operations beyond Dining Services.
4. Further PCI 3.1 Updates - through contracted pen testing, final EMV conversion, PCI staff certification, and QSA monitoring.
5. Hybrid Cloud Service Expansion - For disaster recovery alternate processing service, and enterprise application infrastructure support with partnered auxiliaries using Microsoft Azure cloud services.
6. Continued POS Private Network Buildout - via an isolated POS network for Foundation retail services.
7. POS VM infrastructure update - to replacing aging hardware, improve performance and enhance security.
8. Expansion of log monitoring service - to increase proactive monitoring of Foundation sensitive data.

Changes in Staffing:

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: We are anticipating a leveling off of cost reductions in the near future as maintenance expenses related to desktop automation through VDI and hosting become optimized. Updates are being completed and will be stable until new technologies increase spending post virtualization. Increases in vendor maintenance fees are expected as cloud based computing is expanded for more automated application/analytics needs. Technical support to manage security monitoring, training, and risk mitigate and protection of confidential/business data is also leveling off. Additional consulting will be necessary for analytics and document writing. Over the next three years we will be performing further system consolidation; fully implementing VDI and Windows v8.1; adding new OneSolution workflow tools and reporting; - Continued on page 12

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

This year's survey included the same 10 questions as the previous years and 19 out of the 19 employees responded to the survey. On a scale of 0 to 4, 4 being totally agree, 3 being agree, 2 being disagree, 1 being totally disagree, and 0 being don't know, there were a total of 46 responses who totally agree, 89 responses who agree, 46 responses who disagree, 8 responses who totally disagree and 1 responses who didn't know.

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

For 2015-16, the following totally agree or agree:

- 95% believe their supervisor considers them to be an important factor to their department's success;
- 74% feel they are treated with fairness, respect and equality as a whole;
- 63% feel other departments or employees react quickly to meet the needs of the other employees/departments;
- 69% 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;
- 79% feel goals are communicated to all employee levels;
- 58% feel teamwork and communication within Foundation Financial Services is good;
- 47% feel their salary plus benefits is appropriate for the requirement of their position;
- 79% Foundation management is interested in their future and does all it can to develop their skills; and
- 84% 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 3.34 in 15-16 verses 14-15 3.21 in 13-14 2.77 in 12-13, 3.17 in 11-12, 2.98 in 10-11, 3.09 in 09-10, 2.97 in 08-09 year, 2.41 in 07-08 year. There were a total of 165 responses of which 70 totally agree, 78 responses who agree, 8 responses who disagree, 5 responses who totally disagree and 4 responses who didn't know.

The following totally agree or agree:

- 80%--employees are courteous, helpful, knowledgeable and service oriented;
- 90%--faced with new projects or demands, Financial Services reacts quickly to meet the needs of the customer;
- 90%--produces a consistently superior level of accuracy in all of the work we perform;
- 100%--consistently completes assignments on time;
- 80%--incorporates current technology in servicing our customers;
- 80%--organized, professional organization that conducts transactions in a business-like manner;
- 100%--the services provided is an asset to the University;
- 80%--forms are easy to understand and use;
- 90%--the staff is always efficient when answering their questions;
- 90%--computer information is current and accessible;
- 90%--computer systems are fast, reliable and efficient;
- 100%--MIS staff respond to service requests in a timely manner;

Foundation Financial Services Procedures are comprehensible:

- 77%--Wells Fargo Purchasing Card
- 100%--Disbursement Voucher Form
- 88%--Travel Form
- 100%--Deposit
- 88%--Purchasing

Keys to Success

Keys to Success Items	Rank in Importance 10 to 1
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

Customer/Client Perception	Unit Perception
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

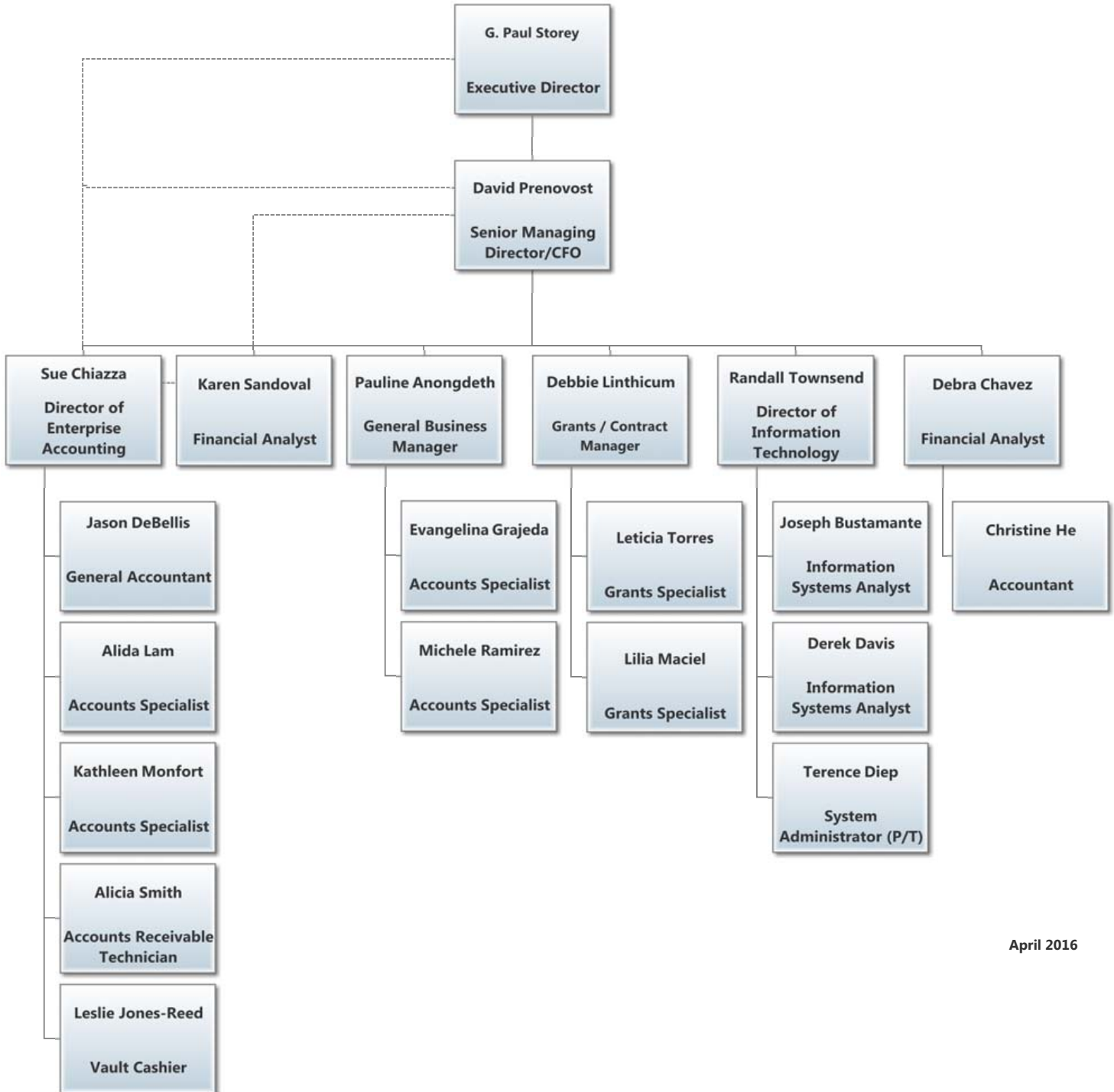
We control our business and vital factors by managing our time, providing timely service, accuracy and accessibility to information. We manage our time and projects through our 30 day goals process, weekly manager meetings, bi-weekly one on one manager meetings and monthly department meetings. We manage 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 2016

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

Continued 190030: increasing hybrid cloud integration with hosted disaster recovery services; extending wireless/IOT capability, optimizing credit card security through completion of EMV and NFC reader updates; isolating the POS network to meet PCI compliance, and implementing expanded analytics for prediction and minimization of 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, mobile services, further cloud automation, and expanded or moved facilities.

Continued -No Continuations

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

Foundation IT

Overview of Current Fiscal Year:

In fiscal year 2015-2016, project goals were met to perform the following: Financial system upgrade OneSolution v15.1, workflows, new reports and training sessions; WellsFargo processor conversion; Kronos v8 system upgrade; e-cart purchase for moving computers; Micros/ECRS/KW/Bookstore POS upgrade to P2PE/EMV readers; Bookstore Winprism upgrade and tokenization; PCI penetration testing and gap assessment for v3.1; PCI network isolation; PCI RapidSAQ installation and multiple SAQ completion; IT PCI policy/procedure updates; Tableau analytics dashboard for dining services; Solar Winds Log Management expansion; Dining H-cafe POS install; VDI expansion and testing; CCS off-site disaster recovery hardware contracting; Foundation IT Website refresh.

Projects are still open for the following: VDI testing; Enterprise services analytics project; e-cart storage, Windows 10 testing, Azure disaster recovery testing.

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 expanded need for dining support services.

Explanation of Proposed Fiscal Year Budget:

In the coming year costs for computer maintenance will level out after two years of decline. Power consumption will continue to drop through the upgrade of older virtualize servers, VDI for desktops, and the move to backup/disaster recovery processes via hosted Exagrid and Azure cloud services. Vendor software maintenance will continue to increase gradually due to increased outsourcing, mobility and cloud services. This trend will be offset somewhat by lower inhouse maintenance costs and greater business continuity. PCI consulting costs will be reduced from the previous year do to the completion of gap/pen testing assessment and mitigation. Perpetual PCI compliance service expenses will be reduced by renegotiated with vendors/consultants, staff training and certification, and automated online documentation. Expenses associated with cellular wireless services will continue a slow increase as more tablets, smart phones, and other IOT devices become strategic to business processes. Increased demand for technology driven by business growth and security compliance requirements is pressing the need for more analytics and document writer related consulting time. In-house labor resources are stable and efficient at this time.

Changes in Programs and Services for Proposed Fiscal Year:

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

Explanation of Proposed Fiscal Year Capital Requests:

We are requesting funding for the following capital projects:

1. Windows 8 Updates - Initial rollout of this new desktop operation system to the enterprise units.
2. Financial System enhancements to expand workflow automation, and prepare for the next release of OneSolution.
3. Phase II Tableau analytics expansion to support enterprise operations beyond Dining Services.
4. Further PCI 3.1 Updates - through contracted pen testing, final EMV conversion, PCI staff certification, and QSA monitoring.
5. Hybrid Cloud Service Expansion - For disaster recovery alternate processing service, and enterprise application infrastructure support with partnered auxiliaries using Microsoft Azure cloud services.
6. Continued POS Private Network Buildout - via an isolated POS network for Foundation retail services.
7. POS VM infrastructure update - to replacing aging hardware, improve performance and enhance security.
8. Expansion of log monitoring service - to increase proactive monitoring of Foundation sensitive data.

Changes in Staffing:

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

We are anticipating a leveling off of cost reductions in the near future as maintenance expenses related to desktop automation through VDI and hosting become optimized. Updates are being completed and will be stable until new technologies increase spending post virtualization. Increases in vendor maintenance fees are expected as cloud based computing is expanded for more automated application/analytics needs. Technical support to manage security monitoring, training, and risk mitigate and protection of confidential/business data is also leveling off. Additional consulting will be necessary for analytics and document writing. Over the next three years we will be performing further system consolidation; fully implementing VDI and Windows v8.1; adding new OneSolution workflow tools and reporting; increasing hybrid cloud integration with hosted disaster recovery services; extending wireless/IOT capability, optimizing credit card security through completion of EMV and NFC reader updates; isolating the POS network to meet PCI compliance, and implementing expanded analytics for prediction and minimization of 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, mobile services, further cloud automation, and expanded or moved facilities.

CAL POLY POMONA FOUNDATION, INC.

EMPLOYMENT SERVICES

2016-2017

BUSINESS PLAN



APRIL 2016

SECTION TABLE OF CONTENTS

Proposed Fiscal Year Budget	A
Business Plan Narrative	
Overview of Current Fiscal Year	B
Explanation of Proposed Fiscal Year Budget	B
Changes in Programs and Services for Proposed Fiscal Year	C
Explanation of Proposed Fiscal Year Capital Requests	C
Changes in Staffing	C
Outlook Next 3 Years and 4 to 10 Years Beyond	C
Major Projects and Business Goals for Proposed Fiscal Year	D
Mission/Vision Statement	E
Strengths and Challenges	E
Employee Survey	F
Customer Survey	F
Keys to Success	G
Corporate Culture	G
Business Controls and Vital Factors	H
Asset Protection/Risk Management	H
Organization Chart	I
Business Plan Narrative Continuation - If needed (OPTIONAL)	J

Proposed Fiscal Year Budget

A

Cal Poly Pomona Foundation Employment Services Consolidated Budget Comparison Summary For the 2016-17 Fiscal Year

	2015-16 Approved Budget	2015-16 Forecast	2016-17 Proposed	\$ Change Forecast to Proposed Budget
Expenditures- Controllable				
Repairs & Maintenance	300		300	300
Meals & Refreshments	1,500	1,200	1,500	300
Postage & Freight	480	150	480	330
Advertising	925	6,700	7,200	500
Rent/Commissions	1,200		1,200	1,200
Services	29,700	54,658	31,200	(23,458)
Supplies	17,400	15,150	16,800	1,650
Telephone	3,300	5,500	5,400	(100)
Travel	7,200	2,700	4,800	2,100
Other	16,150	22,300	18,300	(4,000)
Total Expenditures- Controllable	78,155	108,358	87,180	(21,178)
Labor Costs				
Salaries & Wages	364,216	379,500	377,516	(1,984)
Employee Benefits	228,847	190,350	209,360	19,010
Total Labor Costs	593,063	569,850	586,876	17,026
Total Expenses	671,218	678,208	674,056	(4,152)
Net Income	(671,218)	(678,208)	(674,056)	4,152

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

Overall, 2015 - 2016 was a productive year. We continue to implement improvements in process efficiencies by leveraging technology while conducting the business of Employment Services. We focus on improving existing processes which improve outcomes for our employees. We consider new employee benefits and programs, and look for new ways to provide services with the objective of remaining generally competitive with the evolving workplace demographics while working to ensure all employee benefits and programs remain fiscally viable.

Foundation continues to offer and administer three healthcare plan options for employees and early retirees including the self-insured plan with stop-loss insurance (our EPO plan), and two fully insured plans from Kaiser. One Kaiser plan is a traditional HMO plan, and the other plan is a "deductible" Kaiser plan. The deductible plan offer lower monthly premiums for employees or early retirees and has a deductible that must be paid before some services are covered. We also continue to offer three medicare healthcare plans for eligible retirees; one plan is provided by Kaiser and the other two are provided by United Healthcare.

Currently, the self-insured EPO plan remains a viable benefit, however, as the healthcare insurance market place continues to evolve due to ACA and related legislation, we will remain open to consider other options for providing quality and affordable healthcare benefits to our employees and retirees while ensuring the cost of those benefits remains sustainable.

We are currently on track to meet our goals, and due to replacing the payroll manager, we expect to exceed budget this year.

Explanation of Proposed Fiscal Year Budget:

Very little variance to the forecasted budget and proposed budget.

Changes in Programs and Services for Proposed Fiscal Year:

The online applicant management system "Talent Acquisition" will become fully operational, which will greatly improve the automation and overall functionality related to applicant flow, selecting applicants, on-boarding, and related processes.

Two notable improvements from the functionality of the Talent Acquisition include providing the ability for applicants to enter their available work schedules when applying for one or more jobs, which allows hiring managers to screen in applicants using that criteria (among other criteria) greatly reducing the need for this to occur manually at the department level, and the option allows applicants to apply for multiple positions with a single application, thereby making it much easier for all applicants, including those who apply to high turnover positions, to apply to multiple positions without the need to duplicate their efforts when completing the application process. These are only two improvements of many.

Explanation of Proposed Fiscal Year Capital Requests:

We are proposing to add the Advanced Scheduler with Analytics to the human capital management system (Kronos). These products add several key (and much needed) functions that will enhance our commercial enterprise operations with respect to employee scheduling. Several examples include the ability to optimize schedule generation (based on algorithms); employee self-services which allows employees to swap shifts and select preferred shifts, viewing schedules on a mobile device, and more; fatigue management - which is a compliance tool used to help ensure required breaks are taken; call list - which discovers and lists the most appropriate employees available to fill an open shift based on company policies and employee preferences; mobile scheduling - where the system sends a text message to qualified candidates that a shift is available and when the responses come in, the system assigns the shift to the employee who is the most senior or the first to respond; staffing management - which is where a complete view of a staffing coverage by unit, department, location, etc. to examine visual indicators to determine which areas are over or under-covered. Transfer employees to balance coverage on the desktop or tablet with drag and drop ease.

Changes in Staffing:

None.

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

During the near term there will be obvious improvements regarding how services are delivered from Employment Services in the area of applicant flow, and the internal processes used to get hired due to the addition of the Talent Acquisition Manager and its functionality.

During the next 2 - 3 years Employment Services will continue to refine its approach regarding employee development for Foundation supervisory employees. Refining and 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, our ability to attract and retain full time employees will remain fairly consistent when compared to the last 2 - 3 years. We anticipate a loss of talent (Foundation wide) during the next 2 to 5 years in key positions, and within 8 to 9 years it is forecasted the majority of our existing senior management team will have turned-over, and planning for this outcome is a key strategic objective.

Mission/Vision Statement

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

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

The Core Values of the Employment Services Department include:

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

Strengths and Challenges

Strengths

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

Challenges

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

Employee Survey

Survey not completed this year.



Customer Survey

Survey not completed this year.

Keys to Success

G

<u>Keys to Success Items</u>	<u>Rank in Importance 10 to 1</u>
Timely, clear, and thorough communications	10
Positive staff and employee relations (i.e.: employee centric)	10
Quality delivery of employee services	10
Sets example of high ethical standards	10
Fiscal accountability	10
Responsiveness	10
Setting the appropriate professional example	10
Open door policy	9
Timely and accurate database information	9
Adaptability	9
Supporting Foundation's culture of transparency	8
Enhancing employee engagement	8

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.

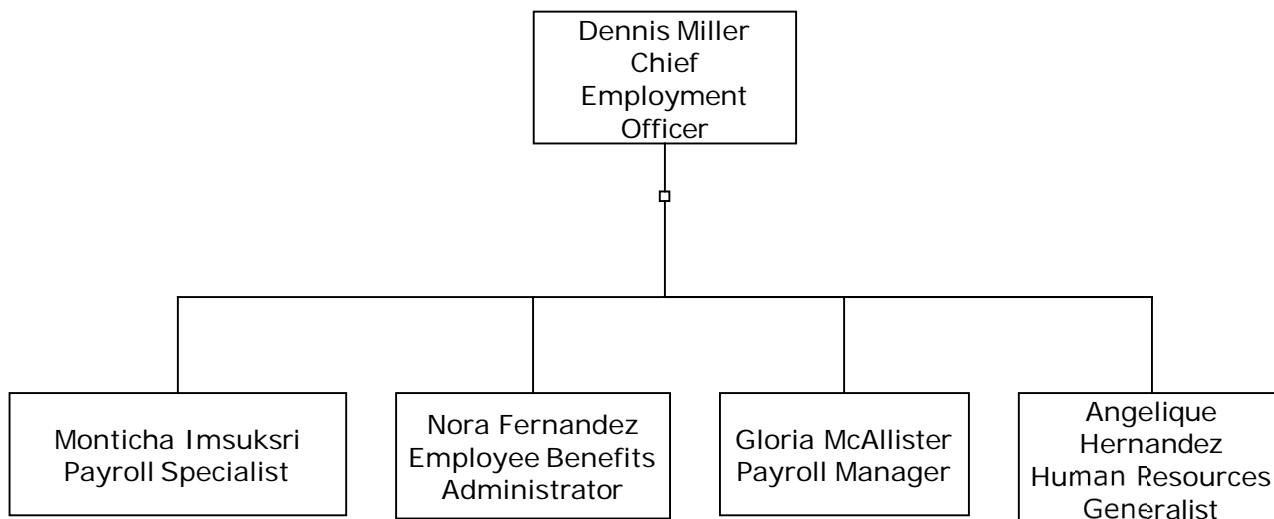
Continue to improve all employment processes.

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

Asset Protection/Risk Management

Organization Chart

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



April 2016

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

Continued -Explanation of Proposed Fiscal Year Capital Requests:

Analytics is the ideal way for organizational performance tracking. Below are a few of the analytics features that are included in this functionality:

- Data Transformation: Securely and automatically transforms volumes of transactions into usable information, such as which units are approaching overtime or which group has the most unexcused absences, in real time
- On-Demand Dashboards: Red, yellow, and green indicators immediately show where we are approaching trouble in critical areas such as cost, productivity, overtime, scheduling, and absence.
- Best Practice Key Performance Indicators (KPIs): The dashboards provide targeted thresholds that allow managers to effect quick adjustments and continuous improvements. We can show pre-populated, cross industry averages, or modify the targets to acceptable levels (thresholds) for a given unit.
- Data Analysis Views: Packaged views of key areas to help identify unit level performance issues.
- Performance Views: These views display a single, up-to-the-minute performance view combined from multiple systems. We can observe the whole picture on one screen.
- Tablet Analytics: This dashboard delivers immediate visibility and insight for key business performance metrics. Key performance indicators presented in vibrant graphics deliver the guidance needed to keep results within expectations and drive continuous improvement.
- Data Visualization and Exploration: Easily interpret workforce data and react in real time to improve cost savings and productivity. The data visualization features available enable a user to easily create a dashboard with a variety of interactive charts and graphs, such as heat maps, scatter graphs, and geographic maps. Guided discovery makes it easy to spot outliers, patterns, trends, and relationships. With potential problem areas identified, we can conduct further analysis to uncover the root cause of the issue and determine necessary steps to help avoid unpredicted expense.

CAL POLY POMONA FOUNDATION, INC.

MARKETING

2016-2017

BUSINESS PLAN



APRIL 2016

SECTION TABLE OF CONTENTS

Proposed Fiscal Year Budget	A
Business Plan Narrative	
Overview of Current Fiscal Year	B
Explanation of Proposed Fiscal Year Budget	B
Changes in Programs and Services for Proposed Fiscal Year	C
Explanation of Proposed Fiscal Year Capital Requests	C
Changes in Staffing	C
Outlook Next 3 Years and 4 to 10 Years Beyond	C
Major Projects and Business Goals for Proposed Fiscal Year	D
Mission/Vision Statement	E
Strengths and Challenges	E
Employee Survey	F
Customer Survey	F
Keys to Success	G
Corporate Culture	G
Business Controls and Vital Factors	H
Asset Protection/Risk Management	H
Organization Chart	I
Business Plan Narrative Continuation - If needed (OPTIONAL)	J

Proposed Fiscal Year Budget

A

Cal Poly Pomona Foundation
Marketing
Consolidated Budget Comparison Summary
For the 2016-17 Fiscal Year

	2015-16 Approved Budget	2015-16 Forecast	2016-17 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other	1,500	1,500	1,500	
Sales	500	500	500	
Total Revenues	2,000	2,000	2,000	
Expenditures- Controllable				
Repairs & Maintenance	2,800	3,600	2,900	(700)
Meals & Refreshments	1,200	1,200	1,500	300
Postage & Freight	250	250	250	
Advertising	56,900	56,900	46,200	(10,700)
Services	8,100	8,100	10,900	2,800
Supplies	58,950	53,600	56,630	3,030
Telephone	4,520	4,520	4,800	280
Travel	8,400	10,600	7,600	(3,000)
Other	2,425	2,425	2,422	(3)
Total Expenditures- Controllable	143,545	141,195	133,202	(7,993)
Expenditures- Non-Controllable				
Administrative Fees	91	91	91	
Depreciation	2,472	2,486	4,248	1,762
Total Expenditures- Non-Controllable	2,563	2,577	4,339	1,762
Labor Costs				
Salaries & Wages	299,748	297,148	312,564	15,416
Employee Benefits	116,777	116,777	136,872	20,095
Total Labor Costs	416,525	413,925	449,436	35,511
Total Expenses	562,633	557,697	586,977	29,280
Net Income	(560,633)	(555,697)	(584,977)	(29,280)

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

We will be within our budget by the end of fiscal year 2015-2016. Hotdog Caper (#7245) was a major success as we celebrated the Foundation's 50th Anniversary. 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.

We printed the Biennial Report this year and was below budget on the costs, Our supplies (#7328), marketing (#7180), equipment purchases (#7105) and printing (#7230) should also be within budget.

Explanation of Proposed Fiscal Year Budget:

2016-17 MARKETING BUDGET:

- 1) 3% Increase in salaries
- 2) There are no major equipment purchases in 2016-2017 other than update Alex's computer (7 years old)
- 3) Orientation Marketing increase due to increase in promos for Bronco Channel
- 4) Increase in Employee Development for Lily, Amanda and Darren
- 5) Making a capital expense purchase of a new printer to replace old Ricoh Printer (7 years old)

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:

Purchasing a new OkiData printer to replace the old Ricoh Printer from 7 years ago.

Changes in Staffing:

We are hiring part time student employees for summer orientation outreach and Marketing student for the summer/fall totaling \$4000.

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

1. Big ad campaigns to promote Innovation Brew Works, Jamba Juice, and Einstein
2. Promote Bronco Channel.com to increase awareness to the campus community.
3. Reach 40% occupancy rate for University Village during Summer '16 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 and Coffee Cart
7. Increase occupancy and conference sales at KW Hotel by 15%
8. Increase bookstore ONLINE sales by 20% and computer sales by 30%
9. promote Belly Loyalty Program
10. Increase overall website hits from 600,000 hits per year to 750,000
11. Increase BroncoGear Sales by 20% and Grad Fair by 15%
12. Rebrand campaign for Kellogg West

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
100 % Accessibility for our websites	Alex	July
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
Bronco CHannel	Darren	Dec
Create campaign for Bridal at Kellogg House	Edwin/Alex	July
Increase Dining Services' FB "likes" by 40%	Lily/Darren	June
Re-Do Dining Services Website	Alex	Dec
Promote ATT	Edwin	July
Belly Campaign	Darren	Decemver
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

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
2. Enrollment numbers down
3. Limited budget of clients
4. Lack of planning from unit
5. Mass Email distribution issues

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	9
Use of emerging technology to reach our target market	9
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

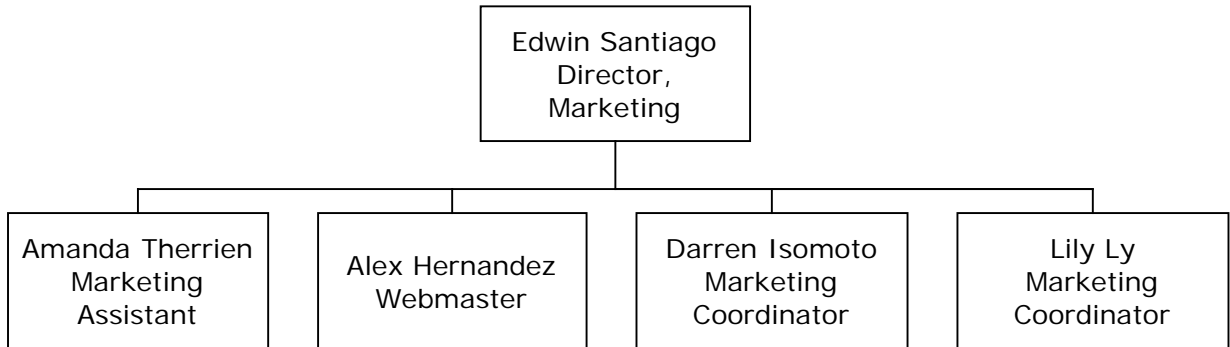
Business Controls and Vital Factors

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 2016

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

Continued -No Continuations

**Cal Poly Pomona Foundation
Real Estate Admin
Consolidated Budget Comparison Summary
For the 2016-17 Fiscal Year**

	2015-16 Approved Budget	2015-16 Forecast	2016-17 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other		17,500	7,200	(10,300)
Sales	6,800	3,150	1,800	(1,350)
Total Revenues	6,800	20,650	9,000	(11,650)
Expenditures- Controllable				
Meals & Refreshments	200	250	250	
Postage & Freight	100	100	100	
Advertising	600	650	650	
Services	1,700	2,000	2,000	
Supplies	1,600	200	1,600	1,400
Telephone	1,440	2,200	1,440	(760)
Travel	4,950	4,000	7,900	3,900
Other	650	800	1,350	550
Total Expenditures- Controllable	11,240	10,200	15,290	5,090
Expenditures- Non-Controllable				
Depreciation	1,500			
Total Expenditures- Non-Controllable	1,500			
Labor Costs				
Salaries & Wages	190,188	180,285	188,196	7,911
Employee Benefits	61,102	61,336	77,061	15,725
Total Labor Costs	251,290	241,621	265,257	23,636
Total Expenses	264,030	251,821	280,547	28,726
Net Income	(257,230)	(231,171)	(271,547)	(40,376)

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

Real Estate Administration

Overview of Current Fiscal Year:

The Department has experienced growth in demand for our services due to the potential project at Spadra for 17 acres of land for California Air Resources Board, the 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. Both have done a great job in keeping up with the challenges they face in addition to their routine job demands.

Tenancy at CTTi has been in flux with one tenant downsizing and 3 tenants expanding. In addition, the HVAC system required a complete engineering assessment and re-design with resulting construction. This added a very long and arduous project to manage to the already heavy work load in the department. This project is 90% complete, but issues remain which are being worked through. Innovation Village is adding its 5th building on site with SCE's 3rd building completing construction in Spring 2016. This too adds one more site to manage for this team as SCE sources out its landscape maintenance to the Landlord for cost reduction and uniformity. The Department has reached critical mass.

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 a new build-to-suit project 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 CPP Campus South 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 need due diligence and disposition. We are aware of a few new gift properties that could be added to our portfolio in the coming year and we anticipate being involved with the monetization of 1 or 2 gift properties that will be ready for re-sale. In addition, the faculty-staff housing program 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 50 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 CPP Campus South 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
∞∞∞
DEFERRED INFLOWS,
EPO CLAIMS
AND
IBNR

Cal Poly Pomona Foundation
Deferred Inflows,EPO Claims & IBNR
Consolidated Budget Comparison Summary
For the 2016-17 Fiscal Year

	2015-16 Approved Budget	2015-16 Forecast	2016-17 Proposed	\$ Change Forecast to Proposed Budget
Labor Costs				
Employee Benefits	644,468	(374,015)	(200,076)	173,939
Total Labor Costs	644,468	(374,015)	(200,076)	173,939
Total Expenses	644,468	(374,015)	(200,076)	173,939
Net Income	(644,468)	374,015	200,076	(173,939)

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

Deferred Inflows, EPO Medical Claims & IBNR

Overview of Current Fiscal Year:

The forecast includes the amortization of deferred inflows of \$825,000 (net differences between projected and actual earnings on plan pension investments) offset by medical claims in excess of projected claims from the EPO (Exclusive Provider Organization) Plan of \$450,985.

Explanation of Proposed Fiscal Year Budget:

The proposed budget includes the amortization of deferred inflows of \$893,868 (net differences between projected and actual earnings on plan pension investments) offset by medical claims in excess of projected claims from the EPO (Exclusive Provider Organization) Plan of \$550,000 and the IBNR (Incurred but Not Reported) medical claims of \$143,793.

OPERATING BUDGETS
GENERAL ACTIVITIES
∞∞∞
REAL ESTATE DEVELOPMENT

CAL POLY POMONA FOUNDATION, INC.

REAL ESTATE DEVELOPMENT

2016-2017

BUSINESS PLAN



APRIL 2016

SECTION TABLE OF CONTENTS

Proposed Fiscal Year Budget	A
Business Plan Narrative	
Overview of Current Fiscal Year	B
Explanation of Proposed Fiscal Year Budget	B
Changes in Programs and Services for Proposed Fiscal Year	C
Explanation of Proposed Fiscal Year Capital Requests	C
Changes in Staffing	C
Outlook Next 3 Years and 4 to 10 Years Beyond	C
Major Projects and Business Goals for Proposed Fiscal Year	D
Mission/Vision Statement	E
Strengths and Challenges	E
Employee Survey	F
Customer Survey	F
Keys to Success	G
Corporate Culture	G
Business Controls and Vital Factors	H
Asset Protection/Risk Management	H
Organization Chart	I
Business Plan Narrative Continuation - If needed (OPTIONAL)	J

Cal Poly Pomona Foundation
Real Estate
Consolidated Budget Comparison Summary
For the 2016-17 Fiscal Year

	2015-16 Approved Budget	2015-16 Forecast	2016-17 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Investment Returns	74,220	76,478	76,488	10
Other	322,084	345,584	126,981	(218,603)
Sales	2,886,435	3,553,768	3,897,663	343,895
Total Revenues	3,282,739	3,975,830	4,101,132	125,302
Cost of Goods Sold				
Total Cost of Goods Sold				
Expenditures- Controllable				
Utilities	371,370	398,619	414,400	15,781
Agr/RE Fees	50,004			
Insurance	42,492	36,640	40,908	4,268
Repairs & Maintenance	199,309	832,991	621,743	(211,248)
Meals & Refreshments	300	750	450	(300)
Postage & Freight	120	80	120	40
Advertising	6,300	9,886	14,500	4,614
Rent/Commissions	9,000	9,000	12,600	3,600
Services	831,207	720,779	1,073,164	352,385
Supplies	33,524	26,711	32,516	5,805
Telephone	6,000	5,442	6,000	558
Travel	4,225	2,350	5,725	3,375
REAL ESTATE FEES		38,382	43,452	5,070
Other	103,428	124,247	80,231	(44,016)
Total Expenditures- Controllable	1,657,279	2,205,877	2,345,809	139,932
Expenditures- Non-Controllable				
Administrative Fees	166,284	197,766	201,744	3,978
Depreciation	894,069	874,757	813,396	(61,361)
Interest Expense	265,852	158,751	148,168	(10,583)
Other	23,550	18,818	14,000	(4,818)
Total Expenditures- Non-Controllable	1,349,755	1,250,092	1,177,308	(72,784)
Labor Costs				
Salaries & Wages	179,052	159,160	168,564	9,404
Employee Benefits	75,934	67,500	77,120	9,620
Total Labor Costs	254,986	226,660	245,684	19,024
Total Expenses	3,262,020	3,682,629	3,768,801	86,172
Net Income	20,719	293,201	332,331	39,130

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

DESCRIPTION	Actual YTD 3/31/15	2014-15 Actual	2014-15 Forecast	2014-15 Approved Budget	Actual YTD 3/31/16	2015-16 Forecast	2015-16 Approved Budget	2016-17 Proposed Budget
REAL ESTATE DEVELOPMENT								
220080 Center for Training Technology & Incubation	1,572	(110,213)	(121,425)	(121,170)	82,129	(77,165)	(86,353)	(92,490)
220010 Innovation Village - see Note 1	387,610	531,785	257,262	442,702	411,165	521,914	335,653	740,517
220050 Innovation Village/American Red Cross	6,687	(3,132)	-	-	9,740	-	-	-
220052 Innovation Village/Tramel Crow	(854)	(604)	-	-	1,491	-	-	-
220070 Innovation Village Common Areas	(63,974)	-	-	-	(57,188)	-	4	2
220250 Trammel Crow/I.V. Phase IV	(1,015)	(490)	-	-	776	-	-	-
459540 Spadra Farm	-	65,291	-	(15,300)	(350)	(500)	-	-
460760 Real Estate Campus Improvement	-	-	-	-	-	-	-	-
461890 Innovation Village Phase V	69,022	(101,245)	-	-	82,112	-	-	-
461900 Innovation Village Phase VI	-	-	-	-	-	-	-	-
462140 Support for Lanterman Operations	-	(30,022)	-	-	(573,663)	(500,000)	(500,000)	(500,000)
Total Real Estate Development	399,048	351,370	135,837	306,232	(43,788)	(55,751)	(250,696)	148,029
RENTAL Buildings								
200660 Building # 66 - Classrooms & Offices	72,315	98,689	102,904	97,368	88,928	99,924	94,124	131,358
190970 Building # 97 - Offices	93,260	121,792	116,623	127,986	97,568	127,407	121,509	130,638
200220 CTTi Building # 220A - College of ENV Studio	(107,469)	(146,815)	(146,376)	(117,676)	(97,280)	(141,710)	(137,600)	(149,632)
190330 Downtown Pomona Building	-	-	-	-	-	-	-	-
Total Rental Buildings	58,106	73,666	73,151	107,678	89,216	85,621	78,033	112,364
FACULTY/STAFF HOUSING								
Fund 11 Faculty/Staff Housing	153,480	167,569	179,934	(10,523)	209,577	263,331	193,382	71,938
Total Faculty/Staff Housing	153,480	167,569	179,934	(10,523)	209,577	263,331	193,382	71,938
GRAND TOTAL REAL ESTATE	610,634	592,605	388,922	403,387	255,005	293,201	20,719	332,331

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

The residential real estate market continues to see signs of growth this past year and it appears we can expect the same in the next fiscal year. 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 50 faculty new-hires on a list to market to coming into Fall 2016. 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. Lastly, some of the owners who have been with us a while are feeling the pinch of the gradual ground rent increases and are looking to move out of our program as a result. We still own 2 units at Fair Oaks Walk that are currently leased, and 2 on the market. It is likely that we will maintain no more than 2 units at Fair Oaks as rentals and will sell the remaining 2 and all those that come back to us in the coming year.

On the commercial real estate side Innovation Village is progressing right on schedule with the completion of construction for Phase V in Spring 2016.

Expenses for the most part are steady with some exception in Innovation Village at CTTi due to unanticipated HVAC modifications. 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 2016-17 at similar levels experienced in 2015-16 with the exception of our faculty/staff housing program. We will continue to sell more homes in our program as stated earlier. We do see more confidence with our buyers in committing to purchase, however, challenges remain in the lending environment.

We anticipate a similar influx of new hires at the University as we did last year 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 commence in the Spring of 2016 and CTTi is now 98% leased.

We had to halt all activity related to last year's capital requests for Innovation Village 2 (Spadra Farm). Our EIR never went beyond a draft and is on hold. 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, but that project remains on hold as well until the campus can complete its Strategic Plan and Master Plan. 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 and CPP Campus South projects, however they do remain somewhat tentative at this time. Additionally we continue to experience an increase in real estate donations to the University.

Explanation of Proposed Fiscal Year Capital Requests:

The Center for Training, Technology and Incubation has stabilized and we anticipate only needing capital next year for replacement of bathroom partitions. The same goes for Building 66 and we will be refreshing the atrium paint as well.

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 CPP Campus South.

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. CPP Campus South 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

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 7 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 Chamber 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, CPP Campus South) 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.

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

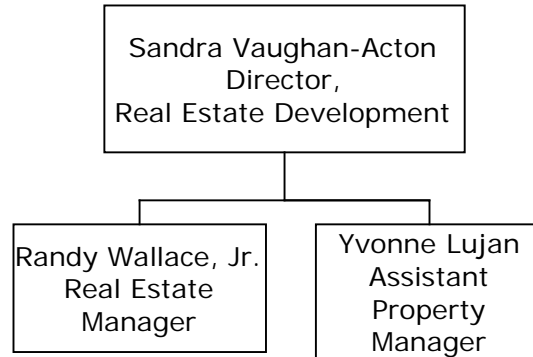
- Business Plan
- 30 day goals
- Capital and operating budgets
- Board of Director input
- Monthly P&L reports and management review
- Periodic updates to budget forecast
- Bi-weekly one on one meetings with Executive Director
- Monthly department meetings to go over all activities
- Current market indicators 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 CPP Campus South, as well as real estate donations and other ad-hoc assignments, we have begun looking at Asset Protection and Risk Management of all facilities.

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

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



April 2016

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 the 2016-17 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 2016-17 Fiscal Year

	2015-16 Approved Budget	2015-16 Forecast	2016-17 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Investment Returns	1,181,071	(1,116,641)	918,560	2,035,201
Total Revenues	1,181,071	(1,116,641)	918,560	2,035,201
Expenditures- Non-Controllable				
Other	96,487	96,384	87,476	(8,908)
Total Expenditures- Non-Controllable	96,487	96,384	87,476	(8,908)
Total Expenses	96,487	96,384	87,476	(8,908)
Net Income	1,084,583	(1,213,025)	831,084	2,044,109

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 \$1.2 million and have a value of \$43 million by June 2016. The forecasted gain on equity and real assets for the remainder of the year is 0.0%; fixed income is 0.0%; dividends is 1.29% and interest is 2.65%. Forecasted additions to the portfolio include a total of \$1.0 million in May 2016. Distribution of the yield (interest) to the programs and scholarships is \$544,437. 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 \$831 thousand and has a value of \$47.3 million in June 2017. The annual gain on equity and real assets is 4%; fixed income is 0%; dividends is 1.29% and interest is 2.65%. Additions to the portfolio include a total of \$3.0 million: \$1.0 in January, \$1.0 in April and \$1.0 in May 2017. Distribution of the yield (interest) to the programs and scholarships is \$544,436. 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 2016-17 Fiscal Year**

	2015-16 Approved Budget	2015-16 Forecast	2016-17 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Investment Returns	5,247,196	(4,994,171)	4,994,903	9,989,074
Other	1,020,000	1,477,776	1,308,000	(169,776)
Total Revenues	6,267,196	(3,516,395)	6,302,903	9,819,298
Expenditures- Controllable				
Other	1,395,955	1,304,318		(1,304,318)
Total Expenditures- Controllable	1,395,955	1,304,318		(1,304,318)
Expenditures- Non-Controllable				
Administrative Fees	472,129	445,455	444,785	(670)
Other	352,958	199,712	332,009	132,297
Total Expenditures- Non-Controllable	825,087	645,167	776,794	131,627
Total Expenses	2,221,042	1,949,485	776,794	(1,172,691)
Net Income	4,046,154	(5,465,880)	5,526,109	10,991,989

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

Endowment Activities

Overview of Current Fiscal Year:

The forecast is projected to generate a net deficit of \$5.5 million due to market performance. The endowment portfolio's value is forecasted to be \$85.3 million as of June 2016. 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. Annual dividends and interest returns are forecasted to 1.06% and 3.99% respectively. Total investment fees are forecasted to be 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 \$1.5 million per the Division of Advancement. A distribution of 3.0% or \$1.3 million endowment earnings was made in October 2015.

Explanation of Proposed Fiscal Year Budget:

The proposed budget generates a surplus of \$5.5 million mainly due to donations and portfolio returns. The endowment portfolio's value is projected to be \$90.9 million as of June 2017. Working with our investment advisor at Graystone Consulting a division of Morgan Stanley, we have proposed an annual gain of 4.0% for the equity portion of the portfolio excluding dividends. Dividends and interest are proposed to return 1.06% and 3.99% respectively. Total investment fees are forecasted to be 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 \$1.3 million per the Division of Advancement. We do not anticipate an endowment earnings distribution.

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:

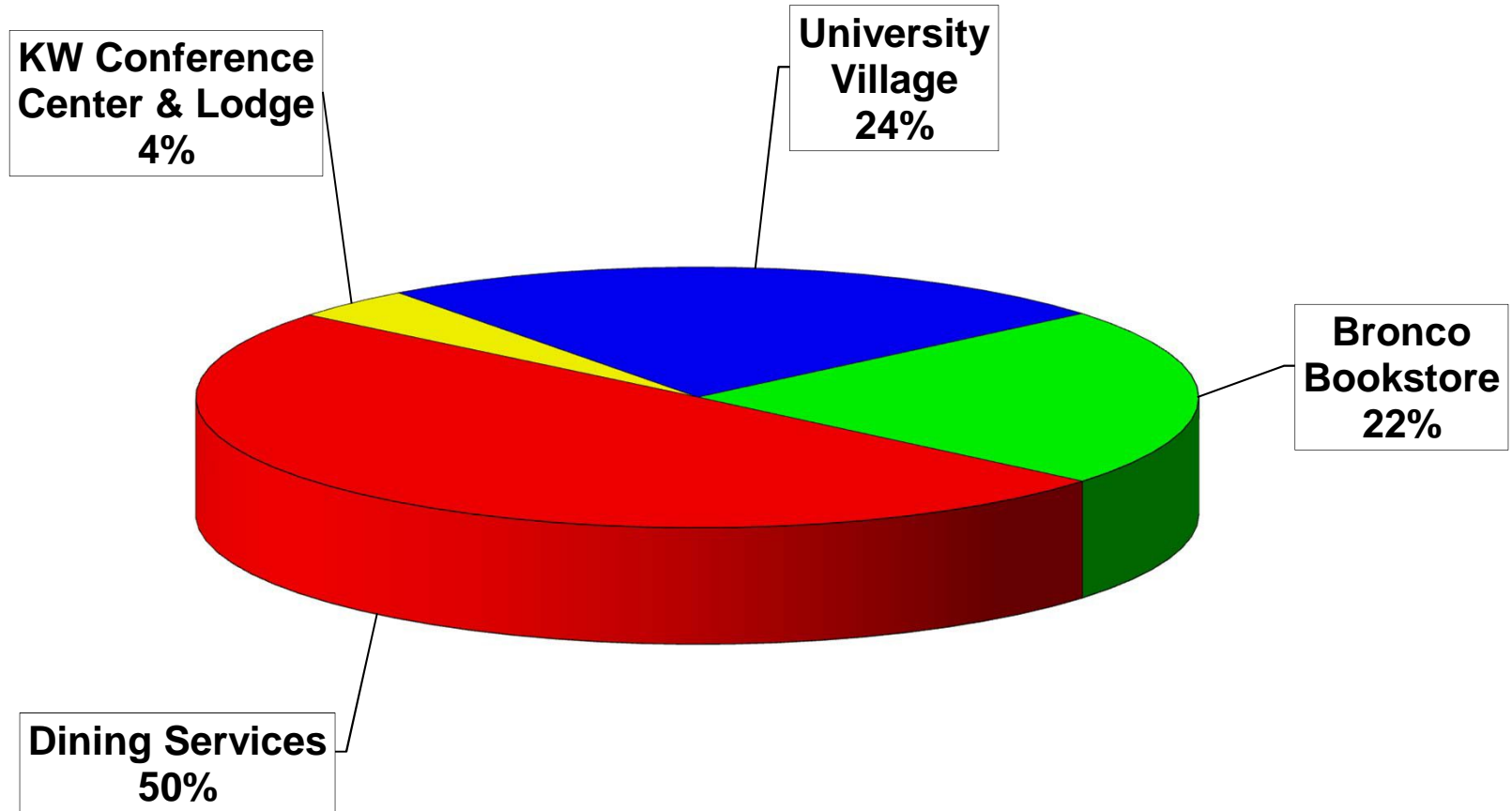
It is anticipated that \$1.0 million each year will be received in donations to the endowment based on past trends and existing pledges for the next 3 years and the 4 to 10 years beyond.


OPERATING BUDGETS ENTERPRISES

Cal Poly Pomona Foundation
Enterprises
Consolidated Budget Comparison Summary
For the 2016-17 Fiscal Year

	2015-16 Approved Budget	2015-16 Forecast	2016-17 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other	593,053	614,601	648,085	33,484
Sales	39,834,281	38,875,957	41,195,321	2,319,364
Total Revenues	40,427,334	39,490,558	41,843,406	2,352,848
Cost of Goods Sold				
Cost of Goods Sold	13,509,332	13,325,938	13,548,761	222,823
Total Cost of Goods Sold	13,509,332	13,325,938	13,548,761	222,823
Expenditures- Controllable				
Utilities	1,249,416	1,178,178	1,245,426	67,248
Agr/RE Fees	480	350	480	130
Insurance	172,046	143,807	173,773	29,966
Repairs & Maintenance	725,835	765,844	878,170	112,326
Meals & Refreshments	12,185	12,934	13,368	434
Postage & Freight	58,590	54,229	55,878	1,649
Advertising	74,876	65,561	66,112	551
Rent/Commissions	538,367	488,733	542,737	54,004
Services	778,932	733,330	772,148	38,818
Supplies	869,377	974,576	962,831	(11,745)
Telephone	420,759	436,466	435,657	(809)
Travel	40,174	36,626	50,393	13,767
Laundry	206,832	233,041	257,017	23,976
Other	113,043	97,630	213,163	115,533
Total Expenditures- Controllable	5,260,912	5,221,305	5,667,153	445,848
Expenditures- Non-Controllable				
Administrative Fees	2,610,459	2,549,040	2,707,552	158,512
Depreciation	3,439,419	2,834,133	2,930,691	96,558
Interest Expense	925,965	927,880	925,969	(1,911)
Rent/Commissions	611,675	602,144	656,651	54,507
Bank Card Fees	538,168	568,279	586,978	18,699
Other	534,374	570,047	674,885	104,838
Total Expenditures- Non-Controllable	8,660,060	8,051,523	8,482,726	431,203
Labor Costs				
Salaries & Wages	7,908,733	7,916,081	8,179,104	263,023
Employee Benefits	2,400,177	2,217,844	2,549,158	331,314
Total Labor Costs	10,308,910	10,133,925	10,728,262	594,337
Total Expenses	37,739,214	36,732,690	38,426,902	1,694,211
Net Income	2,688,120	2,757,867	3,416,504	658,636

Enterprise Proposed Budget Revenues



OPERATING BUDGETS
ENTERPRISES

BOOKSTORE

CAL POLY POMONA FOUNDATION, INC.

BRONCO BOOKSTORE

2016-2017

BUSINESS PLAN



APRIL 2016

SECTION TABLE OF CONTENTS

Proposed Fiscal Year Budget	A
Business Plan Narrative	
Overview of Current Fiscal Year	B
Explanation of Proposed Fiscal Year Budget	B
Changes in Programs and Services for Proposed Fiscal Year	C
Explanation of Proposed Fiscal Year Capital Requests	C
Changes in Staffing	C
Outlook Next 3 Years and 4 to 10 Years Beyond	C
Major Projects and Business Goals for Proposed Fiscal Year	D
Mission/Vision Statement	E
Strengths and Challenges	E
Employee Survey	F
Customer Survey	F
Keys to Success	G
Corporate Culture	G
Business Controls and Vital Factors	H
Asset Protection/Risk Management	H
Organization Chart	I
Business Plan Narrative Continuation - If needed (OPTIONAL)	J

Proposed Fiscal Year Budget

A

Cal Poly Pomona Foundation Bronco Bookstore Consolidated Budget Comparison Summary For the 2016-17 Fiscal Year

	2015-16 Approved Budget	2015-16 Forecast	2016-17 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other	162,500	158,497	182,500	24,003
Sales	9,601,280	9,547,193	9,127,580	(419,613)
Total Revenues	9,763,780	9,705,690	9,310,080	(395,610)
Cost of Goods Sold				
Cost of Goods Sold	6,826,841	6,897,880	6,440,446	(457,434)
Total Cost of Goods Sold	6,826,841	6,897,880	6,440,446	(457,434)
Expenditures- Controllable				
Utilities	65,180	56,900	64,880	7,980
Repairs & Maintenance	30,614	25,033	33,314	8,281
Meals & Refreshments			2,400	2,400
Postage & Freight	53,280	46,500	53,280	6,780
Advertising	10,250	10,255	11,350	1,095
Rent/Commissions	11,680	11,806	8,160	(3,646)
Services	51,550	35,360	37,250	1,890
Supplies	32,955	33,166	34,250	1,084
Telephone	12,800	13,800	13,200	(600)
Travel	1,200	1,200	4,900	3,700
Other	15,148	12,848	15,148	2,300
Total Expenditures- Controllable	284,657	246,868	278,132	31,264
Expenditures- Non-Controllable				
Administrative Fees	636,751	631,380	612,998	(18,382)
Depreciation	162,000	142,176	120,000	(22,176)
Insurance	12,181	12,181	12,181	
Bank Card Fees	170,869	173,719	162,929	(10,790)
Other	220	220	220	
Total Expenditures- Non-Controllable	982,021	959,676	908,328	(51,348)
Labor Costs				
Salaries & Wages	1,022,522	982,259	1,055,798	73,539
Employee Benefits	330,340	339,962	334,578	(5,384)
Total Labor Costs	1,352,862	1,322,221	1,390,376	68,155
Total Expenses	9,446,381	9,426,645	9,017,282	(409,363)
Net Income	317,399	279,045	292,798	13,753

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 2015-16.

Sales in gifts and soft goods general merchandise continue to show steady growth, and food/convenience categories are also up. Supplies sales are somewhat down compared to last year but tracking ahead of budget.

YTD, revenue from course materials sales/rentals is down about 8.5%, largely due to decreases in new books and access codes. However, continued effort to maximize used book and rental margins has helped preserve gross margin in this area with only a 4% decrease as of January 31.

In technology classes computer/hardware sales down about 16% from previous year, this is a low margin category so has little net impact. Sales in software/accessories category are also down about 18%, as more software transitions to licenses and subscriptions vs. media purchased in the bookstore. The strategy to carry more higher margin accessories and technology items continues to pay off as gross margin dollars in technology are actually up from last year.

Last year was the first year GM/clothing sales passed the \$1 million mark in clothing sales, and this year they are on track to be in that range again.

Explanation of Proposed Fiscal Year Budget:

We do not expect and have not forecasted for any significant budget fluctuations for the 2016-2017 fiscal year. Revenue from course materials sales/rental will continue to decrease slightly, but continued emphasis on maximizing rebate opportunities and higher margin sourcing strategies should mostly preserve course materials gross margin amounts. GM sales should continue to increase with the expected increased enrollments, adding additional sales floor space to the first floor will also contribute to growth in GM categories.

Changes in Programs and Services for Proposed Fiscal Year:

1. "Inclusive/Instant Access" course materials fee pilot program, target implementation Fall 2016. Course materials for select courses participating in this program will be provided to students digitally as part of registration for the course. Students will have free access for the first 2 weeks of class with the ability to opt out at the end of that period. and purchase or procure their materials elsewhere. Students who remain opted in will be billed for the materials at that point by the university, and in turn the bookstore will bill the university for the net cost of the opted in students' books, and will handle paying the publishers.
2. AB798 OER textbook pilot incentive program. The bookstore, as part of the Affordable Learning Initiative committee, will assist the committee in identifying courses that would be appropriate for participation in the grant proposal for OER adoption. Once courses and materials are identified the bookstore will help inform students about the OER materials by including information in the course adoption system and posting it on the textbook e-commerce site. We will also provide print copies for students who still wish to purchase physical books.

Explanation of Proposed Fiscal Year Capital Requests:

1. Downstairs sales floor/office area remodel to add additional sales space
2. Complete POS register updates to meet PCI requirements

Changes in Staffing:

The departure of our textbook operations, logistics manager may create a need to fill 1 position in 2016-17. However, we will carefully consider the projected needs of the course materials receiving area given upcoming campus changes before posting any position. As always, 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:

Managing the course materials ecosystem will continue to pose challenges. Publishers will increase their direct-to-student marketing. Rentals have peaked, and both paid digital/licensed content and OERs are gaining more market share. The store should have a role to play in aggregating/curating adoption and usage data, and facilitating transactions for digital content. Sales of new printed textbooks will continue to decline but print book sales/rentals will still be a large 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.

Mission/Vision Statement

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

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

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

Strengths and Challenges

Strengths

Reputation for 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

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-February 2016

The overall ranking in the Customer Survey was 4.0 (on a scale of 1 (lowest) - 5 (highest) up from 3.92 in 2015, and higher than the industry average of 3.93. Satisfaction on nearly all individual indicators was up from the previous year. As has been common the past several years satisfaction was highest on indicators related to the store's appearance, efficiency and service but lower on those related to textbook pricing and buyback. Since the store puts significant effort into textbook affordability, this continues a need for the store to raise student awareness regarding affordable options.

The ranking from the Faculty Survey was 3.96, up from 3.9 last year and compared to an industry average 3.94. Store staff rate as very knowledgeable and friendly and the store as responsive and easy to work with. The majority of faculty see the store as a valuable partner in helping to deliver high quality education to students. They also believe that the cost of course materials has an impact on student learning, so we need to continue educating faculty about the variety of course material options at different price points offer, and reach out to them regarding non-traditional and Open Educational Resource options from the store. Troublingly, 45% of faculty indicate they refer students to purchase or rent from Amazon, and 18% refer students directly to publisher sites. Focusing on faculty outreach will continue to be a key goal for the textbook staff this year.

In addition to the NACS satisfaction surveys, the store participated in the 2015 Independent College Store Report (ICSR) benchmarking survey which compares financial and operational performance across participating stores. Bronco Bookstore overall compares well to stores with similar sales volume, in our sales cohort we ranked 8th for net income results, and in spite of having lower gross margin dollars had higher efficiency.

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. Elevator - Bookstore elevator hardware was replaced in December 2015.
2. 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.
3. Safety devices in place and maintained.
Received inspection and posted permit for air tank in the HVAC room.

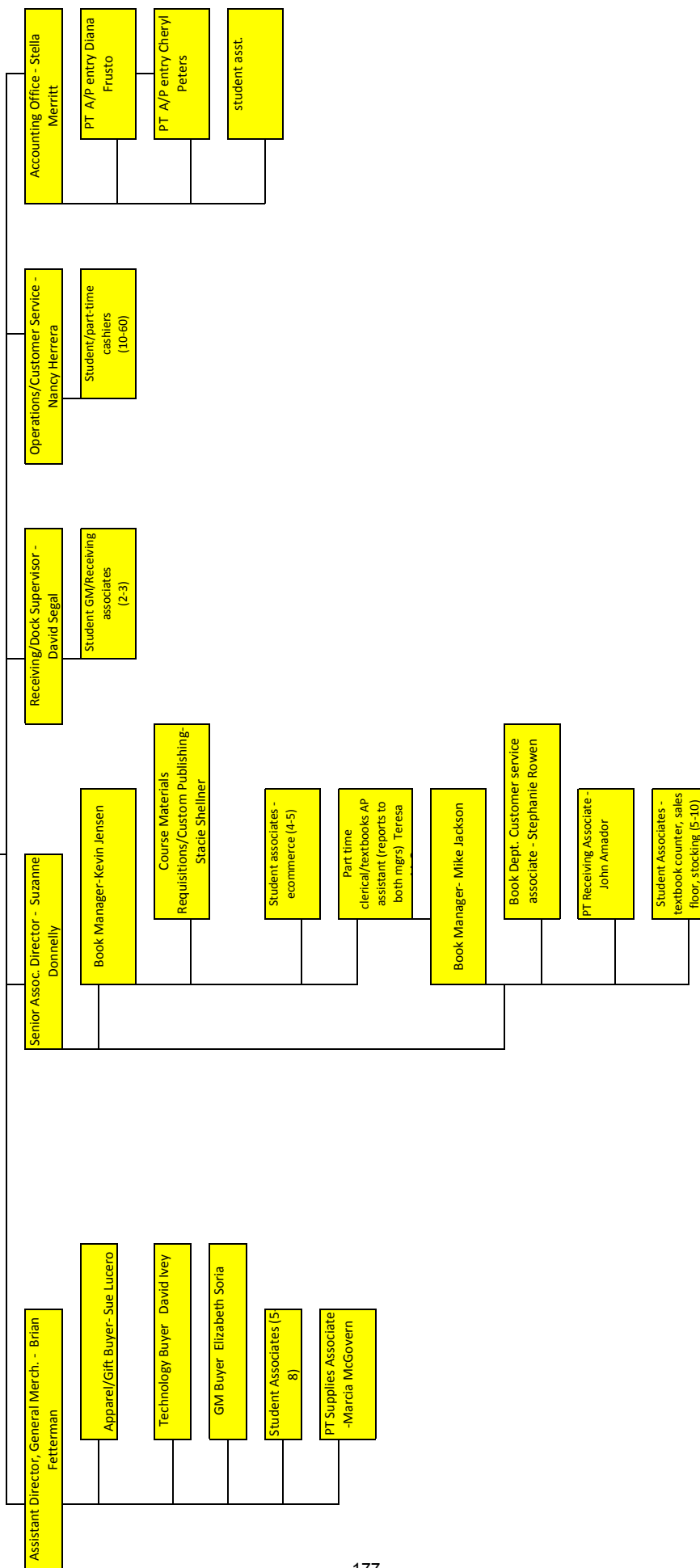
Data Security

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

Bronco Bookstore 2016-2017 Organization Chart


Store Director Clint Aase



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

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

Continued -No Continuations

OPERATING BUDGETS
ENTERPRISES

DINING SERVICES

CAL POLY POMONA FOUNDATION, INC.

FOUNDATION DINING SERVICES

2016-2017

BUSINESS PLAN



APRIL 2016

SECTION TABLE OF CONTENTS

Proposed Fiscal Year Budget	A
Business Plan Narrative	
Overview of Current Fiscal Year	B
Explanation of Proposed Fiscal Year Budget	B
Changes in Programs and Services for Proposed Fiscal Year	C
Explanation of Proposed Fiscal Year Capital Requests	C
Changes in Staffing	C
Outlook Next 3 Years and 4 to 10 Years Beyond	C
Major Projects and Business Goals for Proposed Fiscal Year	D
Mission/Vision Statement	E
Strengths and Challenges	E
Employee Survey	F
Customer Survey	F
Keys to Success	G
Corporate Culture	G
Business Controls and Vital Factors	H
Asset Protection/Risk Management	H
Organization Chart	I
Business Plan Narrative Continuation - If needed (OPTIONAL)	J

Proposed Fiscal Year Budget

A

Cal Poly Pomona Foundation Dining Services Consolidated Budget Comparison Summary For the 2016-17 Fiscal Year

	2015-16 Approved Budget	2015-16 Forecast	2016-17 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other	299,883	325,954	335,310	9,356
Sales	19,102,232	18,590,162	20,290,554	1,700,392
Total Revenues	19,402,115	18,916,116	20,625,864	1,709,748
Cost of Goods Sold				
Cost of Goods Sold	6,682,491	6,428,058	7,108,315	680,257
Total Cost of Goods Sold	6,682,491	6,428,058	7,108,315	680,257
Expenditures- Controllable				
Utilities	384,666	383,288	394,503	11,215
Insurance	35,899	16,881	39,211	22,330
Repairs & Maintenance	198,462	264,441	303,547	39,106
Meals & Refreshments	2,985	4,775	1,318	(3,457)
Postage & Freight	150	5,234		(5,234)
Advertising	33,346	43,064	37,691	(5,373)
Rent/Commissions	514,221	471,602	529,222	57,620
Services	412,402	375,101	414,452	39,351
Supplies	661,217	771,484	757,809	(13,675)
Telephone	44,020	55,311	57,092	1,781
Travel	27,574	25,326	37,743	12,417
Laundry	104,554	123,868	124,917	1,049
Other	13,716	17,948	17,281	(667)
Total Expenditures- Controllable	2,433,212	2,558,323	2,714,786	156,463
Expenditures- Non-Controllable				
Administrative Fees	1,261,009	1,229,748	1,341,191	111,443
Depreciation	550,457	589,567	616,435	26,868
Rent/Commissions	611,075	601,544	656,051	54,507
Bank Card Fees	241,551	284,484	299,561	15,077
Other	358,254	383,448	485,995	102,547
Total Expenditures- Non-Controllable	3,022,346	3,088,791	3,399,233	310,442
Labor Costs				
Salaries & Wages	4,864,041	4,992,298	5,143,716	151,418
Employee Benefits	1,372,436	1,246,102	1,482,532	236,430
Total Labor Costs	6,236,477	6,238,400	6,626,248	387,848
Total Expenses	18,374,526	18,313,571	19,848,582	1,535,010
Net Income	1,027,589	602,544	777,282	174,737

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

The 25% increase in the minimum wage over the span of the last 18 months will only continue to ebb away at our profitability as we struggle to balance campus price sensitivities with operational realities.

A decrease in resident student population to an effective 91% occupancy rate has translated to a \$300k reduction in revenue per quarter at the resident dining operations, and only nominally affecting the retail operations in terms of point spend available. Some operational adjustments were required, and a deep-dive into the granular detail of operational costs has been undertaken by the dining team. The result, we feel, will be a positive net margin of ~\$500k overall.

BSC Operations continue to be relatively strong from a revenue standpoint, but struggle to translate that revenue to the bottom line. We are analyzing our catering operations and are making adjustments to address this to close out the year on a strong note. The opening of Hibachi-San last September, a brand created for Cal Poly Pomona by Panda, as a leased operation at the BSC seems to be drawing marginal revenue from the remainder of the retail operations. This will require continued vigilance and care when considering any further expansion of retail dining on our campus. Envision Strategies, our Dining Master Plan Consultant, has validated that we have penetrated the dining market to the point where retail expansion would only serve to cannibalize the revenue from our existing operations.

Kellogg West dining continues to operate in the black, even in the face of on-campus cutbacks of catering orders. A focus has been and will continue to be drawing off-campus revenue to the facilities we manage.

All of our enterprise operations will continue to watch the minimum wage activity.

Explanation of Proposed Fiscal Year Budget:

The 25% increase in the minimum wage over the span of the last 18 months will only continue to ebb away at our profitability as we struggle to balance campus price sensitivities with operational realities. Our dining operations support hundreds of student and part time employees to the tune of over \$2,500,000 in payroll. This \$500,000 increase in raw payroll costs over 18 months exceeds our budgeted net margin for the entire fiscal year 2014-2015, or nearly 3% of revenue.

The upcoming Fiscal year we will be challenged with managing our food and labor costs and pricing our offering competitively in this environment. While we continue to monitor retail pricing and adjust to the local market, cost of goods, and minimum wage pressures, the decisions are easy to make yet difficult to implement in our price-sensitive environment. The only tailwind we foresee is the planned enrollment increases to take place over the next couple of years.

We anticipate marginal increases in revenue from Innovation Brew Works as planned distribution and educational projects take hold which will increase the efficiency of the operation as additional labor required to accomplish these initiatives appear to be marginal at this time.

H Cafe will be introduced this spring in the Collins College of Hospitality Management expansion building. Our goal is to operate this at a breakeven point, though it is budgeted at at \$32k loss. We will explore operating this as a subsidized operation if the budgeted targets are not exceeded.

We have requested a modest 3% increase in traditional board rates and a nominal increase in points spending power of \$50 per plan for suites residents.

Changes in Programs and Services for Proposed Fiscal Year:

Los Olivos: None

CCMP: 2nd Floor lobby enhancement

BSC: None

IBW: Beer distribution and brew lab fees

Explanation of Proposed Fiscal Year Capital Requests:

- Brew Lab enhancements: \$27k
- Brewery upgrade completion \$70k
- Starbuck's Mandatory Rebranding (preliminary work) \$30k
- KW Continued maintenance/upgrades/emergency preparedness \$62k
- Catering Truck replacement \$30k
- Complete Denny's Refresh/Rebrand \$30k
- QDoba Equipment replacement \$7500
- RTP Sound System \$8k
- LO Replacement Consulting (Envision Strategies) \$10k
- Tableau Project - - \$40k
- ECRS-Micros Conversion Project \$28k
- Building 97 Upgrades \$35k
- Needs Assessment Implementation (consulting) \$24k

Changes in Staffing:

(See Organizational Chart)

- Addition of Starbuck's Floor Supervisor (Carryover from prior year)

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

While we are still reeling from the 25% increase in the minimum wage over the past 18 months, the surrounding community in Los Angeles County plans on continuing these significant increases graduated over the next 3-4 years by another 50% to \$15 per hour. We will be forced to trail these increases or face significant labor shortages over the coming years.

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 2019 is underway. ASI has no funds to implement LPA space study of BSC, opportunities will arise with Freshen's and RTP over the coming years

Beyond 2016:

- CCMP replacement
- Campus South Development

Mission/Vision Statement

The mission of Foundation Dining Services is to deliver exceptional food services to support and give back to the Cal Poly Pomona community.

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

Escalation of the minimum wage from the current \$10 per hour to \$15 per hour over the next 6 years, Presidential Order on Use of Foundation Services & Central Support Resources; Technology-POS/reporting systems; managing to the various CSU, CALPERS, and Affordable Care Act labor mandates; 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 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.

Employee Survey

-No employee survey was taken this year

Customer Survey

We had over 1,799 respondents to the fall 2015 NACUFS Satisfaction survey making the data gathered valid. We exceeded the scores in all categories when compared to last year AND the year prior. In satisfaction overall, we scored 4.15 vs. the Pacific Region's 3.79.

Los Olivos: Hours of operation slightly above the average presumably driven by Late Night operations. Location is significantly below, and layout is below the national average. Both to be addressed with LO Replacement project. Availability of seating is significantly above, and comfort of seating is somewhat below the national average. Service, speed, and freshness are above the national average. Overall, we scored 3.66 vs. the region's average 3.51.

Retail: In order to increase our overall satisfaction score (4.21 vs. the region's 3.98), our focus will be on delivering a fresh, healthy product in a manner that is perceived as creating value. Though we did significantly exceed our peers substantially in all of these areas, these are the areas that are currently most important to our customers.

Overall, Foundation Dining exceeded the satisfaction of our peers in the Pacific Region by 9% in Overall Satisfaction. We continue to be far superior in Taste and Variety as well, beating the region in both areas by over 12%. In the categories of Freshness and Eye Appeal, we again beat our peers by over 10%. We are also strong in the areas of Operating Hours, Variety of Healthy and Vegetarian Items, and Nutritional Content beating our peers by 7-8% in each of these areas.

Generally, we continue to trail our peers by 2-3% in the categories of "Available Seating" and "Comfortable Seating".

Keys to Success

<u>Keys to Success Items</u>	<u>Rank in Importance 10 to 1</u>
Goal setting and communication throughout the division	10
Putting the Right People in the Right Place	9
Enhanced customer service	8
Meeting or exceeding Financial Goals	7
Developing our People	6
Remembering to work with our team and to say "Thank you" for a job well done.	5
Learning how to respond to Customers needs and requests to achieve a positive outcome	4
Follow through with suggestions, goals , changes etc. and communication when these are achieved	3
Attention to detail especially on special events and catering services	2
Providing a varied menu of options that mirror the trends in the marketplace for our resident students	1
Management and supervisors being available to meet with staff and discuss ideas and concerns	

Corporate Culture

<u>Customer/Client Perception</u>	<u>Unit Perception</u>
Expensive	Very competitive compared to the local market and based on surveys
Want more Healthy options	Customer want, but do not buy - are not aware of the options we have
Longer service hours	Based on the surveys 61% are very or some what satisfied
Would like better Vegan and Vegetarian options	52% are very to some what satisfied but we need to promote these items
Comfort food at Los Olivos	LO offers a large variety and we are very proactive to suggested change
Not involved with issues pertaining to Recycling/Carbon reduction etc.	We recycle cooking oil, compost, and have herb gardens at LO
	Students are our main source of staffing, this is a learning institution.

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.

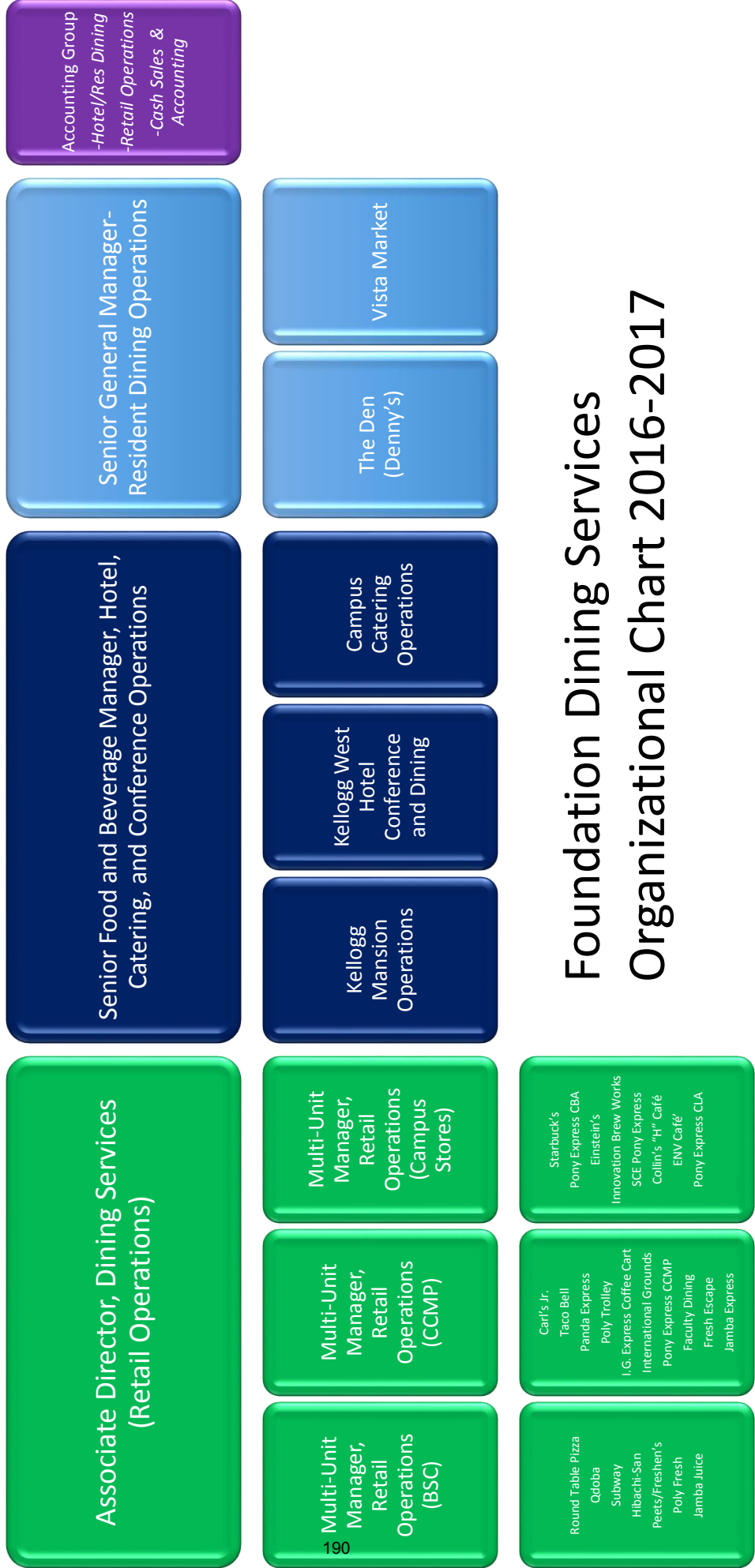
CCMP, C-Stores & Starbuck's: Provide employee training of E Phone, Repaired Fire Alarms, Video system, Fire extinguisher training for staff, facilities repairs, staff training by Employment Services, installed non-skid floor in Carl's Jr.

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 Director



Foundation Dining Services Organizational Chart 2016-2017

OPERATING BUDGETS
ENTERPRISES

KELLOGG WEST
CONFERENCE CENTER & HOTEL

CAL POLY POMONA FOUNDATION, INC.

Kellogg West Conference Center & Hotel Rooms, Conferences & Sales

2016-2017

BUSINESS PLAN



APRIL 2016

SECTION TABLE OF CONTENTS

Proposed Fiscal Year Budget	A
Business Plan Narrative	
Overview of Current Fiscal Year	B
Explanation of Proposed Fiscal Year Budget	B
Changes in Programs and Services for Proposed Fiscal Year	C
Explanation of Proposed Fiscal Year Capital Requests	C
Changes in Staffing	C
Outlook Next 3 Years and 4 to 10 Years Beyond	C
Major Projects and Business Goals for Proposed Fiscal Year	D
Mission/Vision Statement	E
Strengths and Challenges	E
Employee Survey	F
Customer Survey	F
Keys to Success	G
Corporate Culture	G
Business Controls and Vital Factors	H
Asset Protection/Risk Management	H
Organization Chart	I
Business Plan Narrative Continuation - If needed (OPTIONAL)	J

Proposed Fiscal Year Budget

A

Cal Poly Pomona Foundation Kellogg West Conference Center & Hotel Consolidated Budget Comparison Summary For the 2016-17 Fiscal Year

	2015-16 Approved Budget	2015-16 Forecast	2016-17 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Sales	1,542,709	1,506,686	1,648,756	142,070
Total Revenues	1,542,709	1,506,686	1,648,756	142,070
Cost of Goods Sold				
Total Cost of Goods Sold				
Expenditures- Controllable				
Utilities	143,785	134,990	146,243	11,253
Agr/RE Fees	480	350	480	130
Insurance	26,226	24,745	26,381	1,636
Repairs & Maintenance	98,249	101,470	118,459	16,989
Meals & Refreshments	1,800	1,785	1,800	15
Postage & Freight	4,320	1,770	1,813	43
Advertising	18,630	6,518	9,521	3,003
Rent/Commissions	11,026	4,225	4,065	(160)
Services	214,437	208,570	220,891	12,321
Supplies	61,842	55,790	61,974	6,184
Telephone	44,739	45,555	46,165	610
Travel	300		300	300
Laundry	100,278	108,573	131,900	23,327
Other	9,599	13,374	9,534	(3,840)
Total Expenditures- Controllable	735,711	707,715	779,526	71,811
Expenditures- Non-Controllable				
Administrative Fees	92,562	90,401	98,926	8,525
Depreciation	55,282	43,568	51,260	7,692
Bank Card Fees	20,055	22,124	21,764	(360)
Other		2,876	1,854	(1,022)
Total Expenditures- Non-Controllable	167,899	158,969	173,804	14,835
Labor Costs				
Salaries & Wages	475,460	477,180	513,084	35,904
Employee Benefits	151,290	154,154	165,390	11,236
Total Labor Costs	626,750	631,334	678,474	47,140
Total Expenses	1,530,360	1,498,018	1,631,804	133,786
Net Income	12,349	8,668	16,952	8,284

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

Through the first 8 months of the 2015 - 2016 fiscal year Kellogg West Rooms & Conferences revenue is up \$76K from budget but down \$67K from prior fiscal year. YTD expenses are \$7K lower than budgeted and \$50K less than prior year. YTD actual net income is \$89K higher than budgeted but \$16K down from prior year.

2015-2016 EOY net income is forecasted to come in at or about \$12K.

Explanation of Proposed Fiscal Year Budget:

With the recent completion of our hotel guest-room renovations, Kellogg West is budgeting that meeting/conference demand and revenues will increase slightly in 2016-2017 with a continued demand for more affordable facilities that offer excellent service and a clean, high quality guest-room that meeting planners expect. As has been the case for several years now, Kellogg West continues to see returning clients who are still faced with continued budget constraints and who are still seeking out "nice" and affordable alternatives, such as Kellogg West, for small to medium meetings.

Kellogg West is also seeing a much more competitive local market place with recent hotel renovations and remodels completed in the West Covina area. In late 2015 a newly remodeled and updated hotel opened (where the old Shilo Inn Hotel was) and in 2017 another newly remodeled hotel is scheduled to re-open right across the street from there (where the old Shilo Inn Suites was located).

Controllable Expenses as well as Labor Expenses for 2016-2017 will continue to be tightly controlled and the financial "bottom line" is still the focus.

With the completion of the 2015-2016 guest room renovations, Kellogg West made appropriately marginal lodging rate increases however still remains committed in our ongoing efforts to being "affordable" and competitive in a market that has a great many newer hospitality alternatives who have really become much more competitive in their pricing.

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 three fiscal years (hotel guest rooms, hotel lobby, conference center, dining room and exterior changes to our Crestview Building) have been very favorably received by all of our Guests. However, with the ongoing (and much faster) improvements in technology, cell phones, etc there has become an increasing demand for faster WIFI and download speeds not only by conferences and meetings but also by hotel guests.

Changes in Staffing:

For 2016-2017 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 continued economic uncertainty as well as continued "tight" budgets and tighter audits.

With the majority of our business coming from within California and the State's basically "cautious" 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 increased competition, the seismic upgrade and, of course, the University Master Plan, all of which could impact Kellogg West.

Mission/Vision Statement

E

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 will continue to be sought out as places to hold meetings and avoid negative media or shareholder criticism. Located on the campus of Cal Poly and as a part of the non-profit Cal Poly Foundation, Kellogg West is uniquely situated to provide just such a meeting and conference environment and is marketing itself as such by letting our potential clients know of our non-profit status and giving back to the University thus helping others.

Challenges

In order to drive increased revenues Kellogg West will have to continue driving increased sales. Kellogg West will also need to continue working as "lean" as we did during the past several fiscal years by doing more with less and doing it just as good. In addition to maintaining the unprecedented savings of these past several years, Kellogg West will need to keep controllable expenses to absolute "bare-bones" operational necessities. However, the bigger challenge for Kellogg West will be in continuing to make our aging facilities look as good as the service we provide and will 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. The recent guest-room renovations have been extremely well received and, almost unanimously, Guests surveys rate Kellogg West's hospitality and now our guest rooms as "meets or exceeds expectations".

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

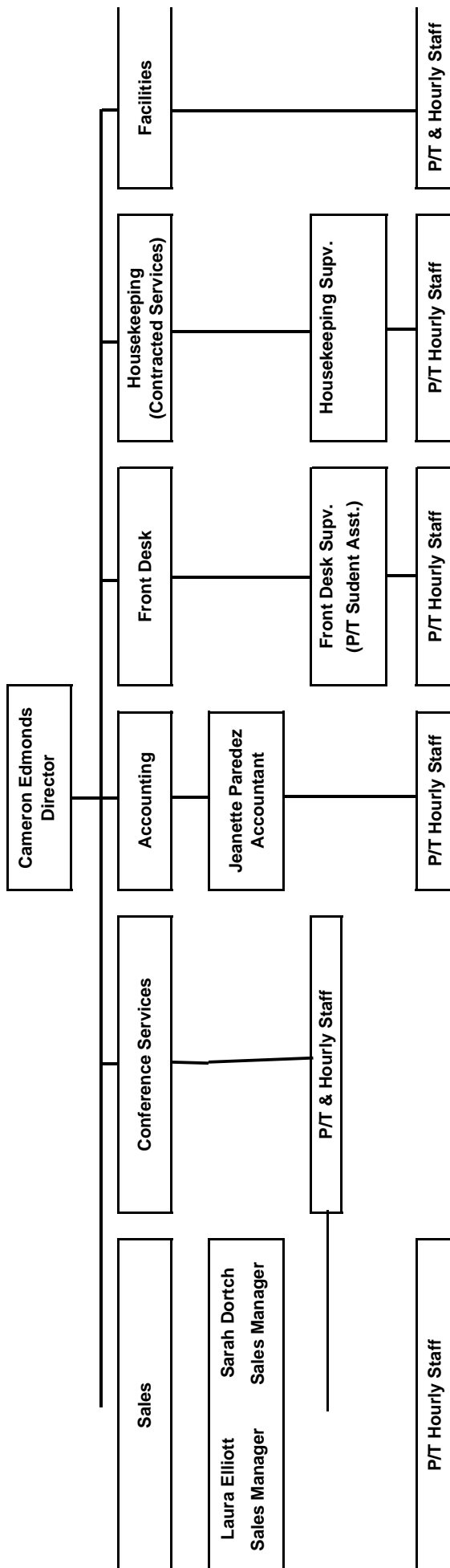
Vital factors are primarily (1) Actual Costs compared to budgets and schedules and (2) Occupancy comparisons and analysis (ADR & Rev Par)

Asset Protection/Risk Management

1. Suggestion to install video security cameras - Under review for possible installation in the very near future.
2. Update of KW Emergency Procedures and manuals - Completed/ongoing and updated annually or as needed.
3. Separation of duties with KW Director - Completed and ongoing with KW Accountant placing orders and Director reviewing/approving.
4. Change safe combinations and keep a record of who has access and knowledge of combination - Completed and ongoing. Record of who has access and safe combination now in sealed envelope in Foundation safe.
5. Yearly risk assessment is completed by the Foundation IT Team on all Kellogg West IT systems. This includes a review/prioritizing of old risks & potential new risks as well as potential "gaps" caused by changing technologies. - Completed and ongoing.

Organization Chart

Kellogg West Conference Center & Hotel 2016-2017 Organizational Chart



OPERATING BUDGETS
ENTERPRISES

FOUNDATION HOUSING SERVICES

CAL POLY POMONA FOUNDATION, INC.

Foundation Housing Service

2016-2017

BUSINESS PLAN



APRIL 2016

SECTION TABLE OF CONTENTS

Proposed Fiscal Year Budget	A
Business Plan Narrative	
Overview of Current Fiscal Year	B
Explanation of Proposed Fiscal Year Budget	B
Changes in Programs and Services for Proposed Fiscal Year	C
Explanation of Proposed Fiscal Year Capital Requests	C
Changes in Staffing	C
Outlook Next 3 Years and 4 to 10 Years Beyond	C
Major Projects and Business Goals for Proposed Fiscal Year	D
Mission/Vision Statement	E
Strengths and Challenges	E
Employee Survey	F
Customer Survey	F
Keys to Success	G
Corporate Culture	G
Business Controls and Vital Factors	H
Asset Protection/Risk Management	H
Organization Chart	I
Business Plan Narrative Continuation - If needed (OPTIONAL)	J

Proposed Fiscal Year Budget

A

Cal Poly Pomona Foundation University Village Consolidated Budget Comparison Summary For the 2016-17 Fiscal Year

	2015-16 Approved Budget	2015-16 Forecast	2016-17 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other	130,670	130,150	130,275	125
Sales	9,409,906	9,062,320	9,937,991	875,671
Total Revenues	9,540,576	9,192,470	10,068,266	875,796
Expenditures- Controllable				
Utilities	655,785	603,000	639,800	36,800
Repairs & Maintenance	393,470	373,400	419,550	46,150
Meals & Refreshments	6,900	5,800	7,050	1,250
Postage & Freight	840	725	785	60
Advertising	11,650	5,600	6,550	950
Rent/Commissions	1,200	1,000	1,050	50
Services	461,380	462,000	477,085	15,085
Supplies	63,750	50,850	58,950	8,100
Telephone	309,600	308,000	309,600	1,600
Travel	6,800	10,100	7,450	(2,650)
Laundry	2,000	600	200	(400)
Other	73,280	52,480	170,680	118,200
Total Expenditures- Controllable	1,986,655	1,873,555	2,098,750	225,195
Expenditures- Non-Controllable				
Administrative Fees	620,137	597,511	654,437	56,926
Depreciation	2,668,680	2,055,822	2,139,996	84,174
Insurance	96,000	90,000	96,000	6,000
Interest Expense	925,965	927,880	925,969	(1,911)
Bank Card Fees	95,600	82,200	96,400	14,200
Other	175,900	181,890	185,040	3,150
Total Expenditures- Non-Controllable	4,582,282	3,935,303	4,097,842	162,539
Labor Costs				
Salaries & Wages	1,244,538	1,147,986	1,125,920	(22,066)
Employee Benefits	395,891	348,463	410,018	61,555
Total Labor Costs	1,640,429	1,496,449	1,535,938	39,489
Total Expenses	8,209,366	7,305,307	7,732,530	427,223
Net Income	1,331,210	1,887,163	2,335,736	448,573

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

We expect to meet our budgetary goals for this fiscal year. Despite having a long waitlist from spring to summer, we opened below full occupancy. This was due to a high number of late cancellations, an unannounced shift in enrollment from campus, and overadmittance by the local UC campuses. We have still maintained approximately 98% occupancy throughout this current year. Decreased revenue has been offset by tight control of expenses and reduced spending. Fewer capital projects this past summer and increased summer conferences also helped offset the summer deficit.

Explanation of Proposed Fiscal Year Budget:

There are no major fluctuations between this year's forecast and the proposed 2016-2017 budget. After a few years of moderate, annual rate increases (5%), we applied a 4% increase last year and are proposing a 3.5% increase this year. We have concluded a number of major renovations and refurbishments in all phases, including kitchen cabinet replacement, bathroom vanity replacement, installation of water-saving toilets and energy efficient lighting, and the installation of new bike racks. Additionally, the computer lab/study room has been expanded, the laundry room upgraded, a water filter fountain installed, and the pool furniture has been replaced. We have not planned any major, new capital projects, but will instead focus on perform ongoing, necessary maintenance such as replacing water heaters, furnaces, A/C units, carpet, tile, and the painting of apartments. This fiscal year, we propose the closing two Phase III buildings (95 and 105) for the summer to allow for painting and duct cleaning and Phase II building 270 for furnace refurbishment. All of the Phase II buildings will also have duct cleaning.

With the increase in summer class offerings at a lower tuition rate, we are hopeful that our summer occupancy will grow slightly to 30%. We are also expecting an increase in summer conference groups, specifically international students participating in CPELI and CEU/GEP programs. We are hoping for full or near full occupancy during 2016-2017 academic year, but due to lower occupancy this year we have built our budget conservatively on an estimated 97% occupancy rate.

Changes in Programs and Services for Proposed Fiscal Year:

No major changes in programs and services.

Explanation of Proposed Fiscal Year Capital Requests:

1. Replace carpet/tile in various apartments
2. Paint apartments in Phase III buildings 95 and 105
3. Clean ducts in all Phase II buildings and Phase III buildings 95 and 105
4. Replace heating and cooling units in building 270
5. Upgrade Star Rez to web version

Changes in Staffing:

No additions to staffing. We are reducing the number of Area Directors from three to two.

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

In the next three years, we expect a significant need to replace/upgrade the following: furniture in all phases, Phase III boiler tube bundles, Phase I and II HVAC heat pump units, as well as Phase I and II roofs. Currently Phase I has different furniture than Phase II and III. We would like to move toward having the same type of furniture in all phases to be more sustainable and effective in repairing furniture, rather than having to replace furniture. Some Phase III boiler tube bundles needed to be replaced this year, and it is recommended that the remaining bundles be replaced as well. Linking to the campus "soft" water would greatly help the longevity of our water-using appliances, such as boilers and water heaters. Phase III roofs are currently being replaced, and it is recommended that Phase I and II roofs be replaced within the next three years. In order to defer the cost of the furniture and HVAC replacement, a multi-year schedule for replacing those items is proposed.

Four to ten year items focus primarily on scheduled maintenance. Costlier items include: carpet/tile replacement in all phases, Phase III exterior painting, and deck rehab in all phases.

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	On-Going
Develop opportunities to "link" the Village to the larger campus community.	Dave	On-Going
Review budget/s monthly with managers and research necessity of yearly rate increases.	All Managers	On-Going
Continue development of File Maker applications.	Owen	On-Going
Organize all professional staff development sessions for 2016-2017.	Dave/Sherry	On-Going
Develop/expand Living Learning Communities.	Area Director/Regina	On-Going
Develop opportunities for student leadership development and on-going student staff training.	Kyle	On-Going
Tech Center develops "DIY" informational workshops and computer based activities.	Owen/Nam	On-Going
Promote sustainability within all Village functions. Support/Promote sustainability garden.	Liz/Sustainability Advisors	On-Going
Enhance Wellness Program initiatives.	Liz/Health & Wellness Advisors	On-going
Develop and improve social justice training.	Res Ed Team	On-going
Hold quarterly Village Town Hall meetings.	Dave/Sherry	Quarterly
Train Accounts Specialist in all month-end and year-end procedures.	Sherry	On-Going
Cross-train Administrative Support-Business Office in daily deposits and accounts payable batches.	Sherry	6/16
Replace/upgrade staff computers.	Owen/Nam	6/16
Overhaul Village website.	Dave/Owen/Liz/Alex Hernandez	9/16
Update 2 year project list for IT services within all Village operations.	Owen/Nam	9/16
Research public address solution and texting services.	Owen	9/16
Explore alternative student staffing options.	Kyle/Dave	10/16
Administer annual Residential Experience Survey via Skyfactor.	Dave	2/17
Repaint and refurbish Phase III.	Sherry/Steve	9/17

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*website with online 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*transitional skills education*communication between various departments (overall)*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 facilities*necessary current and future capital projects: heating and cooling systems, etc.*student recreation and study space*effective communication of policies, procedures and general information to student residents*student leadership-students taking responsibility for their community*maintaining positive and equal relationships with campus offices*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, Skyfactor (formerly Educational Benchmarking, Inc.) Skyfactor provides national benchmarking data/comparative features. The survey was provided via email to 1249 residents (98% occupancy).

Following are the major results of the survey:

*Overall Satisfaction: 93.9%

Satisfaction Rates:

*Residents live at the Village due to location 93.5% and cost 94.6% value 87.6%

*Interactions: Positive/Very Positive: Student Leaders (RA's, MA's, CSLA's, HWA's, SA's) 94.5%, Facilities 93.5%, IT 95.1%, Front Office 93.1%, Mailroom 96.3%

*Resident Experience With: Check-In 96%, Room Assignments 36.8%, Laundry Room 80.4%, Monthly Cleaning Service 93.5%, Wi-Fi 67.4%, Study Area 91.2%, Computer Lab 94.5%, Condition of Apartment 89.3%

We are very pleased by the responses to our staff and programs by our student customers. There was a minimal dip (less than 5%) in satisfaction in many evaluation areas. Student satisfaction still remained high in all but a few areas (room assignments, Wi-Fi). 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 residents.

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 residents	10
Overall high customer satisfaction as indicated by the Residential Experience Survey	10
A Business Plan reflecting strategic objectives for planned growth and based upon student and staff input, evaluation, enhancement of the mission statements of the Foundation, Foundation Housing and the University.	10
Inclusive community	9
Effective verbal and written communication (internal and external)	9
Enhancing technology for students and staff	9
Marketing	9
Management and staff productivity	8
Positive staff relations (internal and external)	8
Focus on community and student development.	8
Positive relations with University and Foundation Colleagues	8
Investment in the "growth" of the Foundation Housing program and understanding of short and long term goals	8

Corporate Culture

Customer/Client Perception	Unit Perception
Supportive-Positive	Helpful
Staff do a good job; good role models overall	Supportive-Fair-Honest-Flexible
Fair-Justified	Customer service focused
Customer service oriented	Professional and skilled
Concerned with safety and security	Mostly consistent
Focused on improving the quality of life	Caring
The Village is sensitive to diversity.	A "value" for the money (cost/benefit)
Comfortable, safe and well cared for facilities	Innovative
Generally, a value for the money	

Business Controls and Vital Factors

H

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*Daily Res. Ed. Duty Logs*Review of Pending Disbursement Vouchers*Maintenance Work Orders*Quarterly Reports*Contractor Performance Reviews*Scheduled Property Inspections*Annual Resident Experience Survey*Occupancy Reports*Each individual unit area led by a designated manager.

VITAL FACTORS

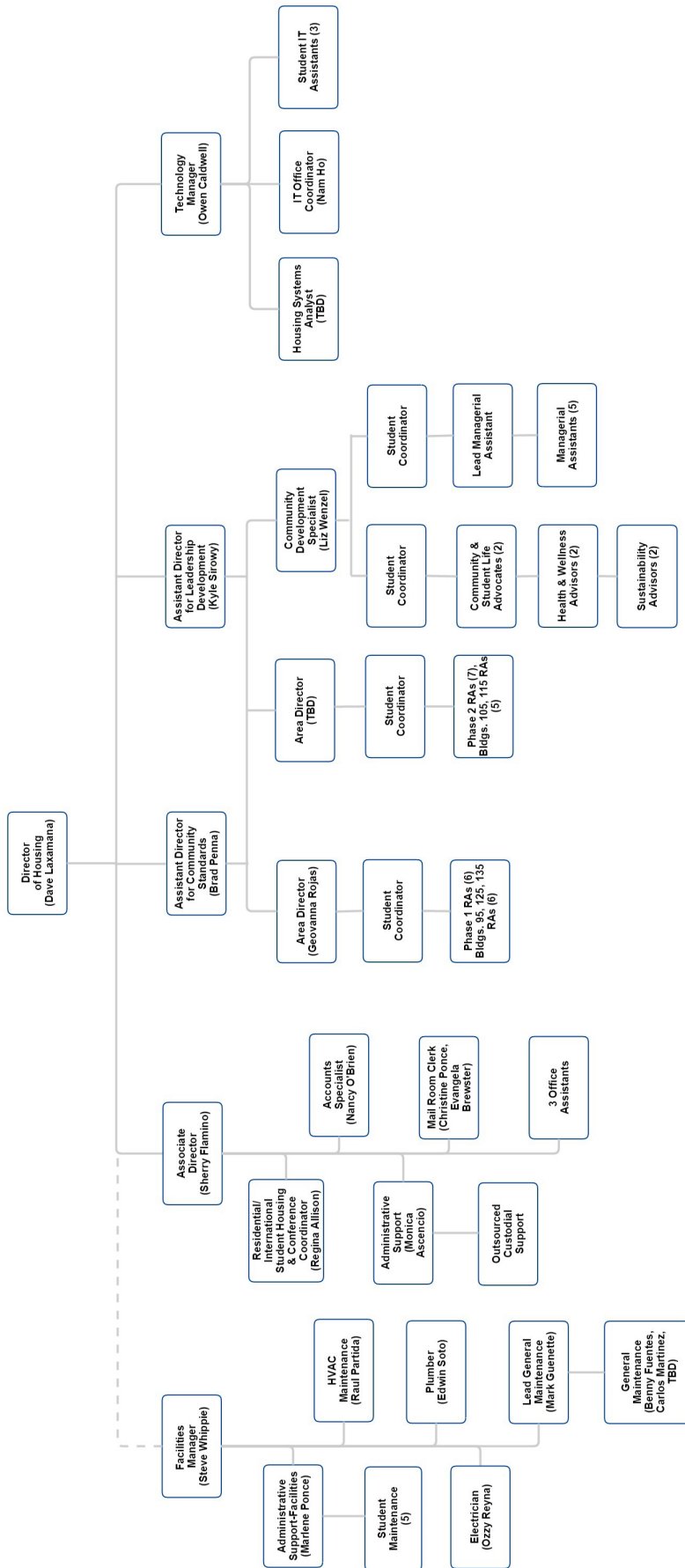
Actual to Budget Comparisons*Net P&L Compared to Budget*Occupancy-Retention and New Applicants*Consistency in Policy Implementation*Resident Accountability-Accountability to Residents (License Agreement-Community Standards)
*Incident Follow-Up*Follow-Up to student initiated appeals and grievances.


Asset Protection/Risk Management

1. Shelter in place program communicated and tested at least annually. Program is in development; next meeting with Emergency Services and UPD is scheduled for April 2016.
2. Employees trained in interviewing, hiring, discipline, termination. Supervisors will undergo new/refresher training in 2016.
3. Health Department and Food Safety policies followed and documented. Supervisors and staff will undergo new/refresher training in 2016.
4. Staff evaluations. Performance reviews will be done in a more timely manner.

Organization Chart

UNIVERSITY VILLAGE ORGANIZATIONAL CHART 2016-2017



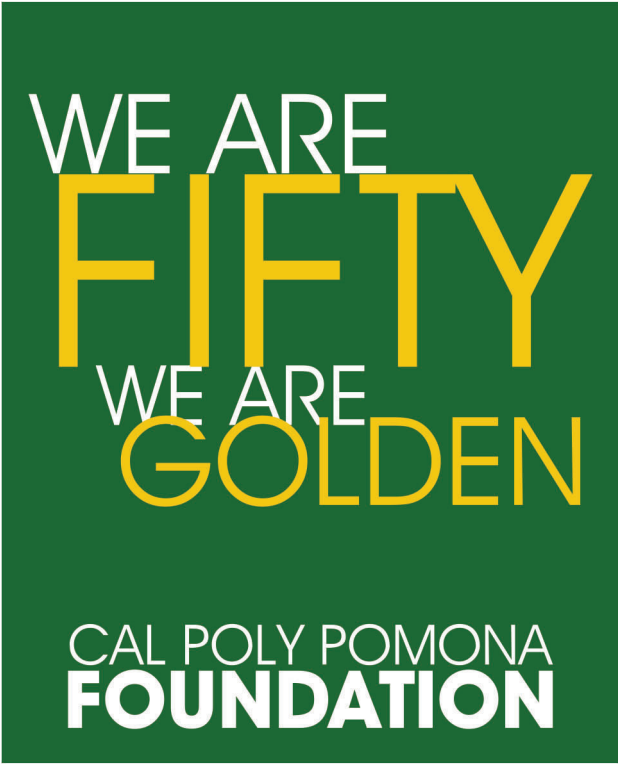
OPERATING BUDGETS
ENTERPRISES

FACILITIES MANAGEMENT

CAL POLY POMONA FOUNDATION, INC.

FACILITIES MAINTENANCE

2016-2017

BUSINESS PLAN



APRIL 2016

SECTION TABLE OF CONTENTS

Proposed Fiscal Year Budget	A
Business Plan Narrative	
Overview of Current Fiscal Year	B
Explanation of Proposed Fiscal Year Budget	B
Changes in Programs and Services for Proposed Fiscal Year	C
Explanation of Proposed Fiscal Year Capital Requests	C
Changes in Staffing	C
Outlook Next 3 Years and 4 to 10 Years Beyond	C
Major Projects and Business Goals for Proposed Fiscal Year	D
Mission/Vision Statement	E
Strengths and Challenges	E
Employee Survey	F
Customer Survey	F
Keys to Success	G
Corporate Culture	G
Business Controls and Vital Factors	H
Asset Protection/Risk Management	H
Organization Chart	I
Business Plan Narrative Continuation - If needed (OPTIONAL)	J

Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation
Facilities Management
Consolidated Budget Comparison Summary
For the 2016-17 Fiscal Year**

	2015-16 Approved Budget	2015-16 Forecast	2016-17 Proposed	\$ Change Forecast to Proposed Budget
Expenditures- Controllable				
Insurance	1,740			
Repairs & Maintenance	5,040	1,500	3,300	1,800
Meals & Refreshments	300	450	600	150
Rent/Commissions	240	100	240	140
Services	(360,837)	(351,741)	(381,530)	(29,789)
Supplies	8,405	10,991	8,640	(2,351)
Telephone	8,400	12,500	8,400	(4,100)
Travel	300			
Other	900	100	120	20
Total Expenditures- Controllable	(335,512)	(326,100)	(360,230)	(34,130)
Expenditures- Non-Controllable				
Depreciation	3,000	3,000	3,000	
Rent/Commissions	600	600	600	
Total Expenditures- Non-Controllable	3,600	3,600	3,600	
Labor Costs				
Salaries & Wages	224,564	228,000	248,842	20,842
Employee Benefits	107,350	94,500	107,794	13,294
Total Labor Costs	331,914	322,500	356,636	34,136
Total Expenses	2		6	6
Net Income	(2)		(6)	(6)

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 should be no significant budget variations in the 2016-2017 budget year when comparing budgets from the current 2015-2016 budget year. One position that was vacated due to a retirement was not filled this year and we plan to keep is vacant for 2016-2017.

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:

There are no planned capital requests for 2016-2017.

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.

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

Within the next 2 - 7 years we expect to replace 2 vehicles and possibly 3 with similar type 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 continue to enhance the 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 large projects in the time frame expected by requestors
- Educating customers on the role of Facilities Management in terms of projects versus repairs
- Appropriate oversight of outside service providers (i.e.: contractors)
- Understanding how to apply technology based solutions to areas in Facilities Management

Employee Survey

None completed.



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

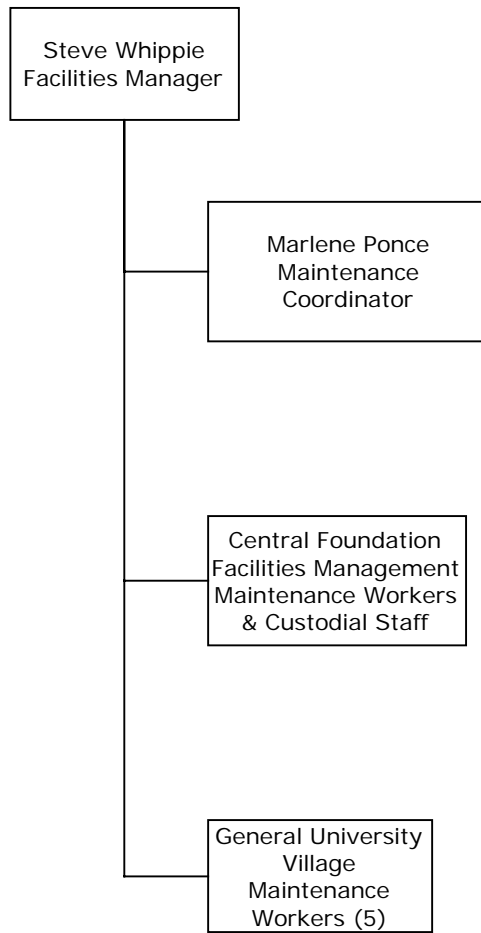
- Review budget and P&L's monthly, effect adjustments where necessary
- Review, prioritize, and respond to work orders daily and throughout each day
- Manage services agreements with contractors (e.g. boiler maintenance and HVAC maintenance)
- Review, prioritize, and complete projects and 30 day goals
- 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


None completed this year.

Organization Chart

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



April 2016

OPERATING BUDGETS
ENTERPRISES

BRONCO BUCKS OFFICE

CAL POLY POMONA FOUNDATION, INC.

BRONCO BUCKS OFFICE

2016-2017

BUSINESS PLAN



APRIL 2016

SECTION TABLE OF CONTENTS

Proposed Fiscal Year Budget	A
Business Plan Narrative	
Overview of Current Fiscal Year	B
Explanation of Proposed Fiscal Year Budget	B
Changes in Programs and Services for Proposed Fiscal Year	C
Explanation of Proposed Fiscal Year Capital Requests	C
Changes in Staffing	C
Outlook Next 3 Years and 4 to 10 Years Beyond	C
Major Projects and Business Goals for Proposed Fiscal Year	D
Mission/Vision Statement	E
Strengths and Challenges	E
Employee Survey	F
Customer Survey	F
Keys to Success	G
Corporate Culture	G
Business Controls and Vital Factors	H
Asset Protection/Risk Management	H
Organization Chart	I
Business Plan Narrative Continuation - If needed (OPTIONAL)	J

Proposed Fiscal Year Budget

A

**Cal Poly Pomona Foundation
Bronco Bucks Office
Consolidated Budget Comparison Summary
For the 2016-17 Fiscal Year**

	2015-16 Approved Budget	2015-16 Forecast	2016-17 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Sales	178,154	169,596	190,440	20,844
Total Revenues	178,154	169,596	190,440	20,844
Expenditures- Controllable				
Meals & Refreshments	200	124	200	76
Advertising	1,000	124	1,000	876
Services		4,040	4,000	(40)
Supplies	41,208	52,295	41,208	(11,087)
Telephone	1,200	1,300	1,200	(100)
Travel	4,000			
Other	400	880	400	(480)
Total Expenditures- Controllable	48,008	58,763	48,008	(10,755)
Expenditures- Non-Controllable				
Bank Card Fees	10,093	5,752	6,324	572
Other		1,613	1,776	163
Total Expenditures- Non-Controllable	10,093	7,365	8,100	735
Labor Costs				
Salaries & Wages	77,608	88,358	91,744	3,386
Employee Benefits	42,870	34,663	48,846	14,183
Total Labor Costs	120,478	123,021	140,590	17,569
Total Expenses	178,579	189,149	196,698	7,549
Net Income	(425)	(19,553)	(6,258)	13,295

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

Board revenue is down significantly this year and as the primary revenue of the card office we may not make budget. Next year 2016-2017 the campus will be bringing in a larger freshman class and Housing will not be providing waivers to students to terminate their contracts as quickly as they did this current year. Both changes should benefit Board revenue and the Bronco Card office.

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 3%, this is the increase in the budgeted revenue for the Bronco Card Office.

Changes in Programs and Services for Proposed Fiscal Year:

The use of "Get" by campus orientation for photo upload helped to promote the application and the use of the card. Dining is adding 3 more locations to the "get Food " retail locations, these will also help to promote the use of the card. The campus' use of the Pharos system for copying in different labs has also helped to promote the use of bronco bucks

Explanation of Proposed Fiscal Year Capital Requests:

N/A

Changes in Staffing:

There are no changes planned.

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

The campus is looking into developing a 1 card campus and deciding between blackboard and cbord. This decision will have a major impact on the Bronco Card office, Dining and Foundation in total. The campus vision is a 1 stop shop - which would mean the bronco card office as we know it would probably be terminated.

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

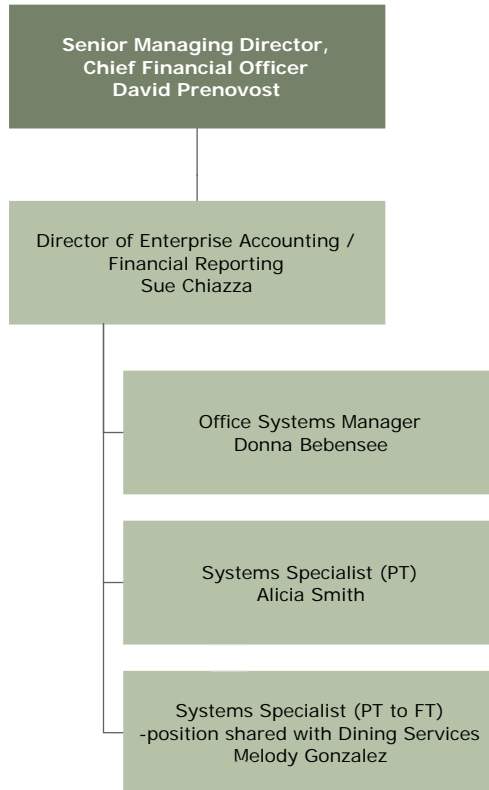
Organization Chart




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



April 2016

**OPERATING BUDGETS
SUPPLEMENTAL PROGRAMS**

**CONTINUING EDUCATION
PROGRAMS**

Cal Poly Pomona Foundation
Continuing Education
Consolidated Budget Comparison Summary
For the 2016-17 Fiscal Year

	2015-16 Approved Budget	2015-16 Forecast	2016-17 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other	26,985	54,373	56,786	2,413
Sales	5,741,496	5,564,970	6,911,202	1,346,232
Total Revenues	5,768,481	5,619,343	6,967,988	1,348,645
Expenditures- Controllable				
Utilities	65,500	65,200	66,001	801
Insurance	500	1,000	500	(500)
Repairs & Maintenance	34,000	12,000	29,500	17,500
Meals & Refreshments	37,104	50,205	54,450	4,245
Postage & Freight	14,700	8,000	7,300	(700)
Advertising	202,501	197,013	317,741	120,728
Rent/Commissions	262,548	60,536	135,668	75,132
Services	453,394	402,588	598,956	196,368
Supplies	214,085	252,648	333,443	80,795
Telephone	13,800	10,200	7,940	(2,260)
Travel	134,420	130,400	156,700	26,300
Laundry	1,000	3,300	5,000	1,700
Other	577,882	838,936	834,036	(4,900)
Total Expenditures- Controllable	2,011,434	2,032,026	2,547,235	515,209
Expenditures- Non-Controllable				
Administrative Fees	288,685	252,869	313,572	60,703
Depreciation	34,849	38,733	48,357	9,624
Insurance	10,173	3,850	8,464	4,614
Interest Expense		100		(100)
Rent/Commissions	38,900	260,548	271,830	11,282
Bank Card Fees	29,523	37,128	43,809	6,681
Other	68,804	29,094	56,322	27,228
Total Expenditures- Non-Controllable	470,934	622,322	742,354	120,032
Labor Costs				
Salaries & Wages	2,345,156	2,000,140	2,542,629	542,489
Employee Benefits	695,014	557,235	820,689	263,454
Total Labor Costs	3,040,170	2,557,375	3,363,318	805,943
Total Expenses	5,522,537	5,211,723	6,652,907	1,441,184
Net Income	245,943	407,620	315,081	(92,539)

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

DESCRIPTION	Actual	2014-15	2014-15	2014-15	Actual	2015-16	2015-16	2016-17
	YTD 3/31/15	Actual	Forecast	Approved Budget	YTD 3/31/16	Forecast	Approved Budget	Proposed Budget
COLLEGE OF EXTENDED UNIVERSITY - Programs								
283500 Administration	184,708	399,877	259,045	225,790	303,547	202,339	139,794	86,471
283071 Computer Programs	-	-	-	-	-	-	-	-
283072 Certificate Programs	-	-	-	-	-	-	-	-
283080 English Language Inst.	-	-	-	-	-	-	-	-
283610 Int'l Workshop and Training	-	-	-	-	-	-	-	-
283620 Six Sigma Program	12,861	10,600	5,435	5,161	37,819	16,232	7,824	21,570
283630 Professional Project Management Program	10,969	4,726	8,515	9,916	17,554	3,219	11,765	3,667
283790 On Site Training Programs	5,838	3,808	10,055	2,016	20,923	8,897	10,333	7,276
283060 Start-Up Programs	-	-	-	-	-	-	-	-
283076 Technical Programs	8,796	9,173	20,800	22,760	(5,440)	(5,840)	29,996	114
283073 Test Prep Programs	17,359	8,032	21,888	13,680	25,631	11,247	12,584	542
460280 Summer Support @ CEU	(243)	(243)	(602)	(525.00)	-	(810)	(9,174)	(1,661)
460920 Business Comm & Grant Writing	-	-	-	-	(108)	-	-	-
460930 Accounting & Finance	(781)	(612)	5,036	555	(1,234)	(1,234)	15,707	-
460940 Math & Science	(2,285)	155	(6,269)	2,444	(1,929)	763	(2,908)	(3,601)
460950 Hospitality & Service Industry	3,276	5,431	4,257	6,211	38,543	14,654	(1,336)	6,363
460960 Supply Chain Management	(298)	(1,350)	(4,475)	10,900	(110)	(1,680)	(1,374)	378
460970 Human Resources Management	17,315	6,642	4,589	1,800	10,928	2,656	2,365	2,714
460980 Building & Construction Management	20,785	13,857	10,446	17,152	22,032	15,725	15,091	13,693
460990 Ed2Go	(28,974)	(12,396)	(10,770)	(245,808)	13,454	7,700	(11,355)	7,697
461000 Art, Media, & Design	1,642	(1,003)	1,642	-	(1,110)	(1,110)	-	-
461010 Global Ed Programs Standard	58,313	7,257	(35,437)	13,898	212,125	136,104	132,415	115,149
461020 Global Ed Programs Camps	-	-	-	-	77,804	55,500	-	83,070
461030 CPELI Camps	116,596	28,471	1	81,931	(12,249)	5,686	57,539	42,921
461040 CPELI Standard	474,901	47,151	131,082	303,815	167,007	147,400	188,745	194,043
461820 Program Development	(128,840)	(201,843)	(281,455)	-	(171,955)	(282,375)	(380,959)	(381,894)
461840 Summer Camps	(7,104)	(3,666)	-	-	27,640	12,121	-	15,705
461950 IT, Web & Social Media	-	-	-	-	55	438	-	(18,600)
462120 CEU CPP Aviation Hospitality	-	-	-	-	77,883	55,114	20,391	66,124
462660 CEU Marketing Research	-	-	-	-	-	(2,668)	-	1,462
CEU ASP	-	-	-	-	-	-	-	48,576
Total College of Extended Univ Programs	764,834	324,067	143,783	471,696	858,810	400,078	237,443	311,779

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

DESCRIPTION	Actual YTD 3/31/15	2014-15 Actual	2014-15 Forecast	2014-15 Approved Budget	Actual YTD 3/31/16	2015-16 Forecast	2015-16 Approved Budget	2016-17 Proposed Budget
COLLEGE OF ENGINEERING								
381500 Non-Credit Learning Admin	680	(8,927)	49	30	892	38	48	38
381675 Civil Engineering Review	15,020	(10,156)	5,632	4,446	16,823	909	6,064	881
Total College of Engineering	15,700	(19,083)	5,681	4,476	17,715	947	6,112	919
COLLEGE OF SCIENCE								
406440 Chemistry Agilent Project	(1,478)	(1,807)	4,623	2,383	-	6,595	2,388	2,383
Total College of Science	(1,478)	(1,807)	4,623	2,383	-	6,595	2,388	2,383
COLLEGE OF LETTERS, ARTS, AND SOCIAL SCIENCES								
362030 GIS Certificate Program	(4,824)	(9,728)	-	-	5,785	-	-	-
Total College of Letters, Arts, and Social Sciences	(4,824)	(9,728)	-	-	5,785	-	-	-
COLLEGE OF ENVIRONMENTAL DESIGN								
460200 CCLAWS CERTIFICATE L+RS	(3,472)	(3,472)	-	-	-	-	-	-
Total College of Environmental Design	(3,472)	(3,472)	-	-	-	-	-	-
GRAND TOTAL CONTINUING EDUCATION	770,760	289,977	154,087	478,555	882,310	407,620	245,943	315,081

**OPERATING BUDGETS
SUPPLEMENTAL PROGRAMS**



**COLLEGE OF THE
EXTENDED UNIVERISTY**

CAL POLY POMONA FOUNDATION, INC.

COLLEGE OF EXTENDED UNIVERSITY

2016-2017

BUSINESS PLAN



APRIL 2016

SECTION TABLE OF CONTENTS

Proposed Fiscal Year Budget	A
Business Plan Narrative	
Overview of Current Fiscal Year	B
Explanation of Proposed Fiscal Year Budget	B
Changes in Programs and Services for Proposed Fiscal Year	C
Explanation of Proposed Fiscal Year Capital Requests	C
Changes in Staffing	C
Outlook Next 3 Years and 4 to 10 Years Beyond	C
Major Projects and Business Goals for Proposed Fiscal Year	D
Mission/Vision Statement	E
Strengths and Challenges	E
Employee Survey	F
Customer Survey	F
Keys to Success	G
Corporate Culture	G
Business Controls and Vital Factors	H
Asset Protection/Risk Management	H
Organization Chart	I
Business Plan Narrative Continuation - If needed (OPTIONAL)	J

Proposed Fiscal Year Budget

A

Cal Poly Pomona Foundation CEU Consolidated Budget Comparison Summary For the 2016-17 Fiscal Year

	2015-16 Approved Budget	2015-16 Forecast	2016-17 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other	25,625	52,587	55,000	2,413
Sales	5,699,694	5,519,768	6,866,000	1,346,232
Total Revenues	5,725,319	5,572,355	6,921,000	1,348,645
Expenditures- Controllable				
Utilities	65,500	65,200	66,001	801
Insurance	500	1,000	500	(500)
Repairs & Maintenance	34,000	12,000	29,500	17,500
Meals & Refreshments	36,104	49,205	53,450	4,245
Postage & Freight	14,700	8,000	7,300	(700)
Advertising	201,145	194,663	315,391	120,728
Rent/Commissions	261,276	59,900	134,396	74,496
Services	437,548	380,988	577,356	196,368
Supplies	212,835	250,980	331,775	80,795
Telephone	13,800	10,200	7,940	(2,260)
Travel	134,420	130,400	156,700	26,300
Laundry	1,000	3,300	5,000	1,700
Other	575,162	837,405	832,505	(4,900)
Total Expenditures- Controllable	1,987,990	2,003,241	2,517,814	514,573
Expenditures- Non-Controllable				
Administrative Fees	286,742	250,755	311,458	60,703
Depreciation	31,278	38,733	44,781	6,048
Insurance	10,173	3,850	8,464	4,614
Interest Expense		100		(100)
Rent/Commissions	38,900	260,548	271,830	11,282
Bank Card Fees	29,433	37,047	43,728	6,681
Other	68,804	29,094	56,322	27,228
Total Expenditures- Non-Controllable	465,330	620,127	736,583	116,456
Labor Costs				
Salaries & Wages	2,339,996	1,992,353	2,534,842	542,489
Employee Benefits	694,560	556,556	819,982	263,426
Total Labor Costs	3,034,556	2,548,909	3,354,824	805,915
Total Expenses	5,487,876	5,172,277	6,609,221	1,436,944
Net Income	237,443	400,078	311,779	(88,299)

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

Revenue for 2015-2016 is projected to be 36% higher than last year and within 3% of approved budget Net revenue (7% of total revenue) is forecast to exceed last year by 22% and this year's budget by 67%. Financial impacts due to large decreases in the numbers of Middle Eastern students at CPELI have been offset by substantial recovery in Professional Development programs (up >30%), continued growth in Global Education Programs (GEP) (up >40%), and successful launching of the Aviation Hospitality Program (AHP). Examples of successes in Professional Development programs include new offerings associated with brewing in conjunction with the Collins College of Hospitality Management and Innovation Brew Works; direct contact marketing resulting in >50% growth in our Local Government Leadership Academy; and maximum enrollments in Plastics Engineering; GEP has already this year provided customized training programs for 39 groups of international professionals and for university students, and has hosted an additional 19 delegations of international dignitaries visiting campus. CPELI and GEP collaboratively developed and launched AHP, with the first group of 100 Chinese college students pursuing careers in the aviation industry coming to CPP from September – December for instruction in English language, leadership and teamwork, international etiquette and other topics. The second cohort arrived on campus in early January. To accommodate the AHP students, 4 designated classrooms have been leased in the Bookstore building #66. CEU is working to respond to a recent internal audit that identified key areas of concern through revised business processes and improved cash handling procedures. CEU is striving to reach 100% compliance based on the foundation, campus and CSU policies through implementation of automated payment options, improved security of data and a revised reconciliation process. Staff training is planned for the Spring quarter. CEU recently revised our main website, the website for the International Center and next will be the website for CPELI. The new CEU website now includes a 3rd party - Continued

Explanation of Proposed Fiscal Year Budget:

The proposed 2016-17 budget includes aggressive growth of 24%, from \$5,566,992 to \$6,921,000 with net revenue of 5%. The basis for this growth will include continued growth in Professional Development programs and GEP. This will be augmented by a turnaround in CPELI standard ELI programs, plus growth in CPELI's short term programs, specialty camp programs, and full deployment of ASP.

New programs for HR Management, GIS (online), web media and design, market research, international apparel management, professional certification exam preparation (for multiple disciplines of Engineer in Training, and for Certified Management Accountant), and extensions of offerings in brewing and UAV piloting will provide additional development opportunities for local professionals.

The planned business objectives for 2016-17 will continue to focus on automation of business processes and procedures, security of data storage, reducing and removal of department hard copy filing systems, staff and faculty training, and focused marketing efforts with a strong emphasis on social media marketing and target marketing through the full implementation of the new CRM system. The 2016-17 budget demonstrates anticipated increased costs related to advertising and marketing to support the expansion of CEU's marketing efforts into new mediums, expanded territories, and with additional third party vendors. It also demonstrates an anticipated increase costs associated to software and services to accommodate the new CRM system and increased live-chat features that CEU recently implemented from the prior year.

Successful achievement of the planned objectives will depend on successfully replacing key professionals in Marketing, CPELI business operations, and GEP; all three left for significant promotions in new areas or organizations. Replacing our AHP Coordinator will also be required since the current coordinator is completing her year of OPT and will return to China. The proposed budget also includes provisions for adding three new positions, one each in CPELI, GEP and Program Development.

Changes in Programs and Services for Proposed Fiscal Year:

CEU's Strategic Plan of 2015 -2020 identifies goals for our direction. CEU will focus on the following broad priorities: International Education programs will include a variety of new options, including International Summer University, pre-Master's program for Engineering, and customized programs for visiting delegations and camps; new programs for workforce development will be built with close partnership with employers and community organizations; career and professional development programs for working adults will undergo program reviews to ensure relevancy, quality, and market demand. We have joined the Education Advisory Board to use their market research services to align future programs with market needs. New programs to be launched include: Modern Web Development, Mobile Computing Certificate, HR certification test prep, Logistics/supply chain, and expanded summer camp programs for youth.

Explanation of Proposed Fiscal Year Capital Requests:

To accommodate the expansion in staffing, CEU will need to revise the utilization of some existing storage space to be reconfigured to provide up to 3 work stations and a reception area. This space is located adjacent to CEU's two classrooms in building 220-A and the work will be scheduled to begin in early July, 2016. The other anticipated capital expense is related to the purchase of an electronic cart that is needed to provide CPELI staff safe transportation between CPELI and CEU as needed for business purposes in all types of weather.

Changes in Staffing:

In addition to filling vacant positions, CEU is requesting to add three new positions:

- GEP – an additional program manager to lead development of customized training program curricula and to develop new business opportunities;
- CPELI – a coordinator for the newly launched Academic Studies Program;
- Program Development – an additional Program Manager to support a set of the multiple new professional development programs.

Funding for all these positions is included in the proposed budget.

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

CEU is now three years into its 5-year objective of doubling in size (based on revenue). The current proposed budget predicts reaching that goal next year, a full year ahead of schedule. Ongoing growth will be attained through key initiatives such as: 1) continuing to streamline and automate business processes through the use of the Jenzabar and other new software systems/ applications; 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 and development of strategies for more extensive use of web-based and social media channels; 5) improving and refining processes for launching new programs; 6) expanding international efforts beyond China, Japan and Korea.

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.

Major Projects and Business Goals for Proposed Fiscal Year

D

Action Steps	Person Responsible	Due Date
Diversification of clientele and programs under CPELI and Global Education Programs	CPELI Dir, GEP Dir and Teams	FYs 16-18
Develop new international marketing strategies for CPELI and GEP	MBD, GEP Dir, CPELI Dir	FYs 16-18
Enhance CEU systems including Jenzabar CRM, OnBase, and use of Webforms,	Dir Bus Ops and Team	FY 16-17
Foster staff development through group trainings with a focus on effective communication & teamwork	Dean, Ex Dir Global Int, Dir Bus Ops	FY 16-17
Grow existing, and launch new Career & Professional Development programs, including:(see Section C)	Ex Dir Global Int, PD team	FY 16-17
Revamp and revise CEU marketing strategies related to branding and social media marketing	Dir Bus Ops, MBD, DCS and team	FY 16-17
Begin to move CEU sensitive (level 1) data storage from hard copy to secured online storage system	Dir Bus Ops and Team	FY 16-17
Continue to pursue CEU/CPELI space options (a new location, or add. buildings at current location)	Dean, Ex Dir Global Int, CPELI Dir	FYs 16-18
Expand Academic Studies Program (ASP) and CPELI instruction	Dean, Ex Dir Global Int, CPELI Dir	FYs 16-18
Establish designated team to measure and report on the progress of the CEU Strategic Plan	Dean, Ex Dir Global, DBO, & team	FY 16-17
Examine curriculum relative to current market trends and needs (revise or remove as needed)	Ex Dir Global Int, PD team	FY 16-17
Enable the Pomona Promise initiative	Dean, Program Manager	Fall 2016
Establish improved business processes and strategies for Accounting, Registration, & Marketing depts.	Dir Bus Ops and Team	FY 16-17
Develop new custom reports to automate and continue to support business needs	Dir Bus Ops and CEU IT	FY 16-17
Expand the Migrant Ed & CEU Summer Camp programs for summer 2017	EDGI,Dir Bus Ops, PD, Consultant	FY 16-17
Improve communication with CEU faculty through scheduled updates, trainings and events	Dean, EDGI, DBO, and CEU staff	FY 16-17

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

While areas of strength remain much the same from year to year, this year the most significant change has been a dramatic increase in the scope and capabilities of our GEP team, particularly with broad contacts throughout China. CEU's capability of being self-sustaining and having control over many internal operations enables flexibility and productivity. One of the primary benefits in this flexibility is in being able to offer new, or modify existing, programs to meet newly identified market needs and preferences. CEU benefits from the reputation of CPP and from its location in Southern California (especially important to international constituencies). Close working relationships with other Colleges, and especially with various business operations departments around campus, enables CEU to benefit from the broad expertise and skill base here at CPP. Several CEU business processes have been revised to address compliance and provide improved service.

Challenges

Two specific challenges have risen to the top of CEU's list this year. The first is retention of talented staff. While CEU attracts and hires outstanding people, we are experiencing turnover in key positions due to our salary scale; top people leave for significantly better financial situations at other institutions. (For example, we just hired an outstanding program manager and this week CSULA is advertising for a similar position but offering a salary scale that begins at a rate significantly higher than ours.) The second major challenge is space. We continue to explore options for CPELI but suitable options are not apparent at this time. Our proposed budget includes outfitting our one remaining "not-totally-occupied" area at CTTi into cubicles, but those will be filled with the new positions also in this year's plan. Additional classroom space is needed to support the growing menu of course offerings especially on Saturdays and certain evenings.

Employee Survey

The CEU Strategic Plan was developed in 2014-15 by a group of staff volunteers that represented all areas of CEU including business operations, professional development, CPELI, GEP, and IC. The plan was officially launched for the 2015-16 fiscal year during the Spring quarter at a collective staff meeting. CEU will be inviting the staff to volunteer and join a new CEU Strategic Plan work group in the Spring 2016 quarter that will focus on the most effective means to measure and report the success pertaining to each of the goals within the plan so that annual progress can be shared, reported and assessed collectively. CEU anticipates that new staff surveys will be created, distributed, collected and reported as part of the measurement objectives and we will look forward to sharing those results in future years.

Customer Survey

Each CEU department survey's customer experience:

CPELI's survey aligns with CEU accreditation standards. Surveys demonstrate high praise for quality of teaching, excellent instructors, appreciation for CPP's reputation and competent staff. Results also continue to report student dissatisfaction regarding CPELI buildings.

Student Services/Registration survey reports appreciation for the course offerings. We continue to improve the learning experience by establishing a standardized syllabus format and student learning experience evaluation documents, which we launched during this past fiscal year. A CEU wide assessment plan process will take place during this year. Data is supportive of learners' positive experience with CEU.

As a new tool of continuous improvement, Program Development is initiating a program review process, which will include comprehensive review of content, instruction, relevance, and course alignment. The Human Resource certificate program is first in line to undergo the process.

Global Education Program continues to use course and program evaluations for each delegation. The survey examines: overall experience, quality of content, quality of presenters, condition of classrooms, quality of interpreters, and services provided by the GEP team. The results demonstrate outstanding quality in all aspects of the program. The previously expressed concern for quality of interpretation is fixed with careful selection of interpreters who are interviewed by our highly qualified GEP team.

The International Center continues to work with the campus community implement the Task Force findings to revise and improve the overall student experience on campus. At the departmental level, the international student survey demonstrates that students are happy with the personalized services, a variety of workshops, and better access to advisors due to hiring of additional SEVIS specialist/advisor. Students enjoy the student club activities and varied overall services that they receive.

Keys to Success

Keys to Success Items	Rank in Importance 10 to 1
Measuring the progress of the Strategic Plan.	10
Reconstruct the CEU marketing strategy to include social media, calendared ads, and increased outreach.	10
Revise and maintain the new websites for CEU, IC, and CPELI sites with recent, accurate information timely.	10
Provision of the highest quality programs, services, and instruction.	9
Increase capacity of facilities to meet growth needs.	9
Implementation of the Jenzabar CRM system with well documented processes and business strategies	8
Develop and launch C&PD programs aligned with market needs & CPP competencies	8
Diversification of international programs for CPELI and Global Education Programs into new markets.	7
Develop a culture of competency in CEU	7
Implementation of compliant and data secure business processes across CEU	10
Develop a strategy for staff retention, professional development, and building team skills	10
Enhance CEU relationship with our faculty through scheduled trainings, events, and interactive communications	10

Corporate Culture

Customer/Client Perception	Unit Perception
CEU External Customer's Perception:	CEU's Perception:
CEU provides quality education and valued instruction that is priced competitively but they would appreciate the implementation of proactive communication strategies for notification of upcoming, new or additional course offerings in their area of study as well as automated notification of any course cancellations. (Jenzabar should reduce this concern through the implementation of the CRM system)	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 measuring of the Strategic Plan should assist in providing a sense of identity and direction as well as lead us in continually 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. (The PD team will focus on improved communication tools to assist potential partners with understanding the appropriate time-frame that is needed to launch a new program from point of concept so that all parties maintain reasonable expectations)	

Business Controls and Vital Factors

Due to the complexity of the CEU, with programs run under several types of funds both with the Foundation as well as the State spheres, a prominent focus was placed on the need for the removal of direct staff interaction in regards to our cash handling procedures. This was an area of concern in a recent internal audit and to address this concern, CEU worked collaboratively with the Foundation to identify key process improvements that remove the need for our staff to be involved in the student payment process. Through implementing the Jenzabar system for both professional development and most recently for CPELI, students now have the capacity to enroll and pay themselves directly on-line. This process improvement, not only brings CEU into compliance with PCI requirements, it also helped CEU to streamline our daily deposit process and removed the need for funds to be delivered to the foundation with 24 business hours, which had been a continual challenge in the past to transport funds collected in CPELI to CEU Accounting, to be posted, reconciled, the deposit prepared, and the funds delivered all within the 24 hour time-line. On occasion, students do need to pay by check at CPELI and a new check scanner that was installed has addressed the compliance issue for this scenario. Also, due to the large population of students that come from various parts of the world and may need to or prefer to pay in currency from their country, a new on-line international payment vendor named Flywire has been set up to provide an on-line portal for the student to make their payment (with the lowest guaranteed conversion rate) and the funds are directly deposited into the foundation account. Due to these revisions in our payment options and business processes, a new cash handling training is being prepared with anticipated delivery in the Spring 2016 quarter to confirm that all applicable staff are informed about the new options and are aware of how this impacts their role in regards to cash handling.

The next main area of concern from the audit that CEU will address is related to our business processes that work with level 1 data and require secure data storage for both hard-copy and on-line. CEU has been researching possible options the IT teams of the Foundation and the campus and it appears that OnBase may be our best system option to move forward. Meetings are scheduled for the Winter 2016 quarter to set up the needed resource for all applicable areas of CEU, to establish an effective file system and to begin staff training. Our goal is to have all areas of concern from the audit addressed with a solution by the end of the current fiscal year. CEU appreciates the collaborative support and solutions that the Foundation and the campus have provided and continue to provide to keep CEU moving forward in the right direction to address any compliance issues.

Asset Protection/Risk Management

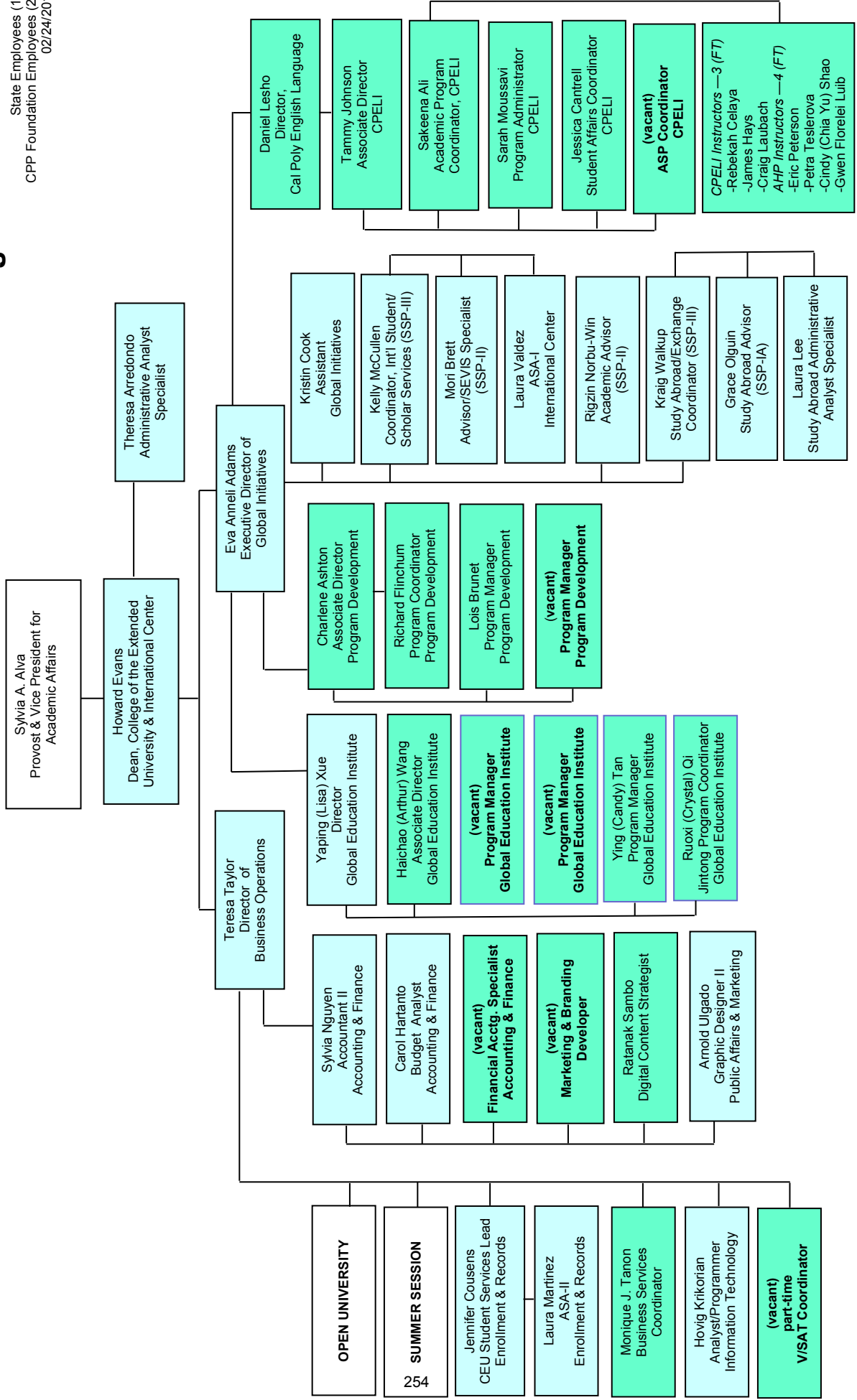
To protect the CEU server assets, fire suppression was added to our server room including additional security via video monitoring and access control. Back-up processes are in place for all CEU servers and software assets. CEU's technology assets are recorded and tracked on a continuing basis and a CEU Business Continuity Plan is updated and "table-top" tested annually.

College of the Extended University & International Center

Organization Chart

Organizational Chart

State Employees (19)
 CPP Foundation Employees (27)
 02/24/2016



Continued -Overview of Current Fiscal Year:

live-chat service to extend our accessibility to students close to a 24/7 schedule. In the first month, CEU has already exceeded our originally anticipated monthly inquiry levels and we look forward to seeing the trends of the student activity levels per program once the first quarter report is available. To enhance the new CEU websites, CEU has contracted with a vendor to assist us with improving our search engine optimization (SEO) level on the web which should result in increased website traffic. The CEU Marketing department has expanded our current website position to acquire a full-time workload as CEU is currently working to fill our revised Marketing and Branding Developer position. A strong social media focus will be embedded into CEU's marketing efforts moving forward once the full team is on board. CEU recently hired a Business Services Coordinator so that operational tasks that have previously resided in other departments can be transferred to the Business Operations division such as preparation of faculty contracts, collaborative scheduling efforts, establishing documented business processes, etc. so that each process can be reviewed for possible automation and for enhanced clarity and control. Filling this position brought the Business Operations department to full capacity in terms of staff work stations. To prepare for additional positions to be added in the future, existing workspaces are being reconfigured so that two additional workstations can be added into the existing space with one additional workspace in the accounting/business operations area and one in the marketing/IT area. \$25,000 has been budgeted to cover this expense. CEU held two faculty training sessions in the fall and winter quarters to introduce them to the Jenzabar system and the features currently available to them for their courses and communication to the students. This is just the first step of several that CEU has planned to enhance our working relationship with our valued faculty and to provide them with needed resources. CEU's next step in relation to our Jenzabar system, will be the addition of the CRM (Client Relationship Management) software that will enhance our marketing and tracking of student progress capabilities. CEU anticipates the CRM implementation to take place in July 2016 or sooner in support of the 2016-17 fiscal year.

Continued -Changes in Programs and Services for Proposed Fiscal Year

**OPERATING BUDGETS
SUPPLEMENTAL PROGRAMS**

COLLEGE OF ENGINEERING

**Cal Poly Pomona Foundation
Engineering
Consolidated Budget Comparison Summary
For the 2016-17 Fiscal Year**

	2015-16 Approved Budget	2015-16 Forecast	2016-17 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other	1,360	1,786	1,786	
Sales	27,200	30,600	30,600	
Total Revenues	28,560	32,386	32,386	
Expenditures- Controllable				
Advertising	1,256	2,250	2,250	
Services	15,846	21,600	21,600	
Supplies	1,250	1,668	1,668	
Other	2,720	1,531	1,531	
Total Expenditures- Controllable	21,072	27,049	27,049	
Expenditures- Non-Controllable				
Administrative Fees	1,286	1,457	1,457	
Bank Card Fees	90	81	81	
Total Expenditures- Non-Controllable	1,376	1,538	1,538	
Labor Costs				
Salaries & Wages		2,627	2,627	
Employee Benefits		225	253	28
Total Labor Costs		2,852	2,880	28
Total Expenses	22,448	31,439	31,467	28
Net Income	6,112	947	919	(28)

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 project and accumulated in order to facilitate making purchases. Any purchased equipment using these funds is placed immediately on the University's property inventory.

During 2015-16, 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
Science
Consolidated Budget Comparison Summary
For the 2016-17 Fiscal Year

	2015-16 Approved Budget	2015-16 Forecast	2016-17 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	3,571		3,576	3,576
Total Expenditures- Non-Controllable	4,228	657	4,233	3,576
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	12,213	8,007	12,219	4,212
Net Income	2,388	6,595	2,383	(4,212)

AGILENT

406440

PROJECT SUMMARY FISCAL YEAR 2016-2017

SCHEDULE B

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

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

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

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

**OPERATING BUDGETS
SUPPLEMENTAL PROGRAMS**



**AGRICULTURAL AID TO
INSTRUCTION PROGRAM**

Cal Poly Pomona Foundation
AGR-Aid-to-Instruction
Consolidated Budget Comparison Summary
For the 2016-17 Fiscal Year

	2015-16 Approved Budget	2015-16 Forecast	2016-17 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other	339,000	248,924	137,000	(111,924)
Sales	3,116,800	3,435,319	3,721,345	286,026
Total Revenues	3,455,800	3,684,243	3,858,345	174,102
Cost of Goods Sold				
Cost of Goods Sold	628,239	736,657	800,067	63,410
Total Cost of Goods Sold	628,239	736,657	800,067	63,410
Expenditures- Controllable				
Utilities	75,394	53,658	66,302	12,644
Agr/RE Fees	401,192	390,717	411,682	20,965
Feed	205,500	113,856	104,500	(9,356)
Insurance	33,427	21,831	26,550	4,719
Repairs & Maintenance	147,255	92,712	107,282	14,570
Meals & Refreshments	12,000	24,534	46,746	22,212
Postage & Freight	11,300	6,588	6,796	208
Advertising	16,407	19,319	37,775	18,456
Rent/Commissions	10,920	32,461	41,090	8,629
Services	295,375	395,613	360,079	(35,534)
Supplies	237,740	216,328	224,564	8,236
Telephone	5,700	6,950	6,850	(100)
Travel	26,300	15,824	27,600	11,776
Laundry	1,200	1,500	1,200	(300)
Other	131,241	125,211	184,253	59,042
Total Expenditures- Controllable	1,610,951	1,517,102	1,653,269	136,167
Expenditures- Non-Controllable				
Administrative Fees	138,351	145,162	154,333	9,171
Depreciation	49,302	58,826	61,734	2,908
Rent/Commissions	1,809	1,809	1,809	
Bank Card Fees	32,793	25,939	28,050	2,111
Other	11,490	10,496	9,500	(996)
Total Expenditures- Non-Controllable	233,745	242,232	255,426	13,194
Labor Costs				
Salaries & Wages	771,231	765,721	902,834	137,113
Employee Benefits	168,958	135,355	259,101	123,746
Total Labor Costs	940,189	901,076	1,161,935	260,859
Total Expenses	3,413,124	3,397,067	3,870,697	473,630
Net Income	42,676	287,176	(12,352)	(299,528)

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

DESCRIPTION	Actual YTD 3/31/15	2014-15 Actual	2014-15 Forecast Budget	2014-15 Approved Budget	Actual YTD 3/31/16	2015-16 Forecast Budget	2015-16 Approved Budget	2016-17 Proposed Budget
016200 Agronomy Farms	26,126	(93,798)	149,919	16,038	(47,567)	233,984	24,341	125,668
260200 Arabian Horse Show	(32,851)	(48,409)	(5,930)	(3,538)	8,206	(160,454)	686	(270,908)
020010 Beef Unit	(40,889)	(41,031)	18	10,095	(12,756)	6,142	2,150	582
022500 Beef Show Sale Project	-	-	-	-	-	-	-	-
027190 Consignment Sales	-	-	-	-	-	-	-	-
340010 Fruit Industry	5,744	1,353	1,244	3,284	5,316	1,244	4,184	654
300010 Meat Lab	(529)	(804)	(500)	9,305	(537)	-	982	3,154
320300 Ornamental Horticulture	(3,600)	3,467	3,406	2,274	(3,339)	28,429	2,393	33,095
193040 Pine Tree Ranch	44,696	101,676	33,504	1,996	119,320	42,140	1,996	4,396
420010 Sheep Unit	(14,805)	(56,356)	542	8,005	(7,275)	1,928	841	2,286
430010 Swine Unit	(4,117)	(15,421)	2,334	5,089	3,880	908	9,074	2,836
260220 Farm Store at Kellogg Ranch	(12,831)	1,234	59,301	5,195	25,895	24,354	(4,665)	3,919
460360 Danny's Farm	(3,758)	(6,819)	-	-	4,642	-	-	-
350810 Truck and Trailer	-	-	-	-	-	-	-	-
350820 Pomona Organics St Project	-	-	-	-	-	-	-	-
428460 Vet Clinic	7,651	(3,061)	1,088	4,249	(5,194)	2,463	4,210	12,839
428540 AG 505 Sheep Project 94	-	-	-	-	-	-	-	-
428550 LA Fair Swine Show Team	-	-	-	-	-	-	-	-
462300 Pumpkin Festival	-	-	-	-	11,630	3,811	(3,516)	64,192
462530 Westwind Ranch	-	-	-	-	-	-	-	-
462540 Wasmansdorff House-Pine Tree	-	-	-	-	102,186	102,227	-	-
462610 Agriscapes	-	-	-	-	6,351	-	-	4,935
Total	(29,163)	(157,969)	244,926	61,992	210,758	287,176	42,676	(12,352)

Cal Poly Pomona Foundation
Plant Sciences
Consolidated Budget Comparison Summary
For the 2016-17 Fiscal Year

	2015-16 Approved Budget	2015-16 Forecast	2016-17 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other		107,440	83,000	(24,440)
Sales	2,701,510	3,140,360	3,250,855	110,495
Total Revenues	2,701,510	3,247,800	3,333,855	86,055
Cost of Goods Sold				
Cost of Goods Sold	598,863	736,657	740,762	4,105
Total Cost of Goods Sold	598,863	736,657	740,762	4,105
Expenditures- Controllable				
Utilities	75,394	53,658	66,302	12,644
Agr/RE Fees	355,792	333,497	352,542	19,045
Insurance	31,452	20,576	24,388	3,812
Repairs & Maintenance	103,055	74,850	78,896	4,046
Meals & Refreshments	2,900	7,049	25,496	18,447
Postage & Freight	10,100	4,088	4,396	308
Advertising	10,232	11,666	25,600	13,934
Rent/Commissions	9,600	31,611	39,100	7,489
Services	244,175	307,212	297,079	(10,133)
Supplies	159,400	145,270	142,900	(2,370)
Telephone	600	600	600	
Travel	2,500	1,670	4,100	2,430
Laundry	1,200	1,500	1,200	(300)
Other	73,571	69,523	122,166	52,643
Total Expenditures- Controllable	1,079,971	1,062,770	1,184,765	121,995
Expenditures- Non-Controllable				
Administrative Fees	108,060	127,703	133,354	5,651
Depreciation	30,810	47,200	50,106	2,906
Bank Card Fees	32,793	25,939	28,050	2,111
Other	11,490	10,496	9,500	(996)
Total Expenditures- Non-Controllable	183,153	211,338	221,010	9,672
Labor Costs				
Salaries & Wages	652,827	672,501	748,406	75,905
Employee Benefits	161,963	128,345	202,053	73,708
Total Labor Costs	814,790	800,846	950,459	149,613
Total Expenses	2,676,777	2,811,611	3,096,996	285,385
Net Income	24,733	436,189	236,859	(199,330)

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

Plant Science Department

Overview of Current Fiscal Year:

It appears that revenue projections for the Agronomy Farm are on target to be met as proposed. This seasons good pumpkin crop resulted in the recovery of COSTS compare to last year that caused us to purchase an additional \$100,000 in pumpkins for the Pumpkin Festival. We have identified areas that has allowed us to recover cost for services we provide to other departments.

Revenues from the Pine Tree Ranch avocado and lemon crops have exceeded projections to date. Fruit Industries crops on campus appear to be on target as proposed. The Agronomy farm continues to be plague with aging farm equipment.

The Capital Project at Pine Tree Ranch House Renovation has begun. Capital request for the well repair has been completed.

The remainder of the Capital Projects requests have not been done as proposed and will ask to carry these request into the 2016-17 budget.

Explanation of Proposed Fiscal Year Budget:

The Plant Science Department is looking at all of its components to reduce cost and increase revenue. It has been recognized that the Agronomy Farm provides services to others and receives NO compensation for. We are actively looking into closing these gaps and recover costs associated with these services to others. It is anticipated that changes will occur in this years forecast and the Proposed Fiscal Year Budget as we close these gaps.

AGRIsclapes is a new Foundation project account established to bring a variety of AGRIsclapes programs and activities together. Most of these activities have been operated in previous years under the Farm Store, Ag Literacy Fund and other accounts. Until now there has never been a comprehensive budget to track and monitor revenues and expenses as well as create a framework to expand and improve community outreach efforts.

Beginning in May 2015, a full-time staff position was created to coordinate community engagement and outreach for AGRIsclapes. This inaugural project budget is an attempt to pull together a variety of pieces and better anticipate revenues and expenditures for both recurring and new programs. Activities that will continue from prior years are the Strawberry Festival / Tractor & Car Show, Children's Garden field trips and AGRIsclapes visitor Center programs. All of these will be enhanced and new opportunities introduced including the following:

- Substantially increase school field trips to the re-built Children's Garden and AGRIsclapes Farm
- The Strawberry Festival will be expanded with increased Agricultural Education components
- U-Pick activities will be extended providing increased opportunities for visitors to engage at AGRIsclapes
- New Partnerships will enable the introduction of public classes and workshops

College of Agriculture students will continue to be a key piece of this operation through student worker and service learning opportunities. We expect that these enhancements and additions will create a more positive fiscal outcome, yielding a sustainable operation serving an increased number of visitors.

Changes in Programs and Services for Proposed Fiscal Year:

The most significant changes to past operations of the AGRIsclapes programs are the creation of a full-time Administrative Assistant position and the commencement of planning and implementation of a new outreach project funded through a major gift in 2015. The focus of AGRIsclapes has always been to be a gateway for outreach to the surrounding community. Through increased programs, partnerships and enhanced facilities, more visitors will be exposed to Cal Poly Pomona and the College of Agriculture.

Explanation of Proposed Fiscal Year Capital Requests:

Requesting \$50,000 for the continued restoration of the Wasmansdorff House at Pine Tree Ranch

Changes in Staffing:

I have proposed for 2016-17 pay increases for three full time employees. These employees are key to the Fruit Industries and Agronomy Farm. We have also requested a new position, Specialty Crop Farm Supervisor

The AGRIsclapes budget requests a full-time Administrative Assistant position be created to help manage increasing outreach activities at AGRIsclapes. Currently there exists a part-time 20 hour position that is split 50 /50 with the Farm Store. The new position would replace the existing, allowing a more consistent and coordinated response to operations. This position would be initially funded partially by the Jim Hicks 2015 gift with anticipation that it would become financially sustainable in years beyond FY 16 / 17

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

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

We received a generous gift from VP Garcia on removing approximately 8 acres of dead avocados behind Los Olivos here on campus that were abandoned years ago. We are still proposing replanting this orchard in the 2015-16 budget.

Uncertainty of land use changes proposed by the University makes this a difficult challenge in projecting the future outlook. As this is the first ever comprehensive budget for AGRIsclapes, many factors affecting long-term projections that are difficult to anticipate. The most significant element in the near term will be implementation of the 'Ag Heritage Farm' project and resulting programs which will have a direct impact on all operations and activities at AGRIsclapes. The goal is to approach this new project and existing programs as sustainable enterprises. A more accurate forecast of future needs and results will be possible once capital project planning is more fully developed.

CAL POLY POMONA FOUNDATION, INC.

ANIMAL & VETERINARY SCIENCE FARM

2016-2017

BUSINESS PLAN



APRIL 2016

SECTION TABLE OF CONTENTS

Proposed Fiscal Year Budget	A
Business Plan Narrative	
Overview of Current Fiscal Year	B
Explanation of Proposed Fiscal Year Budget	B
Changes in Programs and Services for Proposed Fiscal Year	C
Explanation of Proposed Fiscal Year Capital Requests	C
Changes in Staffing	C
Outlook Next 3 Years and 4 to 10 Years Beyond	C
Major Projects and Business Goals for Proposed Fiscal Year	D
Mission/Vision Statement	E
Strengths and Challenges	E
Employee Survey	F
Customer Survey	F
Keys to Success	G
Corporate Culture	G
Business Controls and Vital Factors	H
Asset Protection/Risk Management	H
Organization Chart	I
Business Plan Narrative Continuation - If needed (OPTIONAL)	J

Proposed Fiscal Year Budget

A

Cal Poly Pomona Foundation Animal Vet Sciences Consolidated Budget Comparison Summary For the 2016-17 Fiscal Year

	2015-16 Approved Budget	2015-16 Forecast	2016-17 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other		2,592		(2,592)
Sales	349,140	234,109	392,540	158,431
Total Revenues	349,140	236,701	392,540	155,839
Cost of Goods Sold				
Cost of Goods Sold	29,376		59,305	59,305
Total Cost of Goods Sold	29,376		59,305	59,305
Expenditures- Controllable				
Agr/RE Fees	9,400	12,220	11,140	(1,080)
Feed	115,500	63,856	54,500	(9,356)
Repairs & Maintenance	13,000	11,762	22,146	10,384
Meals & Refreshments	7,900	12,485	15,250	2,765
Advertising	175	153	175	22
Rent/Commissions	1,320	350	1,740	1,390
Services	13,800	38,401	15,000	(23,401)
Supplies	30,340	21,058	33,664	12,606
Telephone	1,500	1,350	1,150	(200)
Travel	6,800	3,654	6,500	2,846
Other	24,340	17,038	22,307	5,269
Total Expenditures- Controllable	224,075	182,327	183,572	1,245
Expenditures- Non-Controllable				
Administrative Fees	14,085	9,469	15,701	6,232
Depreciation	13,488	11,626	11,628	2
Insurance	1,975	1,255	2,162	907
Rent/Commissions	1,809	1,809	1,809	
Total Expenditures- Non-Controllable	31,357	24,159	31,300	7,141
Labor Costs				
Salaries & Wages	46,404	18,384	78,480	60,096
Employee Benefits	671	390	18,186	17,796
Total Labor Costs	47,075	18,774	96,666	77,892
Total Expenses	331,883	225,260	370,843	145,583
Net Income	17,257	11,441	21,697	10,256

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 15/16 with a positive balance of approximately \$11,000 across all 5 farm operations. We have continued to find ways to increase revenues by expanding grass fed beef operation, custom cattle feeding operations, ,boarding of animals and increase in overall sales revenue. We are decreasing overall herd size in sheep and beef herds to be better in-line with available grazing resources and focus on improved quality to still be able to maintain livestock sale figures to make budgets

Explanation of Proposed Fiscal Year Budget:

We project an overall positive balance over the 5 accounts of \$16,000 at the end of FY 16-17. There are many unknowns in this proposed budget that will have serious negative impact on overall profit/loss for next fiscal year. The first of which is the status of Spadra Farm. With the proposal of losing approximately 50% of available cropland this will negatively impact our cost of feed for sheep and beef units as 75% of our feed is grown on Spadra Farm. If the animal science farm has to purchase outside feed, our overall AVS farm budget will swing approximately \$50,000-\$60,000 in the negative as we will be forced to pay retail prices for hay, and in Southern California, hay is at a premium.

Another unknown entity is the status of the meat lab manager position. We are assuming no state support for this position and are currently talking with donors to help get this program started again. We will need to sell 300% of the product we sold in our last year of operation just to break even, which will be a challenge, especially in the first few years. If we can get some state support for this manager position we will be better off, budget wise, but there is just a lot of unknowns surrounding this budget for FY 16/17.

Changes in Programs and Services for Proposed Fiscal Year:

The major change for FY 16/17 will be contingent on approval from Academic Affairs and if they decide to support the meat lab manager position. We proposed full foundation funding for this position for FY 16/17

Explanation of Proposed Fiscal Year Capital Requests:

Carry forward of approved capital request for swine unit for Kawaski Mule

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 unknown due to too many factors beyond the programs control. These factors include, Spadra, Lanterman, rainfall, and pasture availability.

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

2016-2017

BUSINESS PLAN



APRIL 2016

SECTION TABLE OF CONTENTS

Proposed Fiscal Year Budget	A
Business Plan Narrative	
Overview of Current Fiscal Year	B
Explanation of Proposed Fiscal Year Budget	B
Changes in Programs and Services for Proposed Fiscal Year	C
Explanation of Proposed Fiscal Year Capital Requests	C
Changes in Staffing	C
Outlook Next 3 Years and 4 to 10 Years Beyond	C
Major Projects and Business Goals for Proposed Fiscal Year	D
Mission/Vision Statement	E
Strengths and Challenges	E
Employee Survey	F
Customer Survey	F
Keys to Success	G
Corporate Culture	G
Business Controls and Vital Factors	H
Asset Protection/Risk Management	H
Organization Chart	I
Business Plan Narrative Continuation - If needed (OPTIONAL)	J

Proposed Fiscal Year Budget

A

Cal Poly Pomona Foundation Arabian Horse Center Consolidated Budget Comparison Summary For the 2016-17 Fiscal Year

	2015-16 Approved Budget	2015-16 Forecast	2016-17 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Other	339,000	138,892	54,000	(84,892)
Sales	66,150	60,850	77,950	17,100
Total Revenues	405,150	199,742	131,950	(67,792)
Expenditures- Controllable				
Agr/RE Fees	36,000	45,000	48,000	3,000
Feed	90,000	50,000	50,000	
Repairs & Maintenance	31,200	6,100	6,240	140
Meals & Refreshments	1,200	5,000	6,000	1,000
Postage & Freight	1,200	2,500	2,400	(100)
Advertising	6,000	7,500	12,000	4,500
Rent/Commissions		500	250	(250)
Services	37,400	50,000	48,000	(2,000)
Supplies	48,000	50,000	48,000	(2,000)
Telephone	3,600	5,000	5,100	100
Travel	17,000	10,500	17,000	6,500
Other	33,330	38,650	39,780	1,130
Total Expenditures- Controllable	304,930	270,750	282,770	12,020
Expenditures- Non-Controllable				
Administrative Fees	16,206	7,990	5,278	(2,712)
Depreciation	5,004			
Total Expenditures- Non-Controllable	21,210	7,990	5,278	(2,712)
Labor Costs				
Salaries & Wages	72,000	74,836	75,948	1,112
Employee Benefits	6,324	6,620	38,862	32,242
Total Labor Costs	78,324	81,456	114,810	33,354
Total Expenses	404,464	360,196	402,858	42,662
Net Income	686	(160,454)	(270,908)	(110,454)

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

Significant effort has gone into analyzing the complex budget at the AHC in the last few months, which involves no fewer than five accounts and is not easily tracked. This has resulted in a more in-depth understanding of the budget and hopefully more accurate forecasting.

The Arabian Horse Center has had to make several adjustments in its budget based on serious operational challenges. On the revenue side, the proceeds from the endowment were down \$100,000 from the budgeted amount. Additional staff has been hired due to staffing short falls. The previous director, who was providing some veterinary services, has left and the FY veterinary budget not adjusted accordingly. We did receive a one time deposit of \$86,000 in cash from the operating budget at a sold property, which is helping to lessen the impact of this situation.

While the Arabian industry in general is still down, the AHC did enjoy a successful production auction in 2015. This revenue sits on the state side and has been used to offset feed/hay costs. The industry has responded positively to the new hires. Due to state directive, no more horses will be sold in this fiscal year. All sales will occur by public auction, scheduled for August 3, 2016.

Explanation of Proposed Fiscal Year Budget:

The operational challenges described above are not expected to be resolved in FY 2016-2017. The endowment proceeds are budgeted to remain at the 3% level (a decrease of \$100,000 in total).

REVENUE:

65% of the AHC foundation revenue comes from the reduced endowment proceeds. Horse boarding (IHSA and student horses) generate an additional 17%. We are launching a "Friends of the Horse Center" program fall quarter 2016, with the intent of helping to replace some of the revenue lost in endowment proceeds. I have been conservative in budgeting proceeds from this since it is a new program.

EXPENSES:

Labor is now the single largest expense item on our budget, with the employee related budget totaling \$104,000 and stipends at \$75,000. We recover some of the stipend cost from the state (\$40,000 in FY 2015-2016). The assumption that this money will be appropriated by the state in FY 2016-17 is reflected in the proposed budget.

The variable expense of caring for the horses is the other large item - feed/hay, and vet and farrier. The feed and hay are subject to market fluctuations and the market conditions make these very hard to control.

The revenue from horse sales (estimated at \$75,000) will be used to offset feed costs, and that assumption is reflected in the proposed budget. Vet and farrier were not accurately reflected in the 2015-2016 budget, so they have been adjusted accordingly. The best way to control these is to lower the number of horses and focus on productive management and preventative care. The herd size has been reduced since in FY 2015-16 through sale and retirement. This is an ongoing focus, but some horses have to be replaced as others are retired so we have reached the end of the benefit of this approach. Secondly, we are focusing on productive management and preventative care by making adjustments to their daily care. I am hesitant to reduce the budget numbers on these variable expenses a significant amount given the market volatility and incorrect budgeting noted earlier.

Changes in Programs and Services for Proposed Fiscal Year:

- We are launching a "Friends of the AHC" program with the intent of generating some additional revenue.
- Equine Operations Program Manager remains on this budget. This is critical to the operation.
- Covering the Sunday Show arena is a significant step in solidifying our position as a leader in the industry, and fills an important gap in allowing us to provide educational opportunities unencumbered by weather.

Explanation of Proposed Fiscal Year Capital Requests:

There are no new capital projects proposed for this account. We are exploring covering the Sunday show arena, which is an important step in our future. We have approximately \$1.2 million available for that now through fundraising and the sale of property.

Changes in Staffing:

We need additional staff to replace part-time employees and volunteers that weren't backfilled. Due to carrying Equine Operations Program Manager, I am not making a formal request at this time, but it has a significant impact on the operation and cannot be forgotten.

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

Revenue: In the short term, I expect the revenue from the production sale to remain flat given the number of horses available. The industry has responded well to new hires and we have increased promotional efforts to ensure the sale remains successful. It is imperative we become recognized as "THE" industry source for high quality, well trained horses. The bottom of the market is expected to remain weak - we must be at the top. We will continue to work with Advancement to ensure we are reaching AHC alumni and supporters and generating additional revenue streams.

Expenses: With global environmental pressures on farming (decreasing land availability, drought, etc.) our expenses will only remain flat or increase. Every effort is made to run a productive operation, but when you are squeezing pennies, the answer lies on the revenue side.

Mission/Vision Statement

The W.K. Kellogg Arabian Horse Center is dedicated to maintaining the Kellogg legacy of breeding the highest quality Arabian horses; ensuring they have the best training; and promoting the Arabian breed to the Cal Poly Pomona campus, Arabian industry, and general public. Consistent with the polytechnic tradition, we offer students a safe place to learn horsemanship from the best instructors in the industry. The AHC promotes the Arabian breed to the public through the Sunday shows and other many other events, and strives to be a respected resource for equine education in the community.

Strengths and Challenges

Strengths

The President's Arabian Advisory Committee completed strategic planning in 2015, and noted these strengths of the AHC: The center has a long standing history of excellence, and support from the highest echelons of the industry through stallion breeding donations. The students, volunteers, and foal watch programs are very strong and the learn by doing philosophy is an important part of the center culture. The university administration has taken great steps to support the center in 2015, and this has resulted in a strong director and talented operations program manager to lead the operation to greater heights. The advisory committee consists of industry leaders with a huge commitment to CPP, who are not afraid to speak their minds. The mare herd is successful, producing eight horses who won national titles in 2015.

Challenges

Financial challenges will continue on both the revenue and expense side. The lack of a covered facility makes it difficult to maintain productivity. The lack of a staff is a significant operational challenge. The facility is over 40 years old and needs some maintenance and upkeep to present it in a fashion appropriate to the Kellogg legacy and Cal Poly Pomona name. We don't have sufficient horses for students to show (nor an assistant to train them) and represent the Kellogg legacy and CPP name appropriately.

Employee Survey

Not applicable.



Customer Survey

Not applicable.

Business Controls and Vital Factors

H

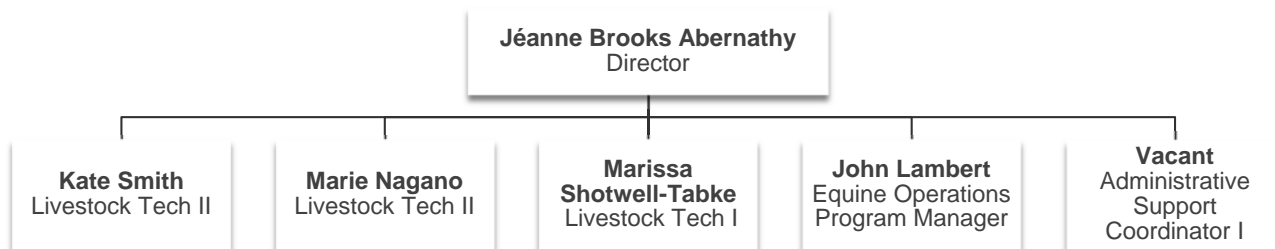
The college has committed a lot of resources to analyzing and quantifying the budget. These will be reviewed monthly with the staff (we have weekly meetings every Monday morning).

The majority of our budget is out of our control - labor and market costs of feed/shavings. We will continue to manage the herd so that every member is productive, we have almost reached the point of diminishing returns.


Asset Protection/Risk Management

We are investigating mortality and major medical insurance on the most valuable members of the Arabian herd. Since they are state assets, this work will occur on the state side.

Organization Chart



**OPERATING BUDGETS
SUPPLEMENTAL PROGRAMS**



**RESEARCH AND
SPONSORED PROGRAMS**

CAL POLY POMONA FOUNDATION, INC.

OFFICE OF RESEARCH AND SPONSORED PROGRAMS (ORSP)

2016-2017

BUSINESS PLAN



APRIL 2016

SECTION TABLE OF CONTENTS

Proposed Fiscal Year Budget	A
Business Plan Narrative	
Overview of Current Fiscal Year	B
Explanation of Proposed Fiscal Year Budget	B
Changes in Programs and Services for Proposed Fiscal Year	C
Explanation of Proposed Fiscal Year Capital Requests	C
Changes in Staffing	C
Outlook Next 3 Years and 4 to 10 Years Beyond	C
Major Projects and Business Goals for Proposed Fiscal Year	D
Mission/Vision Statement	E
Strengths and Challenges	E
Employee Survey	F
Customer Survey	F
Keys to Success	G
Corporate Culture	G
Business Controls and Vital Factors	H
Asset Protection/Risk Management	H
Organization Chart	I
Business Plan Narrative Continuation - If needed (OPTIONAL)	J

Proposed Fiscal Year Budget

A

Cal Poly Pomona Foundation Research & Sponsored Programs Consolidated Budget Comparison Summary For the 2016-17 Fiscal Year

	2015-16 Approved Budget	2015-16 Forecast	2016-17 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Indirect Cost Recoveries	1,250,000	1,320,000	1,355,000	35,000
Total Revenues	1,250,000	1,320,000	1,355,000	35,000
Expenditures- Controllable				
Insurance	700	700	700	
Meals & Refreshments	8,547	8,857	9,300	443
Postage & Freight	996	996	996	
Advertising	400	400	400	
Rent/Commissions	25,104	15,100	25,104	10,004
Services	125,412	120,712	203,934	83,222
Supplies	14,800	9,500	14,620	5,120
Travel	11,000	10,500	11,000	500
Other	317,992	370,935	320,148	(50,787)
Total Expenditures- Controllable	504,951	537,700	586,202	48,502
Expenditures- Non-Controllable				
Administrative Fees	560,025	594,000	609,750	15,750
Total Expenditures- Non-Controllable	560,025	594,000	609,750	15,750
Labor Costs				
Salaries & Wages	133,416	133,416	129,928	(3,488)
Employee Benefits	6,154	9,732	9,116	(616)
Total Labor Costs	139,570	143,148	139,044	(4,104)
Total Expenses	1,204,546	1,274,848	1,334,996	60,148
Net Income	45,454	45,152	20,004	(25,148)

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 2015-2016 indicates we will finish the fiscal year within budget: (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. However with the increase in the number of proposals submitted and the staff time needed to understand and oversee compliance with the complexities of new federal mandate/regulations, Uniform Guidance; the discussion about an additional Associate position is being recommended for consideration. This additional resource can be further analyzed, in light of permanent hiring for AVP Research and management positions (expected to be filled by July, 2016). (B) Continued employment for three (3) student assistants were sustained. 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 grants and contracts 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 a competition will soon be scheduled. SIRG provides internal financial support to Faculty members who submit and win proposals for developing external grant/contracts. 4 teams (a total of 13 faculty members) have received funding under last year's program.

Explanation of Proposed Fiscal Year Budget:

The outlook reflects improving trends, with 2016-2017 revenues forecasted to be in line with last year's and continue to show improvements in the overall rates of indirect cost reimbursements on current awards. There appears to be indications of growth in grant expenditures which could be attributed to an increase in the number of active sponsored projects. There were several new major awards received from the U.S. Department of Education amounting to over \$6 million combined project costs; although little to no ICR recovery is allowed. The College of Science has two very promising/pending applications at the National Institutes of Health (NIH) SCORE program that would yield full ICR revenues. Perhaps the most promising funding potential is the fact that CPP will be participating as one of the six university partners for research and workforce support on Raytheon, Inc.'s Department of Homeland Security proposal to protect the .gov networks from cyber-threats. This future contract/agreement has a \$1.15 billion ceiling over the next five years. Personnel changes (interim transitions and turnover) have not diminished the administrative support level in proposal development, grant processing, and contract negotiations; however resources need to be considered to alleviate staff burden in order to maximize services to faculty and staff research efforts. Support of employment for student assistants will be continued. 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. The annual event for the Principal Investigator (PI) Reception held each Spring to honor all PIs and co-PIs applying or managing grants and contracts will be continued. 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. In sum, total revenues and grant expenditures indicate a little higher rate than 2015-2016.

Changes in Programs and Services for Proposed Fiscal Year:

Included in the 2016-2017 budget proposal is the purchase of Cayuse 424 system (at a reduced rate due to OR IRB earlier subscription). This easy-to-use Web application will simplify the creation, review, approval, and electronic submission of grant proposals. This system will accelerate proposal development, reduce pre-award overhead spent on submission rework, and improve the quality and accuracy of sponsored funding proposals through its real-time error checking capability. It also has additional automation features that would speed data entry and budget calculations. It would also allow users to view, edit, and collaborate on proposals in any stage of development that could result in electronic campus routing. This tool presents several benefits to ORSP staff--freeing them from laborious and low-value tasks/manual labor and alleviate staff burden. This system also presents an improvement of the existing in-house IT developed database that has limited capabilities. Because the Web application can maintain history and repository of proposals, this could also be an important resource to our faculty and researchers.

Explanation of Proposed Fiscal Year Capital Requests:

None

Changes in Staffing:

As the hiring for AVP Research is expected to be completed by July, 2016, this might be an opportunity to re-evaluate the overall ORSP staffing structure. Consideration for an additional ORSP staff who may be strategically placed in research-intensive College(s) OR assist in increased proposal submission volume is highly recommended. The additional personnel would expand the organizational structure for an integrated grants processes in the College level and extend support staff resources to faculty and staff resulting in increased efficiency and seamless coordination of sponsored projects activities. It is also critical for ORSP staff to continuously receive training and professional development to enhance their knowledge base on CPP's grants/contracts policies and procedures, in ever- changing federal and sponsor regulations, fundamentals of research administration, and increasing complexities in regulatory requirements due to integration of many federal circulars into Uniform Guidance (UG).

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

The potential for a significant growth in sponsored research activities for the next three years and beyond is promising if ORSP, Faculty and Staff receive adequate resources and 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. The overall research environment should be "cultivated" to accommodate research-intensive new faculty as well. The current staffing and infrastructure model for ORSP should be re-evaluated in order to continue to build a service organization that will enable our faculty and staff to accomplish the research mission of our polytechnic campus. Pursuit of a "growth model" (capacity building) 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 FY 16-17
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 identify campus issues (retain PIs, assigned time, space, lab equipment, and start-up funds,	AVP / Director	
supportive RTP, quick turnaround of contracts, and so on)		
Maintain compliance in all aspects of pre-award activity / proposal development	AVP / Director	
Implement a new Web application, Cayuse, that would improve proposal development, submission,	AVP / Director	
approval routing, and "ORSP database"		

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.
- * Implement a Web-based application/technology in proposal submission process that will enhance ORSP's service support level.

Strengths and Challenges

Strengths

Strengths: The number of proposals submitted is strong and encouraging; the ORSP Staff exhibit exceptional teamwork but are frequently impacted by deadline stress and "rush" proposals; a PI Recognition Event was held to honor and celebrate PIs and co-PIs, new faculty, and tech transfer recipients; new OR initiatives bring fresh focus on external funding and related areas such as Tech Transfer, Undergrad Research, and Student Innovation; outstanding compliance continued on campus; a 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 continues to promote Pivot, a web-based funding database

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; staff salary level remains an issue; numerous personnel transition and turnover in ORSP; "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. Despite these challenges, the future is promising at CPP: research-intensive new faculty, the number of applications for external funding is strong and increasing, the total dollar volume requested is increasing at a very high rate; and CPP is winning significant grants with important benefits to our campus.

Employee Survey



Due to personnel changes (interim transitions and turnover) there will be a delay in conducting the surveys. Results will be forthcoming.

Customer Survey

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

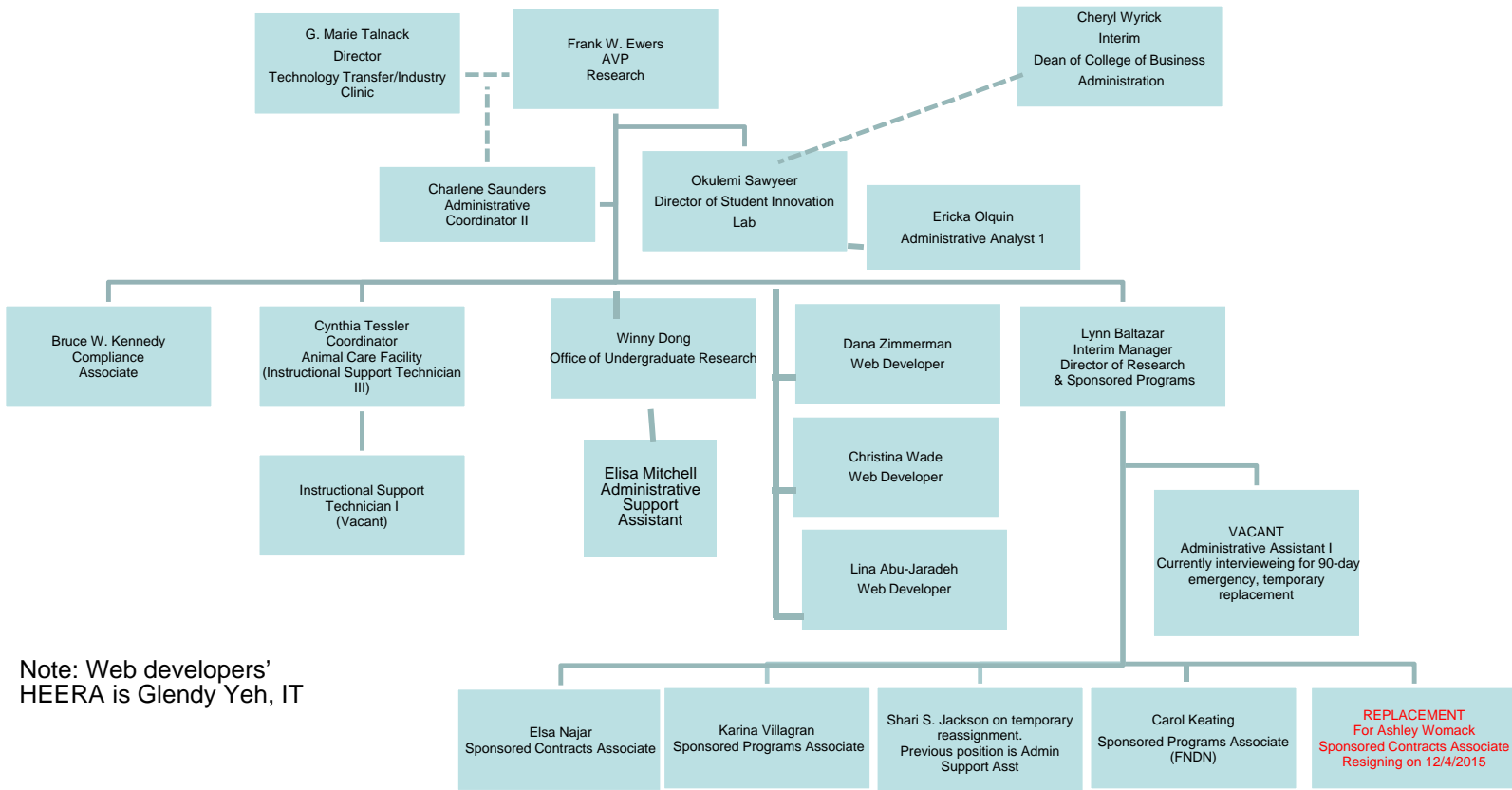
Business Controls and Vital Factors

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


- Oversight of unit resources and budgets continues to be exercised through management and monitoring by the AVP Research, 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

Office of Research



Note: Web developers' HEERA is Glendy Yeh, IT

**OPERATING BUDGETS
SUPPLEMENTAL PROGRAMS**

**UNRESTRICTED AND RESTRICTED
FOUNDATION PROGRAMS**

**Cal Poly Pomona Foundation
Unrestricted FDN Programs
Consolidated Budget Comparison Summary
For the 2016-17 Fiscal Year**

	2015-16 Approved Budget	2015-16 Forecast	2016-17 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Sales	575,004	575,000	575,004	4
Total Revenues	575,004	575,000	575,004	4
Expenditures- Controllable				
Services	560,700	560,702	560,700	(2)
Total Expenditures- Controllable	560,700	560,702	560,700	(2)
Expenditures- Non-Controllable				
Administrative Fees	14,292	14,298	14,292	(6)
Total Expenditures- Non-Controllable	14,292	14,298	14,292	(6)
Total Expenses	574,992	575,000	574,992	(8)
Net Income	12		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. 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 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 revenues of \$575,000 were based upon the forecast. 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 proposed budget is a break even so the expenditures of \$560,702 was used and accounted for as services other in arriving at a break even proposed budget.

**Cal Poly Pomona Foundation
 Restricted FDN Programs
 Consolidated Budget Comparison Summary
 For the 2016-17 Fiscal Year**

	2015-16 Approved Budget	2015-16 Forecast	2016-17 Proposed	\$ Change Forecast to Proposed Budget
Revenues				
Sales	8,567,959	8,782,466	8,782,466	
Total Revenues	8,567,959	8,782,466	8,782,466	
Expenditures- Controllable				
Services	5,997,573	6,147,726	6,147,723	(3)
Total Expenditures- Controllable	5,997,573	6,147,726	6,147,723	(3)
Expenditures- Non-Controllable				
Administrative Fees	152,934	156,767	156,770	3
Total Expenditures- Non-Controllable	152,934	156,767	156,770	3
Total Expenses	6,150,507	6,304,493	6,304,493	
Net Income	2,417,452	2,477,973	2,477,973	

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 \$8.78 million were forecasted by taking the year to date revenues and subtracting the endowment distributions arriving at net revenues without endowment distributions. The net revenues were annualized and endowment distributions were added back arriving at total forecasted revenues. The administrative fee was forecasted by multiplying the annualized expenses by 2.55% assuming the direct forecasted expenditures will be 70% of the forecasted revenues. The forecast generates a surplus for the restricted programs.

Explanation of Proposed Fiscal Year Budget:

The proposed 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 are proposed based upon the forecasted revenues and includes the endowment distributions of \$1.3 million transferred in September 2016. The administrative fee was budgeted from the forecast assuming the direct budgeted expenditures will be 70% of the budgeted revenues. The budget generates a surplus for the restricted programs.

LONG TERM CASH PLAN/ RESERVES

LONG-TERM CASH PLAN/RESERVES – FISCAL YEARS 2018-27

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 - \$61.8 million
- Non-cash transactions – Depreciation - \$40.8 million
- Non-cash transactions – Post Retiree Medical Benefits – \$5.0 million
- Financing activities - Principal loan repayments received - \$20.0 million
- Reserve draw-downs - \$24.6 million
- **Total Sources of Cash - \$152.2 million**

Uses of Cash:

- Capital project requirements - \$59.5 million
- Financing activities – Principal loan payments - \$16.7 million
- Designated Gifts - \$20.6 million
- Reserve contributions - \$20.5 million
- **Total Uses of Cash - \$117.3 million**

Net increase in Cash - \$34.9 million

Cash Available - \$49.2 million

The surpluses from operations for the ten years ended of \$61.8 million, net of depreciation and Post Retiree Medical Benefits, are generated from the following activities:

- Administration is projected to generate a surplus of \$290 thousand plus the withdrawal of funds from the VEBA Trust of \$4.6 million and depreciation of \$2.2 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 \$14.3 million plus the non-cash depreciation of \$8.1 million and the venture capital/real estate reserve withdrawals of \$5.0 million used to repay the alternative investment of \$1.7 million and the capital request of \$1.4 million.
- Investments are projected to generate a surplus of \$10.9 million
- Bookstores are projected to generate a surplus of \$3.5 million plus the non-cash depreciation of \$1.2 million to pay for the capital request of \$935 thousand.
- Dining Services are projected to generate a surplus of \$11.5 million plus the non-cash depreciation of \$6.2 million, financing of the dining commons of \$20.0 million and the capital reserve withdrawals of \$7.3 million to pay for the capital request of \$44.2 million (includes the dining commons of \$25.0 million) and pay the principal debt payments on the 2019 series bonds of \$5.8 million.
- Kellogg West is projected to generate a surplus of \$520 thousand plus the non-cash depreciation of \$510 thousand and the capital reserve withdrawals \$4.3 million to pay for the capital request of \$5.3 million.
- University Village is projected to generate \$16.5 million plus the non-cash depreciation of \$21.4 million used to pay the capital request of \$4.4 million and principal debt payments on the 2013 and 2014 series bonds of \$8.8 million.
- Supplemental Programs are forecasted to generate a surplus of \$4.3 million plus the non-cash depreciation of \$1.1 million used to repay the balance on the CTTi's 2007 series bonds of \$2.2 million.

Non-cash transactions for the ten years ended of \$45.8 million include depreciation of \$40.8 million and post-medical retirement benefit accrual of \$5.0 million.

The surpluses from operations of \$61.8 million plus the non-cash transactions of \$45.8 million generate cash from operations of \$107.6 million for the ten years ended.

Financing activities from the issuance of bonds generates \$20.0 million to finance a portion of the construction costs for the dining commons.

Reserve draw-downs generate \$24.6 from the capital reserve, venture capital/real estate reserve and Post Retiree Medical Benefit Trust for capital projects and reimbursement for Medicare eligible retiree insurance premiums.

The majority of the capital project requirements of \$59.5 million are for the construction costs for the dining commons and renovations and upgrades as follows:

- Administration will require \$3.2 million for upgrades to Bldg # 55, Windows 10 Upgrades, Desktop Upgrades/Virtualization, Mobile App Integration, PCI System Updates, Hosted Services Expansion, Business Analytics Development/Expansion, POS Private Network Build out, Network Infrastructure upgrades, POS Upgrades, VM/VDI Software Upgrades, IOT Device

- Development, Security Updates, 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 Innovation Village, Exterior Paint and Carpet at Bldg. # 97, Tenant Improvements for New Leases and Carpet Replacement at CTTi;
 - Bookstore will require \$935,000 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 \$44.2 million for new Residence Dining Commons facility, 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, Food Truck Refresh, Los Olivos Upgrades, Vehicle Fleet Plan, COGNOS Financial Reporting, Coffee Concept at BSC, Misc. brand license fees/refresh, Campus South dining concepts.
 - Kellogg West Conference Center and Hotel will require \$5.3 million for conference center remodel and renovation, upgrades & refurbishment of all AV & IT equipment, additional WAPS for better WiFi coverage, replace chairs and tables, meeting room carpet replacement, hot water tank and roof replacement of Bldg 76, remodel of guestroom bathrooms, restaurant kitchen major equipment replacement, Crestview pool and resurfacing deck, 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 \$4.4 million for Refurbishment/replacement-32 apts. yearly, Water heaters Phase 1 & 2, Kitchen stoves Phase 1 & 2, Kitchen refrigerators Phase 1 & 2, Kitchen stoves Phase 3, Kitchen refrigerators Phase 3, HVAC heat pumps Phase 1, HVAC heat pumps Phase 2, Roof replacement Phase 1 & 2, Exterior painting Phase 3, Refurnish Community and Recreation Centers, Star Rez web upgrade, Cosmetic/light structure rehab all Phases, Deck rehab all Phases.

The financing activities of \$16.7 million represent principal payments per the debt amortization schedules as following:

- Principal debt obligations for the CTTi 2007 series bonds of \$2.2 million;
- Principal debt obligations of University Village Phase III 2013 and 2014 bond series of \$8.8 million; and
- Principal debt obligations of Residential Dining Commons Facility 2018 bonds series of \$5.8 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 \$20.6 million.

The projected reserve drawdowns are \$24.6 million and contributions of \$20.5 million are as follows:

- Agriculture Program Reserve has a current balance of \$53,705 and there are forecasted contributions of \$21,295 and \$14,750 withdrawals; thus the projected balance is \$60,250 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 \$6.0 million and there are forecasted contributions of \$2,322,031 and withdrawals of \$1,469,455 and proposed contributions of \$2,389,138 and withdrawals of \$1,187,400; projected annual increases of 3% for a total of \$11.9 million offset by \$15.0 million projected withdrawals for capital requests; thus the projected balance is \$4.5 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 Demo Reserve has a current balance of \$63,906 and there are forecasted and projected contributions of \$9,063 and 11,547 and projected annual contributions of \$296,000 and no withdrawals; thus the projected balance is \$381,000;
- Insurance Reserve has a current balance of \$37,253 and there are forecasted and projected contributions of \$62,747 and \$36,670 and forecasted withdrawals of \$7,373; thus the projected balance is \$129,297;
- Pine Tree Ranch Reserve has a current balance of \$140,886 and there are no forecasted and proposed or projected contributions; withdrawals are proposed of \$70,000; thus the projected balance is \$70,886 versus the goal of \$75,000;
- Post Retiree Medical Benefit Reserve has a current net OBEP (GASB) asset of \$291,658, plan assets of \$5.5 million versus an actuarial accrued liability for benefits obligation of \$11.0 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 \$2.8 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 \$119,270 and the forecast and proposed budgeted contributions of \$40,000 with no withdrawals and no projected contributions or withdrawals; thus the projected balance is \$159,270;
- Residential Board Meal Program Surplus Reserve has a current balance of \$2,119,278 and the forecast and proposed budget contributions are \$468,880 and withdrawals of \$212,410; thus the projected balance is \$2,375,748;
- Venture Capital/Real Estate Reserve has a current balance of \$1,875,181 and there is a projected contribution of \$977,811 and withdrawals \$1.0 million and projected contributions of \$5.4 million and withdrawals of \$5.0 million; thus the projected balance is \$2,221,000 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	
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018-27	2027	Goal
SOURCES OF CASH																		
Excess of Revenue over Expenses																		
Administration	(1,015)	(875)	(902)	115	29	29	29	29	29	29	29	29	29	29	29	290		
Real Estate	330	401	593	293	332	1,039	1,041	1,083	1,105	1,464	1,468	1,491	1,843	1,876	1,903	14,313		
Investments	1,049	2,389	(491)	(1,213)	831	873	916	962	1,010	1,061	1,114	1,169	1,228	1,289	1,354	10,975		
Bookstores	280	423	583	279	293	350	350	350	350	350	350	350	350	350	350	3,500		
Dining Services	697	1,275	1,421	583	771	1000	1030	1061	1093	1126	1159	1194	1230	1267	1305	11,465		
Kellogg West - Rooms & Conference	(39)	(37)	114	9	17	15	40	45	50	55	55	60	65	65	70	520		
University Village	1,047	1,150	1,483	1,887	2,336	1,200	1,300	1,400	1,500	1,600	1,700	1,800	1,900	2,000	2,100	16,500		
Supplemental Programs	1,094	1,418	216	740	324	340	357	375	394	414	434	456	479	503	528	4,279		
Unrestricted Campus Programs	(88)	1,061	(192)	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total Surplus (Deficit) - Operations	3,355	7,205	2,825	2,693	4,933	4,846	5,063	5,305	5,531	6,098	6,309	6,549	7,123	7,379	7,638	61,842		
Non-cash transactions																		
Administration				191	224	224	224	224	224	224	224	224	224	224	224	2,240		
Real Estate				875	813	813	813	813	813	813	813	813	813	813	813	8,130		
Bookstores				142	120	120	120	120	120	120	120	120	120	120	120	1,200		
Dining Services				588	619	619	619	619	619	619	619	619	619	619	619	6,190		
Kellogg West				44	51	51	51	51	51	51	51	51	51	51	51	510		
University Village				2,056	2,140	2,140	2,140	2,140	2,140	2,140	2,140	2,140	2,140	2,140	2,140	21,400		
Supplemental Programs				97	111	111	111	111	111	111	111	111	111	111	111	1,110		
Depreciation	3,780	3,868	4,168	3,993	4,078	4,078	4,078	4,078	4,078	4,078	4,078	4,078	4,078	4,078	4,078	40,780		
GASB 45 - Post Retiree Medical Benefits	743	799	614	785	732	681	633	589	548	509	474	440	410	381	354	5,018	8,383	8,383
Total Non-cash transactions	4,523	4,667	4,782	4,778	4,810	4,759	4,711	4,667	4,626	4,587	4,552	4,518	4,488	4,459	4,432	45,798		
TOTAL CASH GENERATED FROM OPERATIONS	7,878	11,872	7,607	7,471	9,743	9,605	9,774	9,972	10,156	10,685	10,860	11,068	11,611	11,838	12,071	107,640		
Financing Activities																		
Dining Commons - Bond Financing							20,000									20,000		
Principal Payments - ENV Model Studio	27	191														-		
Total Financing Activities	27	191	-	-	-	-	20,000	-	-	-	-	-	-	-	-	20,000		
Reserve Draw Downs																		
Capital Reserve			86	1,469	1,187	5,416	943	971	1,001	1,031	1,062	1,093	1,126	1,160	1,195	14,997		
Venture Capital Real Estate Reserve				500	500	500	500	500	500	500	500	500	500	500	500	5,000		
Pine Tree Ranch Reserve					70											-		
Agriculture State Share Reserve					15											-		
Insurance Reserve				7												-		
Residential Board Meal Program Surplus Reserve	99	250		122	90											-		
Withdraw of funds from Post Retiree Medical Benefit Trust			373	393	393	405	417	429	442	456	469	483	498	513	528	4,640		
Total Reserve Activities	99	250	459	2,491	2,255	6,320	1,860	1,901	1,943	1,986	2,031	2,077	2,124	2,173	2,223	24,638		
TOTAL SOURCES OF CASH	8,004	12,313	8,066	9,962	11,998	15,925	31,635	11,873	12,099	12,672	12,891	13,144	13,735	14,010	14,294	152,278		

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

	Actual			Forecast		Projections										Reserve		
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018-27	2027	Reserve Goal
USES OF CASH																		
Administration				169	279	294	400	460	306	331	218	392	265	321	276	3,263		
Real Estate				180	102	190	118	314	89	80	77	225	75	75	135	1,378		
Bookstores				95	330	120	120	60	35	290	65	65	10	135	35	935		
Dining Services				557	416	5,760	20620	200	20	1100	750	15065	120	400	200	44,235		
Kellogg West				1,451	400	350	350	750	700	400	40	400	1,000	750	550	5,290		
University Village				209	220	245	488	767	815	700	365	235	285	250	305	4,455		
Supplemental Programs				174	366											-		
Capital Project Requirements	4,064	2,805	5,463	2,835	2,113	6,959	22,096	2,551	1,965	2,901	1,515	16,382	1,755	1,931	1,501	59,556		
Principal - Village Phase III Bonds 2005	570	595	625													-		
Principal - CTTi Bonds 2007	180	185	195	205	215	230	235	250	260	280	290	305	320			2,170		
Principal - Village Phase III Bonds 2013 & 2014				625	660	695	725	765	805	845	890	935	985	1030	1085	8,760		
Principal - Dining Commons Bonds 2018							500	530	570	600	640	680	720	760	800	5,800		
Financing Activities	750	780	820	830	875	925	1,460	1,545	1,635	1,725	1,820	1,920	2,025	1,790	1,885	16,730		
Designated Gifts	1,008	1,403	1,710	1,307	1,559	1,637	1,719	1,805	1,895	1,990	2,089	2,194	2,303	2,419	2,539	20,589		
Other Changes- see note																		
Agriculture Program Reserve		37		21												-	75	
Cafeteria State Share Reserve																-	182	
Capital Reserve	777	1,786	509	2,322	2,389	2,416	943	971	1,001	1,031	1,062	1,093	1,126	1,160	1,195	11,997	4,546	6,000
Emergency Reserve																-	120	
Indirect Cost Disallowances Reserve																-	346	346
Innovation Village Demo Reserve	46	8	9	9	12	11	11	30	32	33	34	35	35	37	38	296	381	
Insurance Reserve		65		63	37											-	130	
Pine Tree Ranch Reserve																-	75	75
Post Retiree Medical Benefits Trust	1,000	1,000	1,000	1,000	1,000	1,000	1,000	800								2,800	6,700	6,700
Research & Sponsored Programs Reserve	20	20	10	20	20											-	159	
Residential Board Meal Program Surplus Reserve	293	444	571	68	400	-	-	-	-	-	-	-	-	-	-	-	2,375	
Venture Capital/Real Estate Reserve	444	449	505	470	508	513	518	523	529	534	539	545	550	556	561	5,368	2,221	6,000
Reserve Contributions	2,580	3,809	2,604	3,973	4,366	3,940	2,472	2,325	1,561	1,598	1,635	1,673	1,711	1,753	1,794	20,461	17,310	19,121
Total Uses of Cash	8,402	8,797	10,597	8,945	8,913	13,461	27,747	8,226	7,056	8,213	7,059	22,169	7,795	7,892	7,719	117,336		
Net Change in Cash	(398)	3,516	(2,531)	1,017	3,085	2,464	3,887	3,647	5,043	4,458	5,832	(9,024)	5,940	6,118	6,574	34,941		
Cash Available	9,212	12,728	10,197	11,214	14,299	16,763	20,651	24,298	29,341	33,799	39,632	30,607	36,548	42,666	49,240	49,240		

Minimum Two Month Working Capital Reserve Required 6,627 7,649