

CAL POLY POMONA
FOUNDATION
BIENNIAL REPORT 2015-2016 2016-2017



MESSAGE FROM THE CHAIR



“We cultivate success through a diverse culture of experiential learning, discovery and innovation.”

In 13 words, our new Strategic Plan mission statement distills the essence of Cal Poly Pomona. We are in the business of cultivating success, starting with our students. Our commitment begins before they attend their first class, and it continues beyond commencement when they become alumni.

This is a very busy time in Cal Poly Pomona’s history. This coming fall, we will convert from a quarter system to semesters, a major endeavor that involves every division and department on campus. A great deal of work has been done to ensure that the change, which will put our academic calendar in sync with other CSUs and facilitate transfers from community colleges, is carried out as seamlessly as possible, with student success at the core of our thinking and planning.

The Foundation has been a significant partner in this process, because much of what it does directly affects students’ lives, from housing to food services to the bookstore to employment opportunities to, yes, the annual Hot Dog Caper. On a daily basis, for more than 50 years, the Foundation has been an ally in ensuring student success.

In this Biennial Report, you will see in detail the many ways the Foundation supports the university’s mission and meets the needs of our students, faculty and staff. The report also highlights the critical role that the Foundation plays in supporting research, grants, campus activities, property development and partnerships with the local community.

On behalf of the university community, I extend my deep appreciation to the Foundation’s Board of Directors and the Foundation staff for their leadership and dedication. It has been my pleasure to serve on the board and work with so many people who demonstrate their commitment to our students and our university.

G. Paul Storey, who retired last summer as executive director of the Foundation, epitomized that commitment throughout his 22 years of service to the university. Under his leadership, Innovation Village opened, fostering public-private partnerships, encouraging entrepreneurship and expanding educational and career opportunities for students. In addition, the number of dining options on campus quadrupled, from seven in 1995 to 31, including Innovation Brew Works, which is not only a café and microbrewery but a learn-by-doing educational laboratory.

Paul, who served on my Cabinet as a trusted advisor, will be missed, but I and the rest of the university community wish him every happiness as he enjoys his well-deserved retirement spending time with his family and friends.

Sincerely,

A handwritten signature in blue ink that reads "Soraya M. Coley". The signature is fluid and cursive, with a long horizontal stroke at the end.

Soraya M. Coley, Ph.D.
President
California State Polytechnic University, Pomona

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ABOUT US

“Quality Service Supporting Quality Education”

Established in 1966, Cal Poly Pomona Foundation, Inc. is a self-supporting, nonprofit auxiliary organization recognized by the California State University system. Its sole purpose is to support the educational mission of the university by providing services, financial support and administrative assistance to the Cal Poly Pomona community. The Foundation is guided by a board of directors that represents all areas of the university and community including the president of the university who, by virtue of the position, is also the chairperson of the Foundation Board of Directors.

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 administrative organization supervises the Foundation, as required by Title 5, California Code of Regulations, Section 42402.

MISSION

As an auxiliary supporting California State Polytechnic University, Pomona, the Cal Poly Pomona Foundation 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 that reflect 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 of 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 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.

CORPORATE VISION STATEMENT

TO BE THE BEST ...

- ... an organization of employees must be committed to quality and recognized as leaders and award winners.
- ... an organization must maintain the best business practices.
- ... an organization must have service quality consistently exceeding customer expectations and financial performance consistently exceeding comparable industry standards.
- ... an organization must offer a stimulating and gratifying workplace where employees can achieve their full potential.

TRANSPARENCY

In keeping with the principles of its corporate culture, the Foundation aspires to be as transparent as possible in its dealings with customers and clients; this means there are no hidden agendas or conditions, and information is fully disclosed that is needed for collaboration. Transparency allows the Foundation to gain the confidence of associates and patrons, forming strong bonds and creating long-lasting relationships. Customers and partners can come straight to the Foundation website for accurate and timely information about business practices. All corporate documents such as articles of incorporation, bylaws, business plans and budgets, tax returns, policies and the board of directors roster are clearly accessible on the home page: www.foundation.cpp.edu

The California State University added a section on its website for auxiliary operations with basic information on each (<http://auxiliary.calstate.edu/>). This page outlines what auxiliaries are and how they function to support the California State Universities.



www.foundation.cpp.edu



HOW WE SUPPORT THE CAMPUS COMMUNITY

To support the educational mission of Cal Poly Pomona, the Cal Poly Pomona Foundation provides services, financial aid and administrative assistance to the university community, and is the largest employer of students on the campus. The Foundation manages, administers or acts as the fiscal agent for the university on a multitude of projects, grants, contracts, initiatives and campus programs. In addition, the Foundation operates campus commercial enterprise operations including Bronco Bookstore, Dining Services, Kellogg West Conference Center & Hotel and the University Village. The Foundation Real Estate division oversees the development and management of the Innovation Village Research Park as well as the faculty/staff housing program. Figures (below and opposite page) are for fiscal years 2015-2016 and 2016-2017 unless noted otherwise.



HIGHLIGHTS FOR 2015-2016 AND 2016-2017

COMMERCIAL ENTERPRISE OPERATIONS

- **Bronco Bookstore** generates \$10.2 million in sales annually by maintaining competitive prices with an aggressive value book program. Affordable options such as used, rental and digital textbooks made up 41% of all textbook sales. The bookstore rents more than 22,000 books per year.
- **Dining Services** operates 31 venues on campus and routinely invests in master planning, building improvements, and quality brands for the campus community. Over 2,500 cases of beverage products, as well as other vendor donations, annually support student clubs and organizations for their fundraising and event needs.
- **Kellogg West Conference Center & Hotel** provides 85 guestrooms and 12,000 sq. ft. of meeting space without any state funding assistance.
- **University Village** provides 1,200 students on-campus apartment housing at rates that are among the lowest in the CSU.

DESIGNATED GIFTS TO THE UNIVERSITY

- Athletics – \$179,842
- News and Publications – \$393,903
- Office of Development – \$152,749
- Special Foundation Grants – \$334,063
- Faculty/Staff Café – \$25,102
- University Public Relations – \$1,177,516

RESEARCH AND ADMINISTRATIVE SUPPORT – GRANTS, CONTRACTS AND CAMPUS PROGRAMS

- Indirect Cost Distribution – \$745,493
- Office of Research and Sponsored Programs – \$844,928
- Office of Grants and Contracts – \$1,799,239
- Interest Earnings Distributed to Campus and Scholarship Programs – \$1,340,226
- Subsidized Administrative Support – \$107,006
- Campus Card System Support – \$11,122

REAL ESTATE DONATED

Real Estate Development manages properties donated to the Foundation for the benefit of the university to maximize cash flows available from them and protect the assets. With licensed staff, the Foundation is able to advise the university on potential real estate donations as well.

FACULTY/STAFF HOUSING PROGRAM

The Foundation invested in the development and infrastructure for this program. Thirty-four Fair Oaks Walk townhomes were built and 17 existing single-family homes were remodeled for faculty and staff.

INNOVATION VILLAGE RESEARCH PARK

The Foundation invested in the infrastructure of this 65-acre project and administers the ground leases, oversees the development of the infrastructure and manages the marketing of the complex.

MISCELLANEOUS FOUNDATION DONATIONS AND CONTRIBUTIONS

- Administrative Donations* – \$48,835
- Bookstore Gifts/Support – \$21,500
- Dining Services Gifts/Support – \$113,308
- Hot Dog Caper – \$62,896
- Kellogg West Parking for Collins College – \$645,540
- Faculty/Staff Service Awards – \$6,235
- Support for Lanterman – \$2,646,318
- Transfer of Fixed Assets to University – \$10,985,463
- University Village Support of Police Officer – \$260,931

STUDENT EMPLOYMENT

- The Foundation is the largest employer of students at Cal Poly Pomona
- Approximately 1,113 students worked 372,000 hours, earning \$5.3 million in wages annually

COMMISSIONS PAID

- University Union – \$222,781
- University Housing – \$906,507
- Vending Commissions to Housing and ASI – \$1,465

SPOTLIGHTS FOR 2015-2016 AND 2016-2017

SUPPORTING UNIVERSITY GRADUATION RATES AND SKILL SETS

As Cal Poly Pomona continues to increase its graduation rate (it surpasses the national average), the Cal Poly Pomona Foundation contributes real-world expertise to graduating student workers, in support of the university's learn-by-doing philosophy.

As the largest employer of students on campus — over 1,500 student employees — the Foundation strives to ensure they are job-ready by teaching them time management, customer service, teamwork, personnel management, problem solving, safety and efficiency skills as part of their workday. Student employees are taught to listen carefully and ask good questions as they are trained to perform their jobs. These soft skills, like communication and collaboration, are critical to employers looking for new hires to jump right in and begin the work without having to provide these basics during their job orientation.



NORMAN J. PRIEST SCHOLARSHIP

The Norman J. Priest Scholarship was created in 2000 to honor former board member Norm Priest. This scholarship rewards deserving full-time students who embody the values and work ethic of Mr. Priest in their participation and leadership in campus activities and community service, and in their work activities as Foundation employees.

Applications are reviewed by Mrs. Halo Priest, her son James Priest, and a Foundation scholarship committee. Selection is based on one's resume, a recommendation from both a supervisor and a Foundation staff member, plus an essay on how the Cal Poly Pomona Foundation has helped them with their educational goals and how the award will help them achieve their career and educational goals. The essay also highlights how participation and leadership in campus activities and community service will help them achieve their goals.

The winners for 2015-2016 are:

Zsienne Isidro	Upward Bound
Angelika Santo-Domingo	Village Housing
Brian Montero	Foundation Dining Services
Sarah Nyenke	Foundation Dining Services

The winners for 2016-2017 are:

Pachet Bryant	College of the Extended University
Wayne Page	Reading, Advising and Mentoring Program (RAMP)



HOW HAS STUDENT EMPLOYMENT IN THE CAL POLY POMONA FOUNDATION, INC. ASSISTED WITH YOUR EDUCATIONAL GOALS?

Priest Scholarship Winner 2015-2016 – Zsienne Isidro

“Cal Poly Pomona Foundation, Inc. has been an active part of many students’ educational and personal success through its on-campus services and employment opportunities. My employment as a Reading, Advising, and Mentoring Program (RAMP) tutor and a summer residential advisor for Upward Bound (UB) under Foundation has afforded me majority of my educational fees. It is through my income as a student employee that I can pay for my quarterly fees, textbooks and transportation to and from school. My student employment under Foundation has not only been a financial blessing to me; it has also been my source of personal empowerment. Being a tutor and mentor to my fellow students and a residential advisor to high school students has encouraged me to believe and trust in my capabilities and myself, just as my students trust me. My student employment under these Foundation programs has given me the confidence that I am good enough to be in college, to aim higher, to succeed and to guide others to the same path to success. This confidence, as well as the academic and interpersonal skills I have acquired from RAMP and UB, is what enables me to succeed in my upper division and graduate school prerequisite classes.”

Priest Scholarship Winner 2016-2017 – Pachet Bryant

“I decided in my first year of college that I wanted to become involved on campus, lead and mentor others within the community in order to be exposed to new ways of living and thinking. Towards the end of my freshman year, I was hired to work as Dr. Tara Sethia’s student assistant. The student assistant position at the Ahimsa Center introduced me to new departments and individuals on and off campus. It wasn’t until I began working as the program assistant lead with the Global Education Institute (GEI), College of the Extended University did I feel I was accomplishing my goal of becoming a leader and mentoring to others. For an entire summer, I worked with students from the international community. I made myself available for any questions they had concerning the university or american customs, traveled with them every day to various locations and facilitated workshops lead by various professors. Both student employment opportunities aided me in accomplishing my last educational goal — to be exposed to new ways of living and thinking.”

Foundation Celebrates 50 Years!

Cal Poly Pomona Foundation, Inc. continues to support the university and flourish as an organization by honoring the vision that was created more than 50 years ago.

In 2016, the Foundation celebrated its 50th anniversary. With this accomplishment, we remain committed to providing superior services and sustaining our invaluable relationships with our partners at Cal Poly Pomona and the surrounding community.

Our drive to be the best has only intensified and we want our embers of success to ignite, illuminate and inspire those around us both internally and externally. To do so, we must continue to evolve. As the world changes around us, we will keep changing with it, welcoming new ideas, adapting to modernized technologies and learning different strategies to better our services and ourselves.

However, there is one concept that we are confident will remain unchanged; that is our standard of quality. After 50 years, we are still committed to providing the finest services to support the Cal Poly Pomona campus community, and thus, our slogan remains everlasting: “Quality services supporting quality education.”

We will continue to progress, prosper and provide top quality services to the campus community because we are the Cal Poly Pomona Foundation.



Thank you to all the past and present Foundation employees for contributing to the success of the Foundation. Your hard work, dedication, and support has helped the Foundation reach its golden year!

Happy 50th Anniversary!



Support Our Campus. Buy On Campus.

When you support the services that are owned and operated by the Cal Poly Pomona Foundation (Dining Services, Bronco Bookstore, University Village and Kellogg West Conference Center & Hotel), you help students obtain on-campus jobs. You also help fund scholarships, campus programs and educational grants.

As the largest employer of students on campus, the Foundation offers valuable work experience and hands-on training to approximately 1,500 Cal Poly Pomona students each year. Over the last decade, the Foundation paid student employees a total of \$30 million in wages.

The Foundation offers positions in various fields; whether it is in the area of technology, science, retail, culinary arts, hospitality management, leadership or research grants, these student employees participate in Cal Poly Pomona's learn-by-doing philosophy and acquire practical skills in their designated field of study.

The Foundation also contributes operating support to nearly 1,100 Foundation and scholarship programs every year, including Bronco Athletics and the Norman J. Priest Scholarship. In addition, the Foundation administers grants and contracts, contributes to campus security and supports several university publications. The Foundation contributes over \$1 million annually to Cal Poly Pomona.

Because of your support, the Foundation is able to provide these beneficial services every year. Thank you for making your purchases on campus and contributing to the success of Cal Poly Pomona students and the university community. Please visit <https://youtu.be/t-3x6LUrVvI> to see how your patronage impacts Cal Poly Pomona students and their future.



Foundation IT Helps Students with Senior Project

The Foundation strives to provide Cal Poly Pomona students with the tools and experiences they need to help them thrive after college. The Foundation IT department contributed to student success by guiding a group of seniors through a quarter-long project before they graduated in June 2017. The project required them to develop an in-depth plan, connect with actual vendors and present a final comprehensive report.

Foundation IT worked with students in the Computer Information Systems program for an upper-division course called Systems Development Project. Foundation IT requested that the students plan a pilot monitoring system to track the speed of on-campus food service lines and provide those wait times online. With the guidance of Foundation IT, the students researched, evaluated and proposed a solution to line monitoring, and contacted several vendors before deciding on a company that would fulfill the Foundation's requirements.

"The project was an excellent learning experience," says Matt Fullerton who graduated from Cal Poly Pomona this past June 2017. "It provided a real-world business problem, which put us in contact with many different parts of an organization."

According to Fullerton, he and his the team acquired new technical and organizational skills, and learned how to make high-level decisions.

"It was great learning about various real-life situations in the industry, both technical and non-technical," says Besfort Zymberi, another Cal Poly Pomona graduate.

Throughout the project, Foundation IT guided the team through their research, helped them make decisions and challenged them to consider all options. As a result, the team decided to partner with SenSource, Inc. and strategically place a 3D camera system above an on-campus Subway that is capable of providing ongoing line tracking via data feed to a Foundation website dashboard.

"Through its hands-on approach, the project helped me obtain practical experience that I can use in any career field," says Eric Torres who graduated along with Fullerton and Zymberi.

Once the student project concluded, Foundation IT decided it would be beneficial to continue with the installation of the pilot line tracking equipment at the on-campus Subway.

"When we told the students that we were moving forward and implementing their project, they were all really excited about it," says Randy Townsend, Foundation director of information technology.

"This is something they can include on their resumes and talk about with potential employers."

Many of the former students plan to visit Cal Poly Pomona again to see the progress of their senior project.

"The program was very successful," says Townsend. "It has warranted additional opportunities to work with CIS students as future classes are enrolled."

Whether its students from the College of Business Administration or the College of Agriculture, the Foundation is committed to helping students achieve academic success and supplying them with professional experiences that they can carry into their future careers.



BOARD OF DIRECTORS 2015-2016

NAME	TITLE	BOARD POSITION	COMMITTEE
Dr. Soraya Coley	President, Cal Poly Pomona	Designated Director	Executive, BOD Chair
Dr. Sylvia Alva	Vice President for Administrative Affairs, Provost	Designated Director	Finance
Ms. Kathleen Street	Acting Vice President for Student Affairs	Designated Director	Program (Chair), Finance
Dr. Benjamin Quillian	Vice President for Administrative Affairs	Designated Director	Finance (Chair), Investment, Personnel (Chair), Executive, BOD Vice Chair
Mr. John McGuthry	Chief Information Officer	Designated Director	Finance, Program
Mr. Bedford McIntosh	Vice President for University Advancement	Designated Director	Finance, Investment
Dr. Sepehr Eskandari	Chair, Academic Senate	Designated Director	Finance, Personnel, Executive
Dr. David Speak	Professor, Political Science	Designated Director	Program, Personnel
Mr. Julian Herrera	President, Associated Students, Inc.	Designated Director	Finance, Executive
Ms. Rachel Dominguez	Chair, Staff Council	Designated Director	Finance, Executive
Dr. Mahyar Amouzegar	Dean, College of Engineering	Designated Director	Investment, Personnel
Dr. Samir Anz	Professor, Chemistry	Faculty Director	Program, Personnel, BOD Secretary
Ms. Sarah De La Parra	Staff Council	Staff Director	Program, Personnel
Ms. Rosie Pasos	Staff Council	Staff Director	Program, Personnel
Mr. Greg Kommel	Associated Students, Inc.	Student Director	Personnel, Audit
Mr. Jared Tolbert	Associated Students, Inc.	Student Director	Investment, Program
Mr. James Priest	Esq, Best Best & Krieger, Law Firm	Community Member	Personnel, Audit (Chair)
Mr. Lowell Overton	International President, Elite REO Marketing Division	Community Member	Program
Mr. Oliver Santos	CFO, AC Martin Partners	Community Member	Executive, Finance
Mrs. Mei Lien Chang	President, Topline Trade Union International	At Large Director	Personnel
Mr. Thomas Goff	Vice President & Principal, Bernstein Global Wealth Management	At Large Director	Investment (Chair)
Ms. Kathy Tully	Senior Vice President, Wealth Advisor, Morgan Stanley Smith Barney	At Large Director	Investment
Ms. Erica Frausto	Director, Pomona Chamber of Commerce	At Large Director	Program
NON-BOARD COMMITTEE MEMBERS			
Mr. Darwin Labordo	Vice President for Finance & Administrative Services/ Assoc. CFO		Finance, Investment, Audit
Ms. Joice Xiong	Director of Internal Audits		Audit
Ms. Sharon Reiter	Assoc. Vice President, Human Resource Services		Personnel
Mr. Frank Ewers	Assoc. Vice President for Research, Chair Biological Sciences		Program

BOARD OF DIRECTORS 2016-2017

NAME	TITLE	BOARD POSITION	COMMITTEE
Dr. Soraya Coley	President, Cal Poly Pomona	Designated Director	Executive, BOD Chair
Dr. Sylvia Alva	Vice President for Academic Affairs, Provost	Designated Director	Finance
Dr. Lea Jarnagin	Vice President for Student Affairs	Designated Director	Program (Chair), Finance
Ms. Danielle Manning	Vice President for Administrative Affairs	Designated Director	Finance (Chair), Investment, Personnel (Chair)
Mr. John McGuthry	Chief Information Officer	Designated Director	Finance, Program, BOD Secretary
Ms. Theresa Mendoza	Acting Vice President for University Advancement	Designated Director	Finance, Investment
Dr. David Speak	Chair, Academic Senate	Designated Director	Finance, Executive, BOD Vice Chair
Dr. Samir Anz	Professor, Chemistry	Designated Director	Personnel, Program
Mr. Uriah Sanders	President, Associated Students, Inc.	Designated Director	Finance, Program, Executive
Ms. Sarah De La Parra	Chair, Staff Council	Designated Director	Finance, Executive
Ms. Lea Dopson	Dean, Collins College of Hospitality	Designated Director	Program (Chair), Finance
Dr. UJ Fan	Professor, Mechanical Engineering	Faculty Director	Finance, Investment
Ms. Christina Donato-Moreno	Staff Council	Staff Director	Personnel, Program
Ms. Deborah Goman	Staff Council	Staff Director	Personnel, Program
Mr. Greg Kommel	Associated Students, Inc.	Student Director	Finance, Audit
Ms. Jessica Shahad	Associated Students, Inc.	Student Director	Investment, Personnel
Mr. James Priest	Esq, Best Best & Krieger, Law Firm	Community Member	Personnel, Audit (Chair)
Mr. Lowell Overton	International President, Elite REO Marketing Division	Community Member	Program
Mr. Oliver Santos	CFO, AC Martin Partners	Community Member	Finance, Executive
Mrs. Mei Lien Chang	President, Topline Trade Union International	At Large Director	Personnel
Mr. Thomas Goff	Vice President & Principal, Bernstein Global Wealth Management	At Large Director	Investment (Chair)
Ms. Kathy Tully	Senior Vice President, Wealth Advisor, Morgan Stanley Smith Barney	At Large Director	Investment
Ms. Erica Frausto	Director, Pomona Chamber of Commerce	At Large Director	Program
Mr. Sean Yu	Managing Director, Morgan Stanley	At Large Director	Investment
NON-BOARD COMMITTEE MEMBERS			
Mr. Darwin Labordo	Vice President Finance & Administrative Services/ Assoc. CFO		Finance, Investment, Audit
Ms. Joice Xiong	Director of Internal Audits		Audit
Ms. Sharon Reiter	Assoc. Vice President HR Services		Personnel
Dr. Sadiq Shah	Assoc. Vice President for Research, Innovation and Economic Development		Program



MANAGEMENT PERSPECTIVE

As we reflect upon the achievements of the Foundation, we are grateful for the many individuals who have contributed and provided the leadership and advice that allowed the Foundation to continue to support the Cal Poly Pomona campus community.

One of the individuals we would like to recognize is our most recently retired executive director, Mr. G. Paul Storey, who through his leadership and wisdom provided the opportunities for the Foundation to expand our operations, allowing the Foundation to be recognized for our efforts as a national recipient of awards in various categories and with the vision of the campus administration, developed public-private partnerships to generate additional resources for the campus.

To ensure our plans are aligned with the university's vision and master plans, Foundation management utilizes consultants who provide an unbiased third party directional analysis for our long-range strategic planning to initiate, expand and improve our entrepreneurial activities. Foundation management presents our operating and capital budgets along with our business plans to the board of directors for their review and approval. In addition, the board of directors approves major policies that shape the direction of the Foundation.

The Foundation is a self-supporting auxiliary organization that generates its financial strength from a multitude of operating activities and returns surplus revenues to the campus through board approved designated gifts to the university. Closing out the fiscal year 2016-17, the debt service coverage ratio is 4.77, assets are \$225 million, an increase of \$20 million or 10%, operating revenues are \$81 million, an increase of \$5 million or 6% and unrestricted net position is \$43 million, an increase of \$7 million or 19% over the prior year.

We are pleased to present the Foundation Biennial Report of our many completed and ongoing activities and accomplishments in our efforts to provide the highest quality of goods and services to the campus and to enhance the marketability of Cal Poly Pomona's educational excellence for our students. We hope our biennial report provides additional insight on how the Cal Poly Pomona Foundation continues to partner with the university in support of our students, faculty and staff and we thank you for your support and generous contribution to our educational mission.

David Prenovost
Senior Managing Director/CFO
Cal Poly Pomona Foundation



David Prenovost
Chief Financial Officer and
Senior Managing Director



Dennis Miller
Chief Employment Officer
and Managing Director



Aaron Neilson
Director,
Dining Services



David Laxamana
Director,
Foundation Housing
Services



Anne McLoughlin
Executive Assistant to
Executive Director



Cameron Edmonds
Director,
Kellogg West Conference
Center & Hotel



Clint Aase
Director,
Bronco Bookstore



Sue Chiazza
Director,
Enterprise Accounting/
Financial Reporting



Edwin Santiago
Director, Marketing



Randall Townsend
Director,
Information Technology



Sandra Vaughan-Acton
Director,
Real Estate Development



**Debbie Schroeder-
Linthicum**
Director,
Grants and Contracts

GIFTS AND DONATIONS

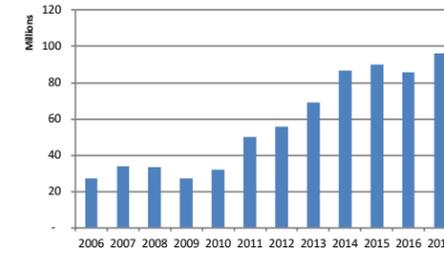
The Foundation administers gifts and donations to programs, scholarships and endowments on behalf of the university. These funds are restricted by the donor or designated by the university (unrestricted) to enhance and enrich the educational experience, goals and objectives of a learning-centered environment. In general, these funds are used in the areas of instruction, public service, academic support, student services, institutional support, capital projects and student grants and scholarships.



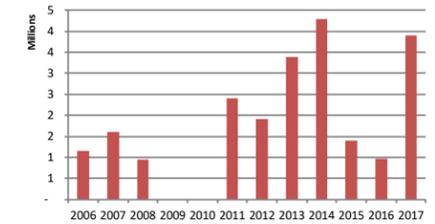
Cal Poly Pomona successfully completed its first \$150 million comprehensive fundraising campaign to ensure that a quality education is within reach for future generations of students. Gifts and pledges from over 17,000 donors exceeded \$160 million, a record fundraising effort for the campus, which will help strengthen the university's ability to provide hands-on education, to prepare students for the changing demands of the workplace, and to increase research and scholarship opportunities. The Foundation will collaborate with the university on the next capital campaign through its support and services.



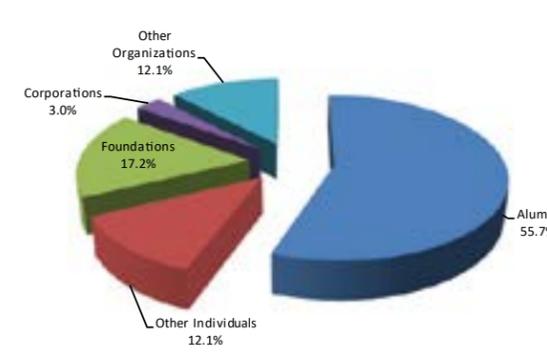
ENDOWMENT VALUE BY YEAR



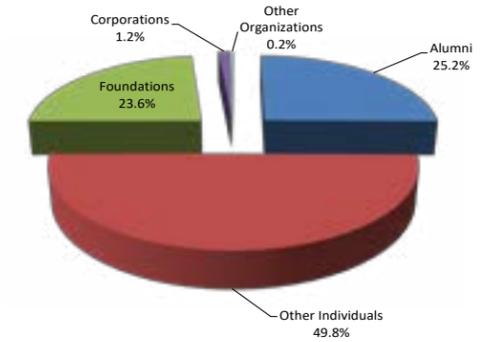
ENDOWMENT DISTRIBUTION BY YEAR



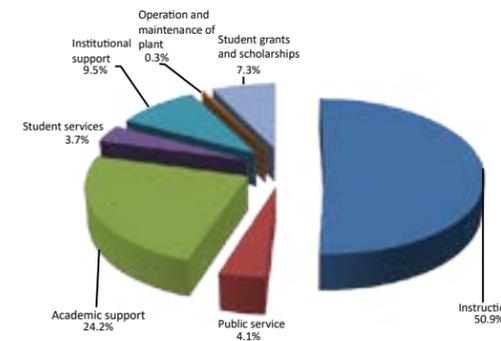
2016 ENDOWMENT DONATIONS OF \$383K RECEIVED FROM:



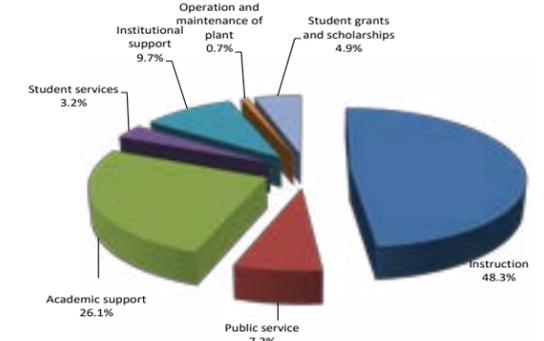
2017 ENDOWMENT DONATIONS OF \$210K RECEIVED FROM:



2016 FOUNDATION PROGRAM EXPENSES



2017 FOUNDATION PROGRAM EXPENSES



ADMINISTRATIVE SERVICES

The Cal Poly Pomona Foundation administrative services supports a wide range of necessary corporate functions under the leadership of the executive director, including the departments of employment services, marketing, financial services and information technology systems management. As a self-supporting, separate and distinct entity from the university, all internal administrative functions are provided by Foundation staff and management.



EMPLOYMENT SERVICES

Foundation Employment Services delivers the full spectrum of human resources and payroll services to Foundation employees. These include all payroll-related services, recruitment, hiring and the administration of employee and retiree benefits, as well as performance management processes, employee training and development, tuition assistance programs, safety programs and employee policies.

Over the past few years, there have been significant changes to the payroll and human resources delivery model. The most notable changes have occurred during the last decade where the use of technology has been leveraged to facilitate and streamline the many processes in human resources, payroll and timekeeping, resulting in measurable and sustainable value. These changes have been highly beneficial to the reduction of paper products and are fully aligned with the university's green campaign.

Foundation Employment Services has issued over 100,000 W2 forms during the Foundation's 52 year history. Given that Cal Poly Pomona student workers make up approximately 80% of the Foundation workforce, the Foundation has employed nearly 80,000 student workers that have gained valuable work experience during this period. Student employment at the Foundation continues to be a valuable and rewarding experience for student workers, and they provide a valuable service to the Foundation.

Employment Services continues to leverage its workforce management system to improve business-related outcomes. The workforce management system used for all workers by employment services to facilitate the employee life-cycle — from pre-employment through retirement — is essential to ensure the most efficient and cost-effective processes and methods are utilized. The system, tools and services used by Foundation Employment Services are provided by Kronos, Inc. Kronos is used by more than 40 million people worldwide located in more than 100 countries. Ensuring the efficiency of the tools and system used to transact employment-based business directly results in allowing all employees, especially students, to be more focused on those things that matter most — such as earning their college degree.

The decision in 2012 to migrate to cloud services has resulted in several positive outcomes. It has increased reliability of the system, therefore, allowing internal IT staff to spend less time maintaining and updating the system. The cloud services migration also provides for a disaster recovery solution and additional reduction in cost to administer and support the workforce management system.



In 2016, employment services added the Talent Acquisition module to the existing Kronos workforce management solution. This new functionality has greatly improved the ability to source, recruit and hire the talent needed in a timely manner. It is significantly more advanced and efficient when compared to previous technology used to track applicants and is much easier and faster for those applicants, primarily Cal Poly Pomona students, who want to apply to multiple Foundation openings. The Talent Acquisition tools and services used, similar to other workforce management tools and services, are intended to ensure smooth, efficient processes while providing high levels of data security.

GuideSpark, a company providing enhanced employee communications through the delivery of short videos on key employee topics, continues to be a communications platform leveraged by Foundation Employment Services. GuideSpark offers on-demand videos including overviews of medical, dental and vision insurance, payroll procedures, code of ethics, and a list of other topics to employees, retirees and applicants.

Recognized by peer organizations for its use of technology to streamline processes, employment services continues to improve efficiencies and productivity while reducing costs directly resulting from those efficiencies.

In 2015, Foundation Employment Services was featured in an article titled “Higher Ed Tech Decisions” published by Jess Kennedy and Steven Bates from the Society of Human Resources Management (SHRM). SHRM is the largest organization in the world supporting the field of human resources, with over 275,000 active members.

In 2017, Kronos Inc., highlighted the Foundation and the university by creating a video that details how the Foundation uses the tools and services provided by Kronos, Inc.

Looking forward, employment services is facing four challenges:

- How to adapt to the workforce trends
- How to prepare employees for artificial intelligence in the workplace
- The retirement of key workers
- Identifying and recruiting replacement employees of those future retirees

Currently, 41% of the workforce at the Foundation is eligible to retire during the next five years. Many who are eligible will in fact retire, taking with them invaluable institutional knowledge. The challenge over the next five years will be to systematically capture and transfer as much of that knowledge as possible to newly hired employees, while those workers nearing retirement are still actively engaged at work.



MARKETING

The Foundation Marketing Department is dedicated to supporting and promoting all Foundation units through various creative marketing campaigns, including but not limited to print media, online publications, email blasts, online videos, social media, national competitions, events, public relations and websites.

The marketing department currently maintains over 20 websites and sub-websites. Many sites have been revamped or completely overhauled within the last two years. CPPDining.com, BroncoBookstore.com and BroncoChannel.com have all been renovated. CPPDining.com was updated with a modern design, new photographs and videos, and simpler customer navigation. The Bronco Bookstore website was also given a fresh look and now has a clean, contemporary design and was reorganized for easier navigation and improved accessibility. On average, Foundation websites and sub-websites receive a combined total of over 600k hits a year.

The Bronco Channel brand as well as its website were both completely reconstructed in early 2017. Bronco Channel was originally a static information hub targeted toward the parents of Cal Poly Pomona students. It was then redesigned from the ground up to be a curated blog made just for Cal Poly Pomona students. The blog features shareable articles and entries that would spark the interest and curiosity of the student body while aiming to highlight Cal Poly Pomona Foundation news and information. At launch, the blog contained article highlights under five main categories:

- 1) **Spotlight:** Entries featuring various Cal Poly Pomona students.
- 2) **Student Life:** Entries featuring various events and newsworthy headlines happening on campus.
- 3) **Food:** Entries sharing information pertaining to the dining venues on campus as well as promoting healthy eating.
- 4) **Culture:** Entries pertaining to non-campus related information that would appeal to CPP students.
- 5) **Top 5:** Ranked lists featuring “Top 5” things that would appeal to CPP students.



The Bronco Bookstore and Dining Services were recently added to the Cal Poly Pomona app. Using the Dining Services section of the Cal Poly Pomona app, students can now access the more important features of the website at their fingertips such as dining hours, dining locations and directions to the dining venues. Using the Bronco Bookstore section of the Cal Poly Pomona app, students are able to access bookstore hours, buyback dates, specials and announcements.

The 2016 and 2017 Hot Dog Capers had the highest turnout and were the most memorable events to date. The last two years have seen an increase in attendance and food distribution. In 2016 and 2017, marketing hired performing talent to enhance the ambiance, booked giant inflatable slides for both visual impact and extra amusement, hired multiple airbrush tattoo artists, used more decorations throughout the park and invited more vendors to participate.

The marketing department remains active in freshmen and transfer orientation fairs by developing imaginative ways to promote BroncoChannel.com. In 2016 and 2017, marketing encouraged students to visit the website and enter a giveaway. The most successful year yet was 2016 with nearly 2,000 signups for the Bronco Channel giveaway campaign.

Whether it is a grand opening or a simple promotion, the marketing department continues to develop innovative ideas to promote Foundation units. Foundation Marketing helped execute the development of several video walls as a way to advertise multiple Foundation units at one time. The video walls were placed to give faculty and students an opportunity to see what is happening around campus with ads being shown throughout the day. The walls are intended to market product and cut back on the use of paper. Currently, there are two video walls in Campus Center Marketplace and one video wall at the bookstore atrium. Foundation Marketing hopes to continue to promote everything that the Foundation has to offer as well as possibly install more video walls throughout campus.



FOUNDATION FINANCIAL SERVICES



The Foundation Financial Services Department is responsible for sponsored program post-award administration, financial reporting, budgeting, investments, taxes and risk management.

Financial services continues to review and upgrade processes and technology to improve the quality and efficiency of services. Database encryption of the financial system provided a more secure environment, and upgraded user interface enabled the retrieval of financial reports quickly and easily, allowing account holders to access information regarding their programs as needed.

Financial web forms were developed which allow for the creation, review and approval of interdepartmental transactions, travel reimbursements, purchase orders and the payment of goods and services through an electronic workflow process, allowing for quick retrieval of the information and supporting documents through "click, drag and drill" reports.

Looking forward, analytic tools are available to access various databases and allow financial services to make informed decisions in a timely manner.



INFORMATION TECHNOLOGY

The Foundation Information Technology (IT) Group is committed to implementing innovative solutions to provide high quality services at the forefront of new technology, in partnership with Foundation enterprise operations and the university. Success will continue to be measured through meeting these departmental strategic goals:

- Exceeding customer service expectations
- Reducing costs through automation and timely reassessment
- More timely and business-aware responses to the technical needs of stakeholders
- Improved business insight via on-demand analytics
- Strengthening security through constant reappraisal of commercial best practices



In 2015, Foundation IT collaborated with dining services to provide point-of-sale upgrades at multiple venues. In addition, new tools were acquired to automate PCI (Payment Card Industry) processes in order to optimize security to industry best practices. Azure cloud-based disaster recovery was also implemented to improve business continuity. Tableau analytics dashboards were created to provide real-time insights into improving food service delivery and tracking student enrollment to meet demand. The Foundation financial system was upgraded to SunGard OneSolution v15.1, adding new reports and automated workflows. Server infrastructure was upgraded to Microsoft Windows 2012, improving speed, performance and security. A new e-cart was added to provide operational support to Foundation departments across campus more quickly. In collaboration with the university, a data security review was also performed to optimize protection of campus data and assets.

Point-of-sale networks were privatized to improve isolation and security in 2016. Cal Poly Pomona Computer Information Systems interns were enlisted to work with Foundation IT to research queue line monitoring technology. Ultimately, the interns found an excellent solution using 3D overhead cameras to share wait times at Subway using dashboards available to students and staff. The Foundation computer room air conditioning system was upgraded to data center quality in order to strengthen environmental business continuity and reduce cooling costs. Chip and pin readers with debit capability replaced traditional magnetic card swipes at several retail locations to improve customer credit card security and convenience.

In cooperation with the AOA (Auxiliary Organization Association), Foundation IT Director Randall Townsend was voted into chairman of the IT committee for all CSU auxiliaries, which included a seat at the CSU Information Security Officer meetings. As part of this responsibility, Foundation IT hosted the summer IT committee meeting on the Pomona campus, showcasing IT innovation. Toward the end of the year, the Foundation Employment Services Kronos system was upgraded to Version 8, which added hosting services, a talent acquisition module and mobile timestamping. In December, a project was initiated to upgrade workstation software across the Foundation to Microsoft Windows 10 and Office 2016, including the addition of new hardware with solid-state drives and additional memory.

Continuing the focus on point-of-sales systems, the dining services point-of-sale virtual machine hardware and software infrastructure were upgraded in 2017 to improve speed, reliability and security. A new mobile point-of-sale system was developed to allow pop-up stores anywhere on campus for commencement, donor events and other remote functions. The Foundation collaborated with the university to provide information between Kronos and PeopleSoft to automate human resources processes, therefore speeding services to staff and faculty. Foundation IT also partnered with the Bronco Bookstore and Apple to deploy a mobile device ordering system, allowing remote management of newly purchased Apple hardware. This new process, called DEP (Device Enrollment Program), provides campus IT with rapid deployment tools using their existing mobile device management software. This will reduce the amount of time necessary to roll out and administer Apple computer fleets across campus.

At the beginning of the year, a campus disaster recovery/risk review was performed by the CSU OAAS group, in which the Foundation had no findings. Lastly, the Foundation began beta testing Superior One Solution v 17.2, a new web-based version of the current financial system. The updated system will provide automated workflow for Foundation Grants and Contracts to convert from click, drag and drill reports to Cognos v 11 analytics and provide easier access to essential reports and services for campus faculty and staff.

FUTURE PLANS

Looking forward, nascent services will become more collaborative and business oriented, including the buildout of a new campus travel software package called Concur and CollegeNet, a space/events management software.

Each will improve efficiency, automation and ease the workload for students, faculty and staff traveling off campus or using campus facilities. Dining services operations will be improving convenience store inventory control using new CBORD convenience store software and eventually, CBORD Fusion will allow customized menu/dietary software services and displays. In addition, biometrics will be added to the new dining commons in order to speed student access to food services.

The Bronco Bookstore will go through a major point-of-sale upgrade to Nebraska Prism 360, allowing enhanced book, merchandise and computer ordering via cloud services. This upgrade will also deliver an interactive mobile POS (point of sale) system to significantly reduce queue line wait times.

Other IT service improvements will include next-generation forensic data security tools, allowing artificial intelligence to provide predictive capabilities to detect intrusion threats from outside the campus. In the coming years, there will be a relocation of Foundation servers to a new state-of-the-art POD Data Center in collaboration with the university, which will provide safer and more reliable, computer infrastructure support.



REAL ESTATE

The Foundation Real Estate Department continues to provide affordable housing options for Cal Poly Pomona faculty and staff and their families, as well as housing innovative businesses that want to be part of the university environment. Many positive things have happened to support the mission of the university in the last two years.

INNOVATION VILLAGE RESEARCH PARK

The 65-acre development known as Innovation Village reached a new milestone in 2015. With the signing of a third ground lease with Southern California Edison (Phase V of the overall project), Innovation Village is now 67.5% complete with 18.6 acres remaining to build. The 123,000 square foot building was completed in December 2015. This project continues to attract national as well as international companies looking to locate their headquarters in a dynamic environment such as the one created on the edge of campus.

Currently, approximately 2,174 employees call Innovation Village their place of work. Southern California Edison, American Red Cross and smaller incubator tenants make up a diverse workforce, which benefits from proximity to campus amenities and activities every day. Many of these employees have identified themselves as Cal Poly Pomona alumni, thus adding to the sense of commitment and affection for the mission of the university. At full build-out, Innovation

Village is projected to generate a total of 3,574 direct jobs and a total job count of 7,646 (indirect and direct). With a median income estimated in April 2017 of \$75,379, the project is expected to generate a total economic output of \$1,229,479,000 per annum. Additionally, the university will benefit from the lease revenue generated by the ground leases. These leases are estimated to reach \$2.9 million annually at full build-out.

FACULTY/STAFF HOUSING

The Foundation continues to do its part to attract the best and brightest faculty to Cal Poly Pomona by offering affordable for-sale housing to faculty and staff. Given the high cost of housing in Southern California, it has historically been difficult to attract talent from areas where the cost of living is much lower. Over the past two years, the Foundation continued to oversee the resale of residential properties within the program to faculty new-hires and to staff.

An increase in both sales and property values was realized in 2015-17. While there were five Kellogg Tract properties sold, three Kellogg Tract properties were re-purchased by the Foundation during 2015-17. Fair Oaks Walk townhomes had ten properties re-purchased and eleven sold as well. By year-end, Kellogg Tract property values in the program had increased 19%, while the units in the Fair Oaks Walk community had increased 17% since 2014-15.

A silent second mortgage continues to be offered to faculty and staff, allowing them to finance homes with a minimum down payment of 3%. At the end of the 2015-17 reporting period, only one rental unit remains in the portfolio. This is substantially lower than experienced since 2011-12. The last remaining rental unit will be converted to a sale once the current inventory of for-sale homes stabilizes.

ADDITIONAL ACTIVITIES SUPPORTING THE CAMPUS

The Real Estate Department supports the efforts of the Office of Development by working with donors who are interested in gifting the campus with real property. In the past two years, the department has been involved with several real estate gifts, including a property in Palm Desert, which was given for the benefit of the College of Business. In addition, the department has completed the disposition of a property in the Lucerne Valley, which was given for the benefit of the College of Science and has assisted in the due diligence of a number of other gift properties, including the Huntley Pistachio Farm — a significant gift to the Huntley College of Agriculture.

In addition to gift properties, the department supports the university with property recently transferred by the State of California. The 300-acre property, formerly known as the Lanterman Developmental Center, is currently being assessed for future campus use. The Foundation is supporting the campus by leasing out the buildings and land to the film industry in partnership with a third party film locations company. This company manages scouting and contracting for use by production companies, thus generating money to help offset the cost of security and other holding costs. The Foundation has pledged up to \$1 million in funds in 2015-17 to support the cost of holding the property while the campus works on a plan for the future.



Additionally, the funds generated through film license revenue are also being used by the university to cover its operating costs at the property.

Lastly, the Real Estate Department has made improvements to the environment in and around Building 66 – the Bronco Bookstore building. Enhancements included remodeling all public restrooms on the first and second floor, adding furniture in the common areas, painting and upgrading lighting in the atrium and hallways, and painting and replacing the carpet in the classrooms. The student experience has improved dramatically as a result.





ENTERPRISE OPERATIONS

FOUNDATION DINING SERVICES

The mission of Foundation Dining Services is to deliver exceptional food services to support and give back to the Cal Poly Pomona community. As of June 2017, Foundation Dining Services operates 31 distinct dining operations on the Cal Poly Pomona campus, realizing revenue exceeding \$21 million per year. Each year, over 500 students from all academic disciplines gain leadership skills and build resumes by working in Dining Services operations. During the past two years, Dining Services has returned over \$5 million to the campus annually in the form of student wages, in-kind donations, gifts and net profit.

NEW OPERATIONS AND FACILITY ENHANCEMENTS

With a five-year growth of nearly 50% from 2012-2017, Foundation Dining Services has continued to invest in facility upgrades, innovative systems and other enhancements that benefit Cal Poly Pomona.

2015-2016: \$595,000 in capital expenditures were earmarked for PCI credit card compliance projects, campus card office enhancements, exterior and interior furniture enhancements, assorted digital menu boards and enhancements to the Kellogg West, BRIC, Bronco Student Center, Innovation Brew Works and Campus Center Marketplace facilities.

2016-2017: \$416,000 in capital expenditures were allocated for the Los Olivos replacement project, brewing education laboratory at Innovation Brew Works, franchise upgrades, vehicle upgrades and replacement, innovative analytics tools, campus card system upgrades and enhancements to the Kellogg West, Bronco Student Center and Campus Center Marketplace facilities. H Café opened in the Collins College of Hospitality Management as part of its spring 2016 expansion. This effort supports the Foundation's endeavor to identify and support underserved areas on campus. The Foundation



also adopted the GET software to allow access to students and staff to view their meal plans or add funds to their Bronco Bucks all day every day. The Bronco Card office operates to support students and staff in use of the bronco access card and to promote use of the card. Deposits using GET have increased 62% since its introduction in 2014.

AWARDS AND RECOGNITION

In early November 2015, Foundation Executive Director G. Paul Storey and Dining Services Director Aaron Neilson accepted the Innovative Achievement in Auxiliary Services Award at the National Association of College Auxiliary Services (NACAS) National Conference in San Antonio, on behalf of the Foundation for Innovation Brew Works. NACAS is the largest auxiliary services support organization serving higher education worldwide. The Innovative Achievement in Auxiliary Services Award recognizes a service or program that enhances customer service, generates additional revenue or reduces costs, provides adaptability for other institutions and has an imaginative and unique quality of product.

In February 2016, Sandra Cain, assistant director of retail dining, was recognized by Cal Poly Pomona Intercollegiate Athletics. Sandra was honored at the annual Faculty/Staff Appreciation Night for the great work and support she provides to the athletic department. A short presentation was given during halftime at the Cal Poly Pomona men's basketball game (vs. CSU Monterey Bay) and a small token of appreciation was presented to Sandra by the university and athletic administration.

Dining services employee Maria Nino accepted the National Bronze Sales Award on behalf of Qdoba. The bronze award is given to stores when they reach the one million sales mark. The Qdoba on the Cal Poly Pomona campus was one of three stores in the entire Qdoba franchise to receive this honor.



Kellogg West Dining was awarded second place in the 2017 People's Choice Awards in the Cal Poly Pomona Tasting and Auction after winning second place in "Best Overall" and "Best Entrée" in 2016.

Paulus "Paul" Adidjaja, sous chef at Los Olivos, received the silver medal in the National Association of College & University Food Services (NACUFS) Culinary Challenge. The NACUFS Culinary Challenge was held March 4, 2017 at the Sheraton Fairplex Hotel & Conference Center in Pomona and is sanctioned by the American Culinary Federation. Paul competed against 12 chefs from institutions in the Pacific region, including USC, San Diego State University, Stanford University, Oregon State University and the University of Washington.

The Den won a Brand Protection and Quality Assurance award in June 2016 in recognition of their outstanding execution of food safety and brand standards.



INVESTING IN OUR STUDENTS

Foundation Dining Services at Cal Poly Pomona is unique compared to other universities in that the workforce is composed of nearly 72% Cal Poly Pomona students, where the industry average ratio is around 49% students. As an indicator of Dining Services success in developing student leaders, a number of Cal Poly Pomona alumni have worked their way up through the ranks to become full-time dining services employees. Kellogg West Dining provides a number of opportunities for hospitality students to gain industry experience and knowledge. Kellogg West established a dining services employee development program for those interested in becoming a bartender. This program, sponsored by Foundation Dining Services, has produced six certified bartenders who are currently employed at Kellogg West. The

Employee of the Month Award, a very positive staff program, is in its third year. This program was designed for Kellogg West staff to recognize positive working ethics among co-workers.

INDUSTRY ENGAGEMENT

National Association of College and University Food Service (NACUFS)

In early March 2017, Foundation Dining Services Director Aaron Neilson was instrumental in bringing the 2017 NACUFS Pacific Regional Conference at the Sheraton Fairplex Hotel & Conference Center in Pomona. The three-day conference featured numerous information sessions, showcases and tours.

Prior to the events at the Sheraton, Los Olivos Executive Chef Arnold Zavalza shared his culinary talent with 25 pre-conference attendees who were brought to campus to tour the dining retail operations. Chef Arnold hosted a closing reception at Innovation Brew Works and served dishes prepared from food grown at Cal Poly Pomona.

Aaron Neilson, sat on a panel with Kris Klinger, assistant vice president of retail operations at USC, and Sam Samaan, executive director of university services at Azusa Pacific University, to discuss issues facing executive dining leadership.

In addition, the NACUFS planning committee requested an educational session presentation from the Foundation Marketing team. Darren Isomoto and Lily Ly, Foundation marketing coordinators, shared the marketing strategy of Innovation Brew Works to nearly 50 conference attendees.

The Poly Trolley food truck and Pony Express On The Go, the innovative solar-powered mobile convenience store, were displayed at the food truck showcase along with food trucks from San Jose State University, UC Riverside and Azusa Pacific University. Attendees were also able to tour the inside of each truck.

California Restaurant Association

On October 25, 2016, Foundation Dining Services Director Aaron Neilson partnered with Andrew Gibson, food service equipment technical specialist from Southern California Gas, to teach a group of students at San Dimas High School about the skills they need to succeed in the restaurant and hospitality industries. This event was part of the third annual FIT Day, a volunteer service day that occurs at 43 California high schools. FIT Day is part of ProStart, a culinary arts and hospitality management career-exploration program for high school students offered through the California Restaurant



Association Foundation. Aaron and Andrew taught soft skills and gave advice to nearly 180 students involved in San Dimas High School's ProStart hospitality program. The students, who were instructed to wear business attire to the event, learned important skills, such as how to ace a job interview, how to write a solid resume and how to approach a career with

a positive attitude. In addition, Aaron and Andrew shared personal anecdotes about their experiences in the dining industry and answered questions asked by the students.

California Craft Brewers Association (CCBA)

Dining management participated in the California Craft Beer Association Conference held in Southern California. The California Craft Association Conference is a three-day event that gives craft beer industry members the opportunity to gather and attend California specific educational workshops, one-on-one consultations with industry experts, beer receptions, luncheons and trade shows. Attendees also have the chance to network with over 450 California craft beer industry members.

Brewer's Association (BA)

From 2011-2016, the number of craft breweries has increased from 1,997 to 5,234. This is a 162% growth over a five year period. As an active member of this association, Foundation Dining Services benefits from industry insights, best practices and legislative activism related to the brewing industry.

Auxiliary Organization Association (AOA)

In January 2016, several members of the Foundation attended the annual Auxiliary Organization Association (AOA) conference held at the Hyatt Regency in Sacramento. Each year, directors, managers and other personnel from California State University auxiliary organizations attend this event to learn from industry expert keynote speakers and expand professional development through general learning sessions and networking.

During the four-day conference, several Foundation employees participated and presented in sessions specific to their area of expertise. Among others, Director of Dining Services Aaron Neilson and Information Systems Analyst Derek Davis partnered to present a session titled "Commercial Shops and Information Technology Partnership: A Case Study for Campus Business POS/PCI Integration." Aaron and Derek discussed the line level collaboration between commercial operations and point-of-sale technology experts in implementing new retail systems in a campus business environment. Topics included evaluation, execution, maintenance, accounting and compliance.

MEASURING UP



Planning Context

- The 2017 NACUFS Satisfaction Survey results indicate that Foundation Dining Services is outperforming peers in all key areas.
- Thus, the context for master planning is how best to leverage the program's success.



KELLOGG WEST CONFERENCE CENTER & HOTEL

Since opening its doors in 1971, Kellogg West Conference Center & Hotel has provided meeting, banquet, dining and lodging facilities at Cal Poly Pomona, while providing on-campus hospitality-related jobs and experiences for Cal Poly Pomona students. In addition to the Cal Poly Pomona campus community, many other education-related institutions, as well as governmental and corporate entities, have chosen Kellogg West as an ideal venue for their conferences, seminars and events.



Recognized statewide as a university-related conference center for education, Kellogg West is a member of the prestigious International Association of Conference Centers and meets all of the strict requirements to maintain its membership.

Kellogg West provides more than just meeting space and lodging. It opens the door through which the community sees and participates with Cal Poly Pomona and the entire California State University system. In addition to the many educationally related institutions, colleges and universities, corporations and governmental entities have selected Kellogg West as the ideal and appropriate venue for seminars, training and business meetings, most of which are regular multi-year returning customers.

In addition to offering conferencing and lodging facilities and services, Kellogg West works closely with the university and the Collins College of Hospitality Management to provide on-the-job training and employment for thousands of Collins College and Cal Poly Pomona students.

Today, over two-thirds of Kellogg West employees are students. Kellogg West works in partnership with the Collins College in advancing the education of its hospitality students through the regular participation of various classes in and around Kellogg West. The students are able to experience the daily operations of Kellogg West lodging and conference services. On the lodging side, students spend multiple hours observing and practicing housekeeping services, including making beds, taking out the trash and restocking guest amenity items.

Kellogg West Food & Dining Services gives students hands-on experience in conferencing dining services, including the setup of refreshment breaks, lunch service preparation and other various aspects of banquet services. Just as on the lodging side, students exercise the Cal Poly Pomona learn-by-doing method by setting up these services in both the dining room and conference areas.

Kellogg West also plays an important role in providing direct and indirect support and services to the university. As an integral partner with the campus, Kellogg West is able to provide:

- Discounted lodging rates for faculty and staff
- Real life instruction by KW managers for Collins College students on hotel and conference operations
- Conferencing discounts to all campus entities
- Catering for special events
- Luncheon discounts for all campus members

Kellogg West is committed to offering hospitality services that provide guests a full range of conference services and lodging facilities in an educational setting at an affordable and competitive rate while continuing to provide educational and employment opportunities for Cal Poly Pomona students. Kellogg West looks forward to the future and continuing partnerships with the university, The Collins College and the many business partners and communities of Southern California.



FOUNDATION HOUSING SERVICES

Foundation Housing Services at the University Village offers affordable, convenient and transitional housing for approximately 1,200 Cal Poly Pomona students annually, providing clean, well-maintained accommodations. By focusing on interpersonal relationships with its residents, the Village strives to create a safe, respectful and inclusive community. Village residents will find a dynamic environment that works to continually adapt to residential needs, providing an educational experience that empowers them to participate and take ownership of their community.



For the University Village, the path to student success begins with resident move-in days. Each fall, the Village welcomes approximately 1,000 new and returning residents. It is extremely important that the students start out on the right foot and Village student leaders and staff are essential in helping residents transition into a new community. The resident advisors, community and student life advocates, sustainability advisors, health & wellness advisors and managerial assistants immediately start building relationships with residents by introducing themselves as peer resources committed to helping and supporting students, as well as connecting students with opportunities to get involved. In 2015, the Village kick-off event was called the 909 Street Market, which provided residents with complimentary food from campus dining venues including Qdoba, Round Table Pizza and Subway. Other campus partners and resources in attendance included the Bronco Bookstore, Green Team, Pride Center, Apparel Merchandising & Management, Farm Store and the Wellness Center. In 2016, the Community Development Team went with a more relaxed approach for the kick-off event by hosting a backyard bbq and movie night. The event offered a friendly, open atmosphere that encouraged residents to meet new neighbors and make new friends.

The University Village fosters student success by providing up to 50 student leader and employment opportunities each year. In addition to the residential education/community development positions mentioned previously, students also serve as office assistants in the front office and IT assistants in the Tech Center. The student leader application process itself fosters student success through its required leadership workshop series. Every participant gains knowledge and experience with leadership and work styles, personality types, time management, conflict management, teamwork, values identification and ethical decision-making. The skills gained in these workshops not only aid in the success of the participants, but the students who maintain leadership positions will be able to develop skills to help other students on their paths to success.

Throughout the year, student leaders and staff provide opportunities for social interaction and community building. In 2015, the Village hosted its fifth annual Haunted House, which drew over 300 residents. In 2017, the large-scale events consisted of a LAN Party and the Village Prom. On a smaller scale, the Community Development Team has facilitated resident interest groups since 2015. The most popular groups include the Foodie Group, Intramurals, Tea Talks and Grocery Carpool. In particular, Grocery Carpool provides students with the ability to get to the grocery store regularly, even if they do not have access to their own transportation.

The professional staff at the University Village also promotes student success through Village-wide programming efforts. In 2015-2016, professional staff attended quarterly town hall meetings to answer resident questions, address resident concerns and educate residents about Village policies and procedures. In addition to being an open forum, each town hall meeting had a specific agenda to better inform residents. The fall town hall agenda topic was an introduction to the Village staff and different Village departments and services. Subsequent town hall topics centered on relicensing and



move-out, in order to provide important information to the residents. In 2016-2017, the quarterly town hall meetings evolved into quarterly community nights. Community nights focused intentionally on student success.

The winter community night focused on wellness as a central factor in achieving student success. The BRIC provided yoga and stretching classes. Student Health and Counseling Services also facilitated meditation and mindfulness sessions. HIV testing was sponsored by the Wellness Center and provided by the East Valley Community Health Center. Pomona Valley Hospital presented on nutrition with the Farm Store providing healthy snacks. Tri-City Mental Health shared the various support group services they offered. From that interaction, a weekly anxiety and depression support group was formed at the Village. Lastly, student staff led a session on financial health.

Next Steps for Student Success was the theme of the spring community night. The Career Center provided general advising, resume/cover letter review and interview attire from the Clothes Closet. Presentations were also given on resume writing, interview skills, dressing for success and professional online communication. The Registrar's Office and IAP Ambassadors were in attendance and offered graduation advising and individual academic plan advising.

The University Village will continue to support student success in future years by regularly providing leadership and employment opportunities to students. Staff will be intentional in their extracurricular programming and maintaining a focus on various aspects of student success. This includes everything from academics to health and wellness, as well as graduation and job preparation. The Village will also continue to collaborate with campus partners and resources to deliver services that foster student success and personal growth. Finally, the Village will provide a new co-curricular educational opportunity through a new living and learning community focused on student success, the IMPACT LLC – Integrating My Personal And Career Tracks.

BRONCO BOOKSTORE

Proudly serving the campus community since 1946, for nearly 70 years the Bronco Bookstore has served Cal Poly Pomona by providing all academic course materials for student success as well as emblematic merchandise to promote bronco pride.



COURSE MATERIALS

Student access to a wide variety of competitively priced course materials remains the single largest priority for Bronco Bookstore. The bookstore staff members work diligently to research options and remain up-to-date with the latest developments in course materials. The support and cooperation received from faculty and the Cal Poly Pomona academic community enables continued innovation to provide students the materials they need at the best possible value.

For the past several years, the Bronco Bookstore's affordable course materials options have included used books, custom format books, rentals, e-books and buyback. Other affordable alternatives encouraged by Bronco Bookstore

include smart custom books offered by most publishers.

The focus on affordable options has saved Cal Poly Pomona students nearly \$4 million as compared to the cost of purchasing all new course materials. Affordable options accounted for over 40% of all course materials revenue for the store in 2015-2017. Rentals remain a popular option and digital textbooks have continued to gain significantly quarter-over-quarter for the last several academic years; with digital sales increasing from less than \$125,000 annually to \$400,000 for 2016-2017.

2015-2016	New Sales	Used Sales	Used Savings	New Rentals	Savings	Used Rentals	Savings
TOTAL	\$2,112,244	\$1,270,828	\$841,416	\$194,763	\$77,905	\$581,292	\$348,775

2015-2016	Digital Sales	Savings	Buyback	Total Savings
TOTAL	\$482,070	\$120,517	\$605,226	\$1,388,613
				30%

2016-2017	New Sales	Used Sales	Used Savings	New Rentals	Savings	Used Rentals	Savings
TOTAL	\$2,344,759	\$528,037	\$1,242,908	\$157,640	\$63,056	\$528,037	\$316,822

2016-2017	Digital Sales	Savings	Buyback	Total Savings
TOTAL	\$433,322	\$108,331	\$474,347	\$1,731,117,613
				38%



TECHNOLOGY

The core of the Bronco Bookstore's mission is understanding the importance that course materials play in a student's academic success and providing merchandise available online for the convenience of customers. To meet that need, the bookstore continues to focus on expanding and improving an 18% increase in revenue and 10% increase in units sold over the prior year. During the same time frame, e-commerce revenue increased significantly from 8% to 9.6% of total store revenue.

Additionally, the Bookstore's online Grad Fair presence grew from very little to a significant component of annual graduation merchandise sales. This convenient service for graduating students and their families has been extremely well received.

The Bronco Bookstore Computer Store continues to grow along with the increasing reliance on technology. Facilitating campus hardware and technology purchases provides added value through up-to-date industry expertise group negotiating leverage. Additional focus on student, faculty and staff sales has resulted in many new opportunities.

CAMPUS PARTNERSHIPS AND EVENTS

The Bronco Bookstore continues to enhance its many campus partnerships, teaming up with Cal Poly Pomona departments including Alumni Affairs, Procurement, Distribution Services, Athletics, the President's Office, Commencement Committee and more.

Recognizing that Commencement is a student's most significant event during their journey at Cal Poly Pomona, Bronco Bookstore is proud to be an annual partner in the momentous occasion. An expanded first-class Grad Fair event takes place in the spring. The event lasts two days but the preparation beginning four months prior by taking pre-orders and marketing the event as a whole. with communications going out to families in advance to make the process of walking during commencement as frustration-free as possible. During Commencement weekend, three bookstore locations are staffed for students and families to utilize. A new annual open house event launched for alumni, parents, faculty and staff in November 2017 with shopping discounts, beverages and appetizers. This event includes many campus partners, including several Foundation units, Athletics and our key partner, Alumni Affairs.



A new promotional calendar has been developed with events scheduled on an ongoing basis. Popular promotions include a start of quarter \$9.99 t-shirt sale and a \$19.99 fleece sale, as well as other special purchase merchandise.

STUDENT SUCCESS

The Bronco Bookstore strives to be a leader and role model to the many Cal Poly Pomona student employees hired, trained and mentored each year. Some key areas the bookstore provides relevant future workplace experience in include:

- Interacting in a business environment with key academic staff and faculty, utilizing customer service skills and problem-solving abilities
- Standard accounting practices following State and Foundation guidelines
- Loss prevention, safety and inventory best practices
- Assisting in day-to-day activities with procurement personnel by allowing input into the selection of new product and service offerings
- Learning supervisory skills and training practices to teach fellow co-workers how to be successful

The Bronco Bookstore looks forward to the future of maintaining its focus on serving student learning and the mission of the university. As Cal Poly Pomona faculty and students evolve in how they teach and learn, Bronco Bookstore will continue to stay informed and connected to provide the best options and service possible.



GRANT AND CONTRACT ADMINISTRATION

GRANT AND CONTRACT ADMINISTRATION

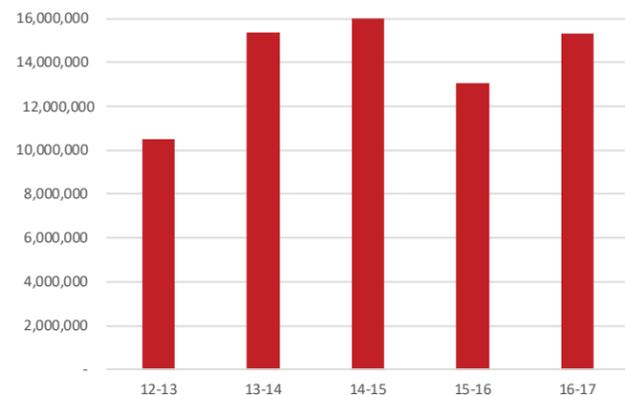


Cal Poly Pomona Foundation, Inc. is the recipient of all externally funded sponsored projects awarded on behalf of California State Polytechnic University, Pomona. For the last two years, Cal Poly Pomona faculty and staff have secured nearly \$29 million in external funds representing over 248 new projects from 77 different agencies.

The Foundation has employed over 600 Cal Poly Pomona student assistants to work on externally funded projects. These students gain valuable experience working directly with faculty members on complex research projects. In addition, the Foundation has supported the research efforts on campus by sponsoring the annual project director reception celebrating the success of faculty members in gaining new funding, subsidizing the operating costs involved in post award administration by \$1.8 million and returning all excess indirect cost recovery collected from sponsored programs totaling \$795,000 over a two-year period.

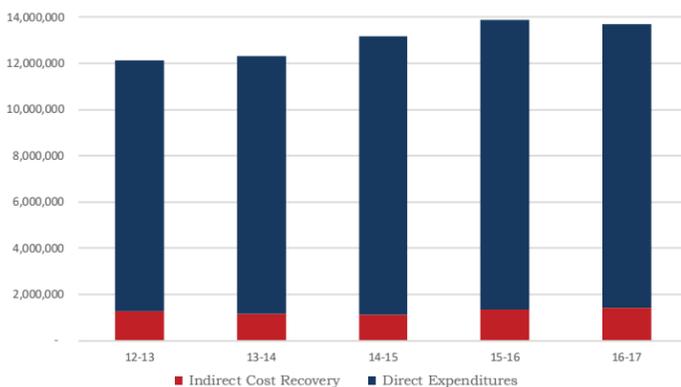
The Foundation has also provided a designated gift to support the Early Career Summer Support Program. This program provides summer stipends to support the professional development of junior tenure-track faculty and takes a realistic, long-term view of attitudes

NEW AWARDS



	12-13	13-14	14-15	15-16	16-17
Activity	10,490,306	15,386,939	16,010,850	13,054,706	15,336,061

GRANT AND CONTRACT EXPENDITURES AND INDIRECT COST RECOVERED



	12-13	13-14	14-15	15-16	16-17
Indirect Cost Expenditures	1,286,108	1,149,302	1,132,978	1,341,152	1,423,605
Direct Expenditures	10,840,175	11,154,302	12,041,212	12,543,858	12,287,068

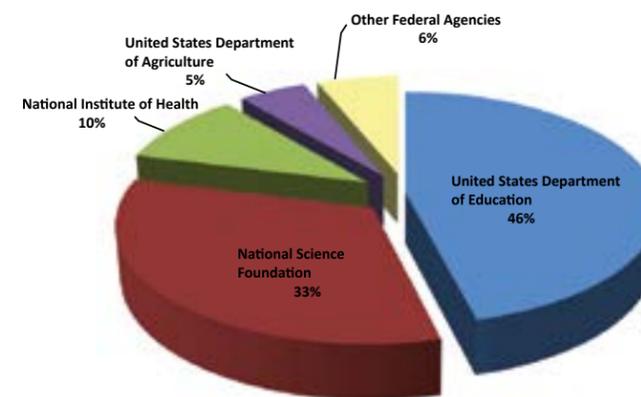
and behaviors that are required to establish and maintain a scholarly career. The total amount of the designated gift for the past two years totaled \$220,000.

Based on the stewardship of the Cal Poly Pomona faculty and staff in administering their projects, the Foundation has received favorable single audits for the last 22 years. This annual audit for colleges and universities receiving federal funding is required by Federal compliance regulation 2 CFR 200. A favorable audit assures external agencies of our abilities to administer these funds properly.

Sponsored programs are very important to the university by providing practical learning experiences for students and professional growth for faculty. The Foundation is very proud of the many accomplishments of the faculty, staff and students relating to these externally funded projects and is committed to continuing the support for these very important programs.



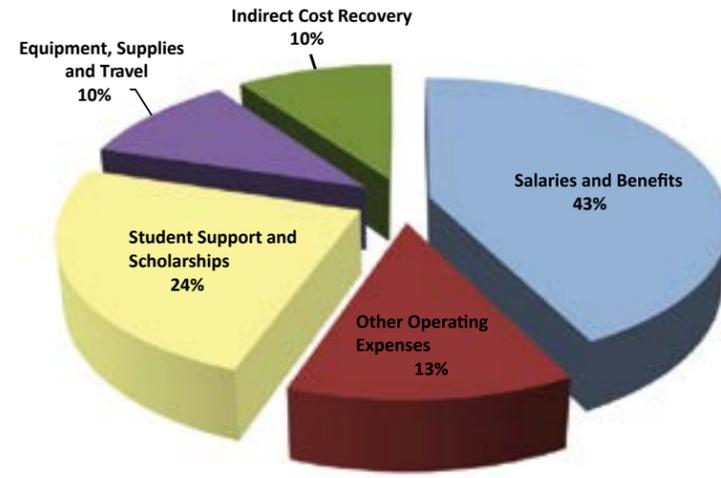
FEDERAL GRANT AND CONTRACT REVENUE



National Institute of Health	10%
National Science Foundation	33%
United States Department of Education	46%
United States Department of Agriculture	5%
Other Federal Agencies	6%



GRANT AND CONTRACT EXPENDITURES



	2015-2016	2016-2017	TOTALS
Salary and Benefits	5,712,864	6,068,280	11,781,144
Total Equipment, Supplies, Travel	1,503,776	1,353,435	2,857,211
Student Support and Scholarship	3,471,205	3,278,108	6,749,313
Indirect Cost Recovery	1,341,152	1,423,605	2,764,757
Other Operating Expenditures	1,856,013	1,587,245	3,443,258
Grand Totals	13,885,010	13,710,673	27,595,683

NEW AWARDS BY UNIVERSITY AND COLLEGES

Academic Unit	2015-2016	2016-2017	TOTALS
Academic Affairs	1,159,405	1,257,121	2,416,526
Agriculture	1,441,118	1,015,800	2,456,918
Business Administration	132,633	123,923	256,556
Letters, Arts, and Social Sciences	34,360	262,262	296,622
Extended University	391,391	420,172	811,563
Education	148,287	496,292	644,579
Engineering	1,573,572	2,000,916	3,574,488
Environmental Design	116,816	30,360	147,176
Learning Resource Center	2,024,987	3,269,848	5,294,835
Science	4,700,991	5,365,040	10,066,031
Student Affairs	1,331,146	1,094,327	2,425,473
Grand Totals	13,054,706	15,336,061	28,390,767

AWARDING AGENCIES FOR GRANTS AND CONTRACTS

The following agencies support the many projects conducted by Cal Poly Pomona faculty and staff. The Foundation thanks these agencies for their financial resources and their commitment to these important programs.

AERO Institute	National Security Agency	University of California, Santa Cruz
Agricultural Research Initiative	Pasadena City College	University of Norte Dame
American Chemical Society	Portland State University	University of North Dakota
Bakersfield City School District	Regents of the University of Colorado	University of Southern California
BioMedix Corporation	Rialto Unified School District	University of Texas, San Antonio
Board of Trustees of the University of Arkansas	Riverside County Office of Education	Vanderbilt University
Cal State University, Chancellors Office	Rust Family Foundation	VentureWell
Cal State University, Fullerton	San Diego State University Research Foundation	W.K. Kellogg Foundation
Cal Trans	San Francisco State University	Watershed Conservation Authority
California Community Foundation	San Jose State University	Whatcom Community College
California Construction Management, Inc.	Santa Clara County Office of Education	Whitehall Foundation
California Department of Education	Santa Maria Bonita School District	
California Department of Food and Agriculture	Santa Monica Bay Restoration Foundation	
California Institute for Regenerative Medicine	Southern California Association of Governments	
California Leafy Green Research Board	Southern California Edison	
Citrus Research Board	Southern California Institute of Food Technologists	
Colorado State University	State of California-Office of Traffic Safety	
Commission of Teacher Credentialing	Texas A&M University	
Community Partners	The American Physical Society	
CSU Fullerton Auxiliary Services Corporation	The Angell Foundation	
East Side Union High School	The Arizona Board of Regents	
Gransberg and Associates, Inc.	The Regents of the University of California	
Hacienda La Puente Unified School District	The University Corporation	
Iowa State University	United States Department of Agriculture	
Jet Propulsion Laboratory	United States Department of Defense	
John Hopkins University	United States Department of Education	
Lindsay Unified School District	United States Department of the Interior	
Los Angeles Cleantech Incubator	University Enterprises, Inc.	
Los Angeles County Office of Education	University of California, Los Angeles	
Lost Hills Union School District	University of California, Office of the President	
Metropolitan Water District	University of California, Riverside	
Molecular Express, Inc.		
National Aeronautics and Space Administration		
National Institute of Health		
National Science Foundation		

ALLOCATION OF INDIRECT COST FUNDS RECOVERED FROM GRANT AND CONTRACT PROJECTS

	2015-2016	2016-2017
Total Indirect Cost Funds Recovered	1,341,152	1,423,605
Research Incentive Funds Returned to Academic Affairs	398,983	395,974
Foundation Fee for Post-Award Administration	547,499	561,686
Office of Research and Sponsored Program Administration	349,518	445,945
Funds for Disallowed Costs Reserve	25,152	---
Funds for Intellectual Property Reserve	20,000	20,000
Effective Indirect Cost Recovery Rate	11.02%	11.41%

GRANT AND CONTRACT HIGHLIGHTS

DISTINGUISHED PROFESSOR RETIRES

Professor of immunology and microbiology, Dr. Jill Adler-Moore, is retiring after 44 years of distinguished service to Cal Poly Pomona. She is a leader in the field of liposomology and a co-inventor of the liposome encapsulated antifungal drug Amphotericin B, AmBisome®. Currently, her lab is focused on investigating microbial drug therapy and microbial vaccines, as well as the immune responses associated with both fungal (e.g. *Candida* and *Aspergillus*) and viral (HSV-2 and Influenza) pulmonary, vaginal and systemic infections.

During her tenure at Cal Poly Pomona, Dr. Adler-Moore acquired over \$15 million in funding for research and educational projects including significant support for underrepresented students in science. On the forefront of the biotechnology industry and education in Southern California, Dr. Jill Adler-Moore led the way in establishing the first undergraduate biotechnology degree program in the CSU system, served on the Planning Council of CSUPERB (CSU Program for Education & Research in Biotechnology), Director of the Cal Poly Pomona CIRM (California Institute for Regenerative Medicine), Bridges to Stem Cell Research Training grant and the National Institute of Health MBRS Research Initiative for Scientific Enhancement (RISE) grant, which involves the integration of research, mentoring, role modeling and professional skill-building to prepare students for Ph.D. programs in biomedical research.

Over her career, Jill has mentored large numbers of both undergraduate and graduate students. With boundless enthusiasm and passion, she has provided them with access to collaborative experiential learning opportunities in biotechnology research, introduced them to real world applications, and enabled them to identify and reach their goals and aspirations as the next generation of scientists. The university has benefitted from her research experience, connections with industry and intense commitment to students. She is the embodiment of Cal Poly Pomona's learn-by-doing philosophy.



Dr. Jill Adler-Moore

GRANT AND CONTRACT AWARDS

Aaron Fox
Agricultural Research Initiative
\$4,729

Alexander Rudolph
National Science Foundation
\$121,413

Alexander Rudolph
The Regents of the University of California
\$307,973

Alexander Rudolph
National Science Foundation
\$562,359

Ali Sharbat
United States Department of the Interior
\$70,000

Ali Sharbat
Metropolitan Water District
\$10,000

Alison Baski
San Jose State University
\$230,730

Andrew Steele
Whitehall Foundation
\$75,000

Anjana Narayan
University of Norte Dame
\$10,250

Behnam Bahr
United States Department of Education
\$1,005,564

Bohdan Schatschneider
National Science Foundation
\$180,182

Byron Howlett
W.K. Kellogg Foundation
\$10,000

Celeste Salinas
California Department of Education
\$173,997

Celeste Salinas
California Department of Education
\$242,123

Celeste Salinas
California Department of Education
\$5,000

Celeste Salinas
California Department of Education
\$852,638

Chantal Stieber
W.K. Kellogg Foundation
\$10,000

Christi Chisler
W.K. Kellogg Foundation
\$69,000

Cordelia Ontiveros
W.K. Kellogg Foundation
\$25,000

Craig LaMunyon
National Institute of Health
\$108,750

Craig LaMunyon
Agricultural Research Initiative
\$23,883

Dan Manson
University of Texas, San Antonio
\$26,000

Dan Manson
Whatcom Community College
\$201,297

David Still
California Leafy Green Research Board
\$53,744

David Still
Agricultural Research Initiative
\$48,365

David Still
California Department of Food and
Agriculture
\$416,343

David Still
Agricultural Research Initiative
\$137,936

David Still
Agricultural Research Initiative
\$158,376

David Still
The Regents of the University of California
\$291,889

Dohyung Kim
Southern California Association of
Governments
\$39,956

Douglas Durrant
W.K. Kellogg Foundation
\$5,000

Edward Bobich
Agricultural Research Initiative
\$52,120

Eileen Cullen
United States Department of Agriculture
\$60,000

Eileen Cullen
Community Partners
\$3,000

Eleonora Rossi
W.K. Kellogg Foundation
\$4,860

Eileen Wallis
W.K. Kellogg Foundation
\$1,500

Eric Haas
Lindsay Unified School District
\$136,000

Erin Questad
United States Department of Defense
\$156,439

Erin Questad
Agricultural Research Initiative
\$204,380

Faiza Shereen
United States Department of Education
\$79,677

Frank Ewers
W.K. Kellogg Foundation
\$15,000

Frank Ewers
W.K. Kellogg Foundation
\$31,000

R. Frank Smith
Southern California Edison
\$70,866

Gabriel Davidov Pardo
Southern California Institute of Food
Technologists
\$21,486

Gabriel Davidov Pardo
Agricultural Research Initiative
\$12,734

Gabriele Plickert
Texas A&M University
\$94,007

Ghada M. Gad
Gransberg and Associates, Inc.
\$50,028

Ghada M. Gad
Iowa State University
\$35,000

Giuseppe Lomiento
The Regents of the University of California
\$102,854

Giuseppe Lomiento
W.K. Kellogg Foundation
\$8,190



Gregory Barding
W.K. Kellogg Foundation
\$5,000

Greisy Winicki-Landman
University of California, Office of the President
\$99,000

Haamun Kalaantari
W.K. Kellogg Foundation
\$5,000

Harmit Singh
Agricultural Research Initiative
\$26,685

Harmit Singh
Southern California Institute of Food Technologists
\$20,705

Harmit Singh
Agricultural Research Initiative
\$4,232

Homeyra Sadaghiani
The American Physical Society
\$19,926

Homeyra Sadaghiani
National Science Foundation
\$291,289

Howard Evans
Los Angeles County Office of Education
\$118,124

Howard Evans
Santa Clara County Office of Education
\$141,700

Howard Evans
Santa Maria Bonita School District
\$133,565

Howard Evans
Bakersfield City School District
\$121,572

Howard Evans
Lost Hills Union School District
\$57,750

Howard Evans
Riverside County Office of Education
\$124,200

Howard Evans
East Side Union High School
\$69,652

Howard Evans
Riverside County Office of Education
\$45,000

Jamie Snyder
W.K. Kellogg Foundation
\$3,953

Jascha Polet
University of Southern California
\$13,885

Jascha Polet
Pasadena City College
\$317,484

Jascha Polet
Jet Propulsion Laboratory
\$26,833

Jayson Smith
University of California, Santa Cruz
\$114,055

Jeffrey Marshall
National Science Foundation
\$378,087

Jenny Zhen Yu
Agricultural Research Initiative
\$23,054

Jeremy Claisse
Santa Monica Bay Restoration Foundation
\$15,516

Jeremy Claisse
Agricultural Research Initiative
\$38,915

Jeremy Claisse
University of Southern California
\$25,397

Jill Adler-Moore
Agricultural Research Initiative
\$75,434

Jill Adler-Moore
Molecular Express, Inc.
\$37,654

Jill Adler-Moore
San Diego State University Research Foundation
\$2,500

Jill Adler-Moore
National Institute of Health
\$1,647,188

Jill Adler-Moore
Molecular Express, Inc.
\$32,680

Jill Adler-Moore
Molecular Express, Inc.
\$41,496

Joanne Van Boxtel
Commission of Teacher Credentialing
\$246,322

Jodye Selco
Rialto Unified School District
\$25,000

Jorge Moreno
National Science Foundation
\$265,818

Junjun Liu
Agricultural Research Initiative
\$62,587

Kenneth Lamb
Portland State University
\$41,763

Kyung In Huh
W.K. Kellogg Foundation
\$10,000

Laura Ayon
United States Department of Education
\$756,074

Laurie Riggs
Hacienda La Puente Unified School District
\$80,000

Leticia Guzman Scott
W.K. Kellogg Foundation
\$35,000

Leticia Guzman Scott
W.K. Kellogg Foundation
\$200,000

Leticia Guzman Scott
The Angell Foundation
\$100,000

Leticia Guzman Scott
W.K. Kellogg Foundation
\$72,000

Lily Gossage
W.K. Kellogg Foundation
\$20,000

Lourdes Abellera
The Regents of the University of California
\$65,584

Lourdes Abellera
The Regents of the University of California
\$49,399

Marissa Martinez
W.K. Kellogg Foundation
\$270,000

Mary Claire Gager
United States Department of Education
\$507,500

Mary Claire Gager
United States Department of Education
\$507,500

Mary Holz-Clause
Iowa State University
\$100,677

Maryam Shafahi
Metropolitan Water District
\$10,000

Matthew Povich
National Science Foundation
\$332,836

Megan Stang
W.K. Kellogg Foundation
\$34,250

Megan Stang
W.K. Kellogg Foundation
\$60,000

Mikhail Gershfeld
Colorado State University
\$20,000

Mingheng Li
American Chemical Society
\$70,000

Mohammad Husain
National Science Foundation
\$497,572

Mohammad Husain
National Science Foundation
\$170,000

Mohammad Husain
National Security Agency
\$61,690

Nancy Hurlbut
California State University, Fullerton
\$113,970

Nancy Hurlbut
California State University, Fullerton
\$55,217

Nicole Wickler
California Community Foundation
\$80,000

Nicole Wickler
National Science Foundation
\$2,536,936

Olive Yao Li
Southern California Institute of Food Technologists
\$14,011

Olive Yao Li
W.K. Kellogg Foundation
\$5,000

Olive Yao Li
Agricultural Research Initiative
\$47,450

Olive Yao Li
Agricultural Research Initiative
\$4,536

Olukemi Sawyerr
VentureWell
\$24,050

Olukemi Sawyerr
W.K. Kellogg Foundation
\$5,000

Olukemi Sawyerr
Los Angeles Cleantech Incubator
\$51,250

Ondieki Gekara
Board of Trustees of the University of Arkansas
\$10,080

Patricia Duran-Quezada
United States Department of Education
\$571,465

Pedro Carrillo
United States Department of Education
\$470,000

Peter Arensburger
University of California, Riverside
\$16,000

Rakesh Mogul
National Aeronautics and Space Administration
\$13,375

Renford Reese
San Francisco State University
\$71,428

Reza Baghaei Lakeh
W.K. Kellogg Foundation
\$2,825

Reza Baghaei Lakeh
Metropolitan Water District
\$99,749

Reza Baghaei Lakeh
University of California, Los Angeles
\$45,000

Ricardo Quintero
California Department of Education
\$47,294

Ricardo Quintero
United States Department of Education
\$765,000

Ricardo Quintero
United States Department of Education
\$367,041

Ricardo Quintero
United States Department of Education
\$893,535

Ricardo Quintero
United States Department of Education
\$257,500

Ricardo Quintero
United States Department of Education
\$723,391

Richard Willson
University Enterprises, Inc.
\$76,860

Ronald Pike
University of Southern California
\$29,259

Saeideh Fallah Fini
Johns Hopkins University
\$16,281

Saeideh Fallah Fini
Johns Hopkins University
\$30,000

Sandra Dixon
W.K. Kellogg Foundation
\$53,070

Sepehr Eskandari
W.K. Kellogg Foundation
\$10,000

Shelton Murinda
Agricultural Research Initiative
\$239,563

Stacy Musgrave
Colorado State University
\$16,576

Stephen Osborn
United States Department of the Interior
\$16,275

Stephen Osborn
Regents of the University of Colorado
\$10,500

Steve Alas
University Enterprises, Inc.
\$100,000

Steve Alas
Cal State University Chancellors Office
\$256,905

Subodh Bhandari
W.K. Kellogg Foundation
\$4,972

Subodh Bhandari
National Science Foundation
\$380,001



Subodh Bhandari
Agricultural Research Initiative
\$88,869

Sylvia Alva
W.K. Kellogg Foundation
\$22,000

Terri Gomez
W.K. Kellogg Foundation
\$40,000

Thomas Fenn
Rust Family Foundation
\$6,900

Valerie Mellano
Agricultural Research Initiative
\$75,000

Valerie Mellano
Citrus Research Board
\$24,481

Valerie Mellano
Agricultural Research Initiative
\$82,194

Valerie Mellano
California Department of Food and
Agriculture
\$24,460

Viviane Seyranian
University of Southern California
\$18,000

Wei-Jen Lin
BioMedix Corporation
\$20,000

Weimin Li
Watershed Conservation Authority
\$30,360

Wen Cheng
State of California-Office of Traffic Safety
\$290,810

Wen Cheng
The Arizona Board of Regents
\$10,000

Wen Cheng
The Regents of the University of
California
\$101,625

Winnie Dong
United States Department of Education
\$898,226

Winnie Dong
CSU Fullerton Auxiliary Services
Corporation
\$130,650

Winnie Dong
University of North Dakota
\$20,498

Winnie Dong
W.K. Kellogg Foundation
\$120,000

Winnie Dong
United States Department of Education
\$469,839

Winnie Dong
AERO Institute
\$22,473

Xinkai Wu
National Science Foundation
\$200,000

Yasser Salem
California Construction Management, Inc.
\$28,000

Yong X. Gan
The University Corporation
\$5,000

Yong X. Gan
W.K. Kellogg Foundation
\$7,700

Yongping Zhang
Southern California Association of
Governments
\$49,817

Yu Sun
Vanderbilt University
\$8,115

Yuanxiang Zhao
National Institute of Health
\$217,500

THE COLLEGE OF THE EXTENDED UNIVERSITY

The mission of the College of the Extended University (CEU) is “Extending Opportunities through Education.” CEU extends Cal Poly Pomona (CPP) educational opportunities to the regional community by providing professional and career development training for working professionals, and by offering programs outside the geographical boundaries of the Pomona campus. Any individual can enroll in CPP courses—without admission to the university—through CEU’s Open University program. CEU extends opportunities to CPP matriculated students by:

- Offering academic degree and certificate programs in subjects not covered by state funding
- Providing summer session courses
- Enabling CPP students to enhance their global awareness by studying abroad and/or through interacting with international students and visiting scholars enabled to come on campus through CEU programs and services

CEU continues to show increases each year in important performance metrics such as programs developed, courses offered, students served, revenue and others.

CEU programs and services are offered through the following:

PROFESSIONAL DEVELOPMENT

Courses and certificates in topics of high interest are offered to working professionals seeking to enhance their skills; programs range from construction management to geographic information systems, from plastics engineering to local government leadership and lots in between.

ACADEMIC DEGREES AND CERTIFICATES

New degrees and certificates are offered through CEU on a “self-support” basis when state funding is not available.

OPEN UNIVERSITY

Any non-matriculated student can enroll in any class during any term pending space availability. This serves over 1,000 members of our community annually, providing

opportunities for exploring personal interests, getting the “feel” of attending a university, meeting requirements for readmission following academic disqualification, augmenting courses available at other universities and more.

SUMMER SESSION

With State funding being insufficient to provide summer courses, CEU also provides a broad range of regular academic courses from most colleges during summer on a “self-support” basis (i.e. without using any State General Funds). Over 5,000 students each year have benefitted from summer courses.

INTERNATIONAL CENTER (IC)

Services are provided to support international students and scholars on campus, and to provide opportunities for CPP students to similarly study abroad. More than 700 full-time international students from over 60 countries are supported each year by the International Center. The IC also partners with academic colleges on grants and initiatives that foster global competency development, Fulbright Scholars and by offering support, advice and training related to international education.

CAL POLY ENGLISH LANGUAGE INSTITUTE (CPELI)

CPELI prepares international students for academic coursework in the United States by providing an English for Academic Purposes curriculum and admissions advising. Hundreds of international students each year gain the language skills they need to succeed as well as learn to adapt socially and academically.

GLOBAL EDUCATION PROGRAMS (GEP)

GEP provides high quality, customized education and training programs for delegations of international students and professionals. These programs are designed to actively engage CPP students, faculty, staff and administrators in academic activities that help build bridges of communication and cooperation. This international interaction in academics, culture, economics and business enhances the awareness and prestige of CPP in the global community and attracts more international students to campus.

AGRICULTURE AID-TO-INSTRUCTION PROGRAMS

AGRISCAPES/FARM STORE @ KELLOGG RANCH

AGRiscapes is located on 40 acres at Cal Poly Pomona and showcases both agriculture and landscapes that are sustainable, environmentally beneficial, economically viable and technologically sound. AGRiscapes promotes agriculture and environmental literacy through research, education and demonstration of alternative methods to grow food, conserve water, reduce energy needs and recycle agricultural and urban water for resource efficiency and community enhancement. Annually, over 300 groups visit the facility for educational programs, meetings, and receptions. AGRiscapes is the center for many festivals and holiday celebrations including Spring on the Farm Festival, field trips, a children's garden and the popular Pumpkin Festival held annually in October.

Since opening in 2001, the Farm Store @ Kellogg Ranch has provided an outlet for fruits, vegetables, meats, nursery and apparel products, produced as part of the College of Agriculture educational program. The store features a full line of specialty grocery, deli, dairy and gift items to students and the general public.

As you drive up to the Farm Store, you are greeted by orange trees, farmland and vineyards, which produce the Cal Poly Pomona award-winning wines. During the year, the Farm Store hosts a "Taste of the Farm Store" event that allows the community to sample a variety of products, including Cal Poly Pomona produce. The store is open daily from 10 am to 6 pm.

The College of Agriculture employs approximately 50 students in the Farm Store, AGRiscapes visitors' center and farm (both plant and animal). Students in AGRiscapes gain confidence and experience working with the public by providing agricultural tours and teaching agriculture to a lay audience.



Students working with plants and animals learn more about their disciplines as they see and work to make a live farm function. They play a vital role in maintaining the well-being of large animals and plant crops.

Farm Store student employees learn about business operations and practice excellent customer relations. In general, all of these students gain a sense of community and engagement with these jobs, enhancing learning while building a sense of comradery with staff.

"There are countless learning experiences I have had from my time at the Farm Store, and it has extended far beyond merely balancing a cash drawer. Throughout my employment, I have learned how to professionally interact with customers and businesses, manage and prioritize my time and create and manage organizational systems."

- Bri Cox (Farm Store Employee since October 2013)



This explains what CEU is and does, but the real value of CEU is reflected in its contributions:

1. Promote global awareness and understanding that will enable our students to succeed in today's global society.

- The IC and CPELI together enable more than 1,000 international students and scholars to be on our campus and interacting with our domestic students and faculty each year.

2. Reach underserved constituencies with meaningful educational opportunities.

- CEU's Sustainable Agriculture Training program, in partnership with the College of Agriculture, launched 97 veterans into careers in managing or owning profitable organic farms.
- 40 middle school students—children of migrant workers from the Bakersfield School District—were inspired toward higher education by the successful Applied Mathematics Camp, where (funded by grants) they lived on campus and participated in multiple learning activities such as programming Lego® robots.
- Six more CEU programs qualified for support by regional Workforce Investment Boards, providing additional retraining opportunities for displaced workers.

3. Enable individual, corporate and community economic prosperity.

- Enrollments in CEU professional development courses and certificate programs provided education to enable mid-career professionals to advance and improve their employment opportunities.
- Boeing Corporation develops greater internal capabilities for protecting its intellectual assets through providing their employees a custom-designed CPP (CBA+CEU) certificate program in computer information security.
- IC and CPELI enable more than 1,030 international students to be at CPP.

4. Provide additional financial resources for CPP.

- CEU's programs provided additional funds to partner colleges and an equal amount of additional salary and benefits to CPP faculty.



AGRONOMY FARM/FRUIT INDUSTRIES

The Agronomy Farm is the primary provider of most of the vegetable crops and related products to the Farm Store @ Kellogg Ranch. Most of the work is performed by students that are actively involved in the planting, cultural care, harvest and management of over 100 acres of sweet corn, melons, lettuce, onions and a wide variety of specialty crops, including 55 acres of pumpkins grown at our Chino farm for the annual Pumpkin Festival. This opportunity provides the unique hands-on, learn-by-doing approach Cal Poly Pomona is famous for. In addition, this unit maintains a culinary garden for the chefs and students of the Restaurant @ Kellogg Ranch for the Collins College of Hospitality Management and a children’s garden at AGRIsCapes.

In addition to the vegetable crops, the Agronomy Farm also manages an additional 1,400 acres of irrigated and rangeland pastures, forage crops and field crops used to support instructional programs in Plant Science and to support livestock operations on campus. Crops of corn, alfalfa, wheat, sudangrass and oats provide real-time opportunities for students.

Fruit Industries continues to supply the Valencia oranges (for fresh and squeezed juice), navels, mandarins, grapefruit, avocados and specialty fruit from Cal Poly Pomona orchards. New plantings of avocados and mandarins were also scheduled for 2015-2016.

ORNAMENTAL HORTICULTURE

The Ornamental Horticulture Unit offers value-priced produce and plants to the campus community through sales at the Farm Store. With an emphasis on food-producing plants (vegetables, herbs and fruit trees) at a low price

point, the retail nursery is an excellent resource for students and employees.

The involvement of students in the production process imparts invaluable experience which augments their educational efforts. Student employees receive flexible work schedules and valuable hands-on experience in the greenhouses, producing plug transplants for the campus farm and labs. The unique experience of working on production, hydroponic and research projects makes these students highly marketable for international internships as well as employment upon graduation.

The Ornamental Horticulture Unit has been the primary source of funding for two veterans’ senior projects. This substantial financial contribution has enabled these students to plan, develop, build and put into production self-contained mobile growing pods. The projects have focused on high-density, high-value production with the intent of becoming a viable career option, with a relatively low start-up cost for our graduates. Meanwhile, the produce grown will be sold through the Farm Store among other outlets, enriching the selection available for the students and employees. A memorandum of understanding with Weeks Roses, one of the largest commercial rose growers in the United States, continues to provide a partnership for the culture and breeding of roses and bearded iris. Weeks Roses employs a limited number of students throughout the year in their breeding program, providing a unique opportunity to enhance their educational experience.

As the Ornamental Horticulture Unit continues to develop and test new hydroponic and lighting systems, concentrating on the conservation of environmental and economic resources (land, water, energy and supplies) it will continue to provide students with valuable, cutting-edge experiences. The Ornamental Horticulture Unit greenhouses operate as a working laboratory for the Plant Science labs, student projects and research facilities. The support provided by the Foundation enables supplies and oversight not provided by state support to further these endeavors.

PINE TREE RANCH

Located in Ventura County, this 53-acre citrus and avocado ranch was donated in 1975 to the educational program of Plant Science. The ranch provides lemons, avocados and Valencia oranges to the program in a unique coastal microclimate — one much different than the Cal Poly Pomona campus. This gives students a very different setting to

observe crops and provides the Farm Store the opportunity to market citrus and avocados 365 days a year.

During 2013, eight acres of 60-year-old avocado trees were razed and replanted to Hass variety avocados to improve production of fruit from the ranch. These new trees came into production in 2016. Funding for 2015-2016 replaced another five-plus acre of old, low-producing avocados. This past year the production of avocados and lemons continued to yield good crops and prices remained at good to excellent levels for the entire season.

Given the drought situation in the state, repairs were made to one of two wells that supply water to the ranch. This well water is of low cost to the program and helps with the ever-increasing price of water. This well also provides water to the residence.

The residence building at Pine Tree Ranch has been abandoned and boarded up since being vandalized in 2006. Funding has allowed for the resumption of repairs to the building to make it habitable again, with the intention of providing students the opportunity to live onsite and experience the hands-on, learning-by-doing approach Cal Poly Pomona is famous for.

During the 2013-2014 academic year, the Plant Science Department finalized an agreement with the California Avocado Commission to utilize 11 acres of the ranch for the research of avocado production issues for the future of the industry. This agreement will use many of our students as



research associates and interns in coming years. Having this agreement ensures our students will have direct access to the avocado industry.

W.K. KELLOGG ARABIAN HORSE CENTER

The Arabian Horse Center maintains the proud tradition instituted by W.K. Kellogg in 1925. The longest established breeding facility of Arabian horses in the United States, only four breeders in the U.S. have produced more Arabian horses than the W. K. Kellogg Arabian Horse Center. Through the use of modern reproductive techniques, the Center’s mares are bred to the best Arabian stallions in the United States. The Kellogg Arabians continue to produce championship bloodlines and their influence is in the pedigrees of many champion Arabians around the world.

BEEF, SWINE, AND SHEEP UNITS

These units offer experiential learning to Cal Poly Pomona students. Students are involved in numerous hands-on laboratory assignments involving all facets of production animal agriculture. All natural-grass and grain-fed beef and lamb are sold to the public. The sheep and swine units produce animals for the local community to purchase for a variety of end products, from the show ring to the dinner table. The Livestock Show Team also shows animals from each animal unit at numerous fairs and shows in California and Arizona each year.



FOUNDATION FINANCIAL STATEMENT HIGHLIGHTS

MANAGEMENT DISCUSSION AND ANALYSIS

This section of the Cal Poly Pomona Foundation Biennial Report includes management's discussion and analysis of the financial performance of the Foundation for the fiscal years ended June 30, 2016 and 2017. This discussion should be read in conjunction with the audited financial statements and notes.

STATEMENT OF NET POSITION

The statement of net position presents the financial position of the Foundation at the end of the fiscal year and includes all assets, deferred outflows of resources, liabilities and deferred inflows of resources of the Foundation. The difference between total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources— net position —is one indicator of the current financial condition of the Foundation, while the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year. Assets and liabilities are generally measured using current values. Two notable exceptions are investments and capital assets, with investments measured at either fair value using quoted market prices or net asset value (NAV) and capital assets at historical costs less an allowance for depreciation. For the purpose of distinguishing between current and noncurrent assets and liabilities, current assets and liabilities are those that can be reasonably expected to either generate or use cash, as part of normal business operations, within one year of the financial statement date. A summary of the Foundation's assets, liabilities and net position is as follows:



	2017	2016
Assets:		
Current assets	\$ 73,000	\$ 65,000
Noncurrent assets:		
Restricted cash and cash equivalents	1,100	1,700
Pledges receivable, net	3,100	1,300
Endowment investments	95,400	84,400
Capital assets, net	46,400	49,500
Other assets	1,300	800
Total noncurrent assets	147,300	137,700
Total assets	220,300	202,700
Deferred outflows of resources:		
Unamortized loss on refunding(s)	390	400
Net pension obligation	3,600	1,100
Total deferred outflows of resources	3,990	1,500
Liabilities:		
Current liabilities	10,300	10,500
Noncurrent liabilities	34,300	32,400
Total liabilities	44,600	42,900
Deferred inflows of resources:		
Net pension obligation	2,200	2,400
Total deferred inflows of resources	2,200	2,400
Net position:		
Invested in capital assets, net of related debt	20,800	22,700
Restricted:		
Nonexpendable	96,000	85,600
Expendable	38,700	37,600
Unrestricted	22,000	13,000
Total net position	\$ 177,500	\$ 158,900

Total assets are \$220 and \$203 million for fiscal years 2017 and 2016 respectively. The increase between 2017 and 2016 of \$17 million or 8.6% is mainly attributable to endowment unrealized investment gains.

Total liabilities are \$45 million and \$43 million for the fiscal years 2017 and 2016 respectively.

The Foundation participates in the Auxiliaries Multiple Employer VEBA (Voluntary Employees' Beneficiary Association), a separate 501(c)(9) organization to assist in funding post-employment benefits for recognized auxiliaries of the California State University system. As of July 1, 2015 (the most recent actuarial report) the actuarial accrued liability for benefits was \$14,679,147 and the unfunded actuarial accrued liability (UAAL) was \$9,198,704 and the actuarial plan's market value of assets was \$7,332,228 or 49.9% funded. The covered payroll (annual payroll of active employees covered by the plan) was \$4,550,937, and the ratio of the UAAL to the covered payroll was 180.9%. The Foundation's current plan is to fund the OPEB obligation up to the retirees' and surviving spouse actuarial obligation.

Total Assets and Liabilities



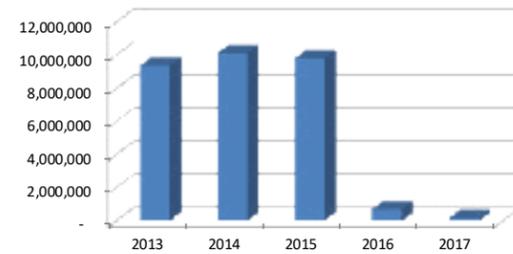
The Foundation participates in a cost sharing multiple-employer defined benefit plan through the California Public Employees' Retirement System (CalPERS), which covers substantially all regular full-time employees of the Foundation. CalPERS acts as a common investment and administrative agent for participating public entities with the state of California and reports information to the Foundation in accordance with reporting standards established by the Governmental Accounting Standards Board (GASB). The Public Agency Cost-Sharing Multiple-Employer Plan is comprised of a Miscellaneous Risk Pool and a Safety Risk Pool. The Foundation sponsors three Miscellaneous Risk Pool plans. The plans provide retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law.

As of June 30, 2017, the Foundation reported net pension liabilities for its proportionate share of the Miscellaneous Risk Pool net pension liability totaling \$8,352,723, pension expense of \$1,178,543, deferred inflow of resources of \$2,129,653 and a deferred outflow of resources of \$3,586,419 for the plan. The Foundation's proportion was based on a projection of the Foundation's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of June 30, 2016, the measurement period applicable to these financial statements, the Foundation's proportion was 0.0965287%. Detailed information is presented in Note 11 of the financial statements.

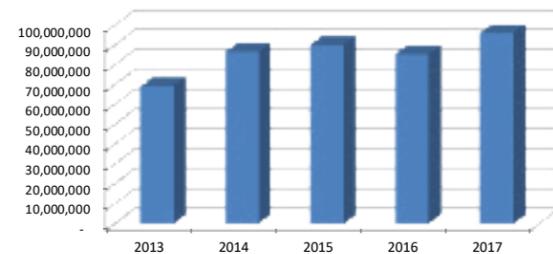


ENDOWMENT DONATIONS AND INVESTMENTS

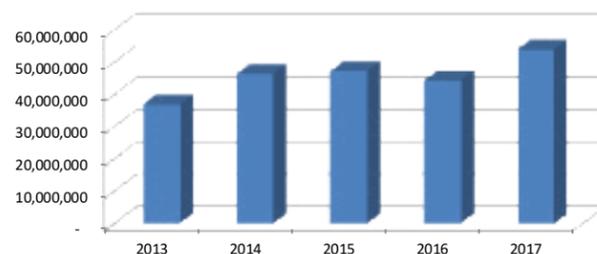
Endowment Donations



Endowment Investments



General Investments



During fiscal year 2016-17, donations decreased compared to prior years due to the completion of a significant donor's campaign contributions in 2015. Endowment contributions were \$174,782. The endowment portfolio increased by \$10.6 million or 12.4% from \$85.6 million at June 30, 2016 to \$96.1 million at June 30, 2017, mainly due to investment gains of \$11.7 million or 13.64% (net of fees) as a result of capital markets influencing asset values and over-performance to the benchmark; offset by endowment distributions of \$962,823 or 1.13% and administrative and investment fees of \$310,000. Total return (loss) on investments (net of fees), consists of a change in the fair market value of endowment investments, including interest, dividend, and realized and unrealized gains and losses. The Foundation's endowment investment policy is designed to obtain the highest return available while investments meet the criteria established for safety (preservation of capital), return and liquidity.

Permanent endowments are funds received from donors with the stipulation that the principal remains intact and invested in perpetuity to produce income that will be distributed and expended for purposes specified by the donor.

General investments consist of expendable funds that have been invested in the Foundation's general investment portfolio. The Foundation's general investment policy is designed to obtain the highest yield available, while investments meet the criteria established for safety (preservation of capital), liquidity and yield. During fiscal year 2016-17, general investments increased by \$9.5 million, or 21.4% mainly due to donations of \$7 million as investment gains of \$2.5 million or 6.2% (net of fees) as a result of capital markets influencing asset values and over-performance to the benchmark. Investment returns, net of fees, consists of a change in the fair market value of general investments, including interest, dividends, and realized and unrealized gains and losses.

COMMITMENTS BY SOURCE: CAMPAIGN AND NON-CAMPAIGN

During fiscal year 2016-17, the university generated gifts of \$15.4 million. The following are the commitments by source as follows:

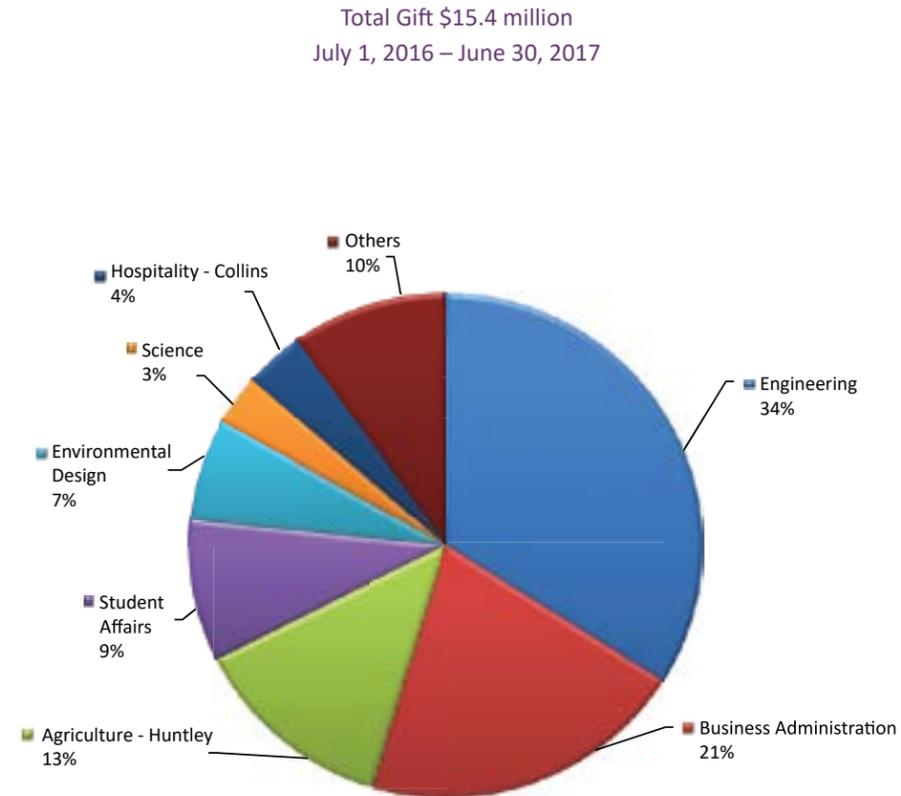
Campaign and Non-Campaign
7/01/2016 - 6/30/2017

College/Area	Cash, GIK, Stock, Current Year Pledge Payments	New Pledges	Planned Giving	Total New Gifts and Commitments
Agriculture-Huntley	573,537	-	1,423,167	\$ 1,996,704
Athletics	180,732	20,000	-	\$ 200,732
Business Administration	514,865	836,750	1,825,000	\$ 3,176,615
Education & Integrative Studies	47,671	-	-	\$ 47,671
Engineering	1,546,102	1,317,719	2,368,252	\$ 5,232,073
Environmental Design	506,849	-	508,000	\$ 1,014,849
General Development	318,425	-	-	\$ 318,425
Hospitality - Collins	569,404	14,000	-	\$ 583,404
Letters, Arts & Social Sciences	184,155	50,000	-	\$ 234,155
Library	22,059	-	-	\$ 22,059
Other - Acad Affairs, Alum, CEU, IT, NCD	27,572	-	-	\$ 27,572
Science	348,022	-	150,000	\$ 498,022
Student Affairs	450,909	940,500	-	\$ 1,391,409
Suspense/Pending	131,725	525,000	-	\$ 656,725
Grand Total	\$ 5,422,027	\$ 3,703,969	\$ 6,274,419	\$ 15,400,415

All Funds Raised = New Gifts and Commitments + Payments on Prior Year Pledges



COMMITMENTS BY SOURCE: CAMPAIGN AND NON-CAMPAIGN



*Others Include: General Development, Letters, Arts & Social Sciences, Athletics, Education & Integrative Studies, Library and Suspense/Pending

NET POSITION

Net position represents the residual interest in the Foundation's assets after liabilities are deducted. The Foundation's net position is as follows:

	2017	2016
Invested in capital assets, net of related debt	\$ 20,800	\$ 22,700
Restricted:		
Nonexpendable - endowments	96,000	85,600
Expendable	38,700	37,600
Unrestricted	22,000	13,000
Net Position	\$ 177,500	\$ 158,900



Net position increased 11.7% or \$18.6 million primarily due to endowment investment realized and unrealized gains. Restricted nonexpendable net position includes the permanent endowment funds. Restricted expendable net position includes activities and program funds designated to support scholarships and fellowships, research and other program activities. Unrestricted net position includes the enterprise or entrepreneurial activities of the Foundation.



CAPITAL ASSETS, CAPITALIZED LEASE OBLIGATIONS AND NET INVESTMENT

The Foundation's investment in capital assets, net of related debt decreased by \$1.7 million or 7.5% for fiscal year 2016-17. Depreciation and amortization charges for the years ended June 30, 2017 and 2016 totaled \$3.9 and \$4.1 million respectively. A summary of capital assets, net of accumulated depreciation and capitalized lease obligations is as follows:

	2017	2016
Building and improvements	\$ 68,000	\$ 69,800
Equipment, furniture, and fixtures	13,600	16,000
Construction work in progress	1,800	1,400
Land	7,700	7,800
Infrastructure	8,600	8,600
Orchards	100	100
	<u>99,800</u>	<u>103,700</u>
Less: accumulated depreciation and amortization	(53,400)	(54,000)
Plus: unamortized loss on refunding	400	400
	<u>46,800</u>	<u>50,100</u>
Less: capitalized lease obligations	(25,800)	(27,000)
Less: note payable (bargain purchase sale)	(200)	(300)
	<u>\$ 20,800</u>	<u>\$ 22,800</u>
Invested in capital assets		

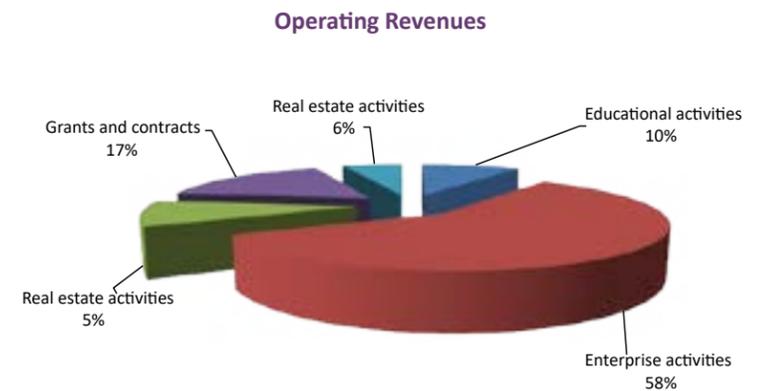
Net position invested in capital assets, net of related debt, represent the Foundation's capital assets, net of accumulated depreciation, unamortized loss on refunding and outstanding principal balances of debt attributable to the acquisition, construction or improvement of these assets. Capitalized lease obligations consist of system revenue bonds of \$22.8 million. The majority of this obligation \$20.9 million was incurred in 2003-04 fiscal year with respect to the construction of the University Village Phase III student housing complex and those bonds were advance refunded and defeased in 2013-14 and 2014-15 fiscal years. The balance of this obligation of \$1.9 million was incurred for the construction of a continuing education complex and those bonds were advance refunded and defeased in 2016-2017 fiscal year.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

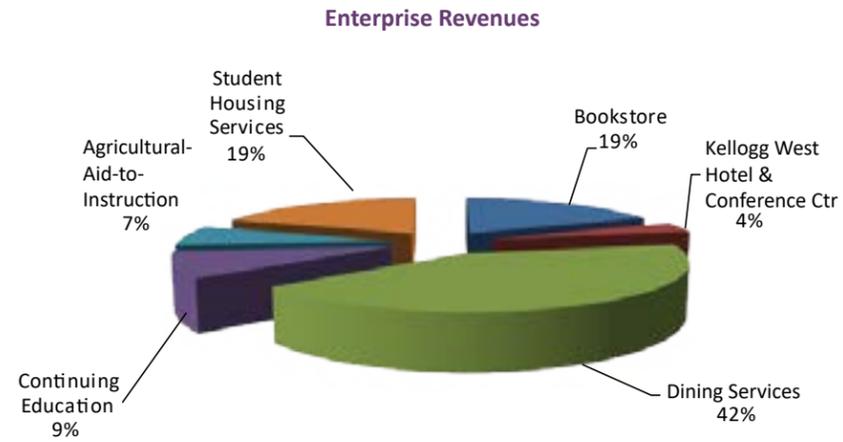
The statement of revenues, expenses and changes in net position presents the Foundation's results of operations. A summary of the Foundation's revenues, expenses and changes in net position is as follows:

	2017	2016
Operating revenues:		
Educational activities	\$ 7,714	\$ 7,444
Enterprise activities	47,162	45,823
Gifts, noncapital	7,663	5,063
Grants and contracts	13,711	13,885
Real estate activities	4,689	3,941
Total operating revenues	<u>80,939</u>	<u>76,156</u>
Operating expenses	<u>75,254</u>	<u>72,194</u>
Operating income	<u>5,685</u>	<u>3,962</u>
Nonoperating revenues (expenses):		
Investment income, net	3,289	(184)
Endowment income (losses), net	11,677	(4,540)
Interest expenses	(1,008)	(1,008)
Transfer to the university	(1,053)	(9,932)
Total nonoperating revenues, net	<u>12,905</u>	<u>(15,744)</u>
Increase in net position	<u>18,590</u>	<u>(11,782)</u>
Net position:		
Net position at beginning of year	158,857	170,639
Restatement	-	-
Net position at end of year	<u>\$ 177,447</u>	<u>\$ 158,857</u>

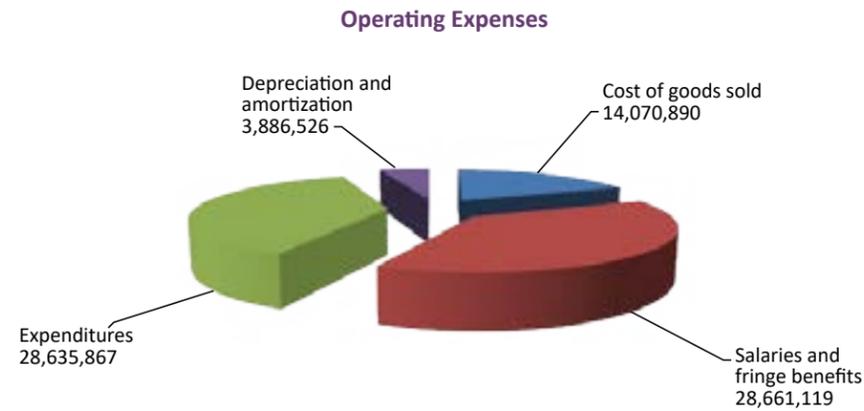
During the fiscal year 2016-17, total operating revenues increased 6.3% or \$4.8 million and total non-operating revenues increased 182% or \$28.6 million due to investment unrealized and realized gains as a result of capital markets influencing asset values and over-performance to the benchmark. The operating revenues include gifts and can be affected by the timing of when a gift is received, correspondingly the expenditures (i.e., instruction, academic and institutional support) may not be incurred in the same fiscal year. Educational activities may use gifts to support their expenditure activities in the same or subsequent years. Since these programs are allowed to use funds from prior years, revenues and expenditures may not have a correlation in the same year.



Auxiliary enterprise operating revenues consist of the following programs:



In August 2000, the Foundation entered into a 25 year master operating agreement and various supplemental operating agreements with the Trustees of the California State University on behalf of California State Polytechnic University, Pomona, which allows the Foundation to operate various activities including the above enterprise activities. All the activities of the Foundation support the students, faculty and staff, and provide convenient and appropriate goods and services at reasonable prices for the development of additional resources for the university.



In fiscal year 2016-17, operating expenses consist of cost of goods sold of \$14 million, salaries and fringe benefits of \$28.6 million, payments to vendors of \$28.7 million and depreciation and amortization of \$3.9 million.

In addition to their natural classifications, it is also informative to review operating expenses by function. A summary of the Foundation's expenses by functional classification for the fiscal years ended is as follows:

	2017	2016
Operating:		
Instruction	\$ 10,538	\$ 10,901
Research	5,006	4,331
Public service	1,565	886
Academic support	5,695	5,184
Student services	691	791
Institutional support	2,116	2,026
Operation and maintenance of plant	156	73
Student grants and scholarships	1,065	1,575
Auxiliary enterprise expenses	44,536	42,327
Depreciation and amortization	3,886	4,100
Total operating expenses	\$ 75,254	\$72,194

During fiscal year 2016-17, total operating expenses increased 4.24% or \$3 million mainly due to auxiliary enterprise expenses, research expenses and public services expenses.



STATEMENT OF CASH FLOWS

The statement of cash flows provides additional information on the Foundation's financial results by reporting the major sources and uses of cash. A summary of the statement of cash flows is as follows:

	2017	2016
Cash received from operations	\$ 79,757	\$ 74,130
Cash expended from operations	(70,760)	(69,666)
Net cash provided by operating activities	8,997	4,464
Net cash provided by noncapital financing activities (gifts and grants)	(1,053)	(10,029)
Net cash used in capital and related financing activities	(2,963)	(589)
Net cash used in investing activities	(8,001)	3,095
Net change in cash and cash equivalents	(3,020)	(3,059)
Cash and cash equivalents at beginning of year	7,533	10,592
Cash and cash equivalents at end of year	\$ 4,513	\$ 7,533

During the fiscal year 2016-17, the cash position at end of year decreased \$3 million mainly due to cash expended from investing activities and offset by cash from operations.

FACTORS IMPACTING FUTURE PERIODS

The Foundation's 2017-18 proposed budgeted projections include the following Board approved assumptions:

- Allow for a modest 2.2% increase in traditional board meal plans;
- Allow for a 2.0% 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 11.33% or \$1,287,578 of total payroll for benefited employees. All three pension Plans are in their respective Risk Pool with CalPERS.
- Contribute an additional \$562,843 for total of \$878,563 to the 2%@55 Plan to begin to fully fund this Plan; \$29,706 to the 2%@60 Plan and \$17,061 to the 2%@62 Plan to fully fund these Plans now.
- A 3% or approximately \$188,000 wage adjustment for 117 employees; and
- Contribute \$1.0 million to the VEBA Trust and a withdrawal of \$473,302 from the VEBA Trust. In addition, we assume 4.89% of benefited payroll or \$530,000 as the annual OPEB Cost for the postretirement health care plan per the latest actuarial study dated July 1, 2015 that reports the plan was 37.3% funded.

The 2017-18 proposed surplus generates a debt service coverage of 5.18 before and 4.41 after the designated gifts. The proposed budget and forecast meets the CSU Executive Order 994 with a debt coverage ratio of at least 1.25.

FINANCIAL HIGHLIGHTS

For fiscal year 2016-17, the Foundation reports an \$18.6 million surplus consisting of an unrestricted surplus of \$5.7 million and a restricted surplus of \$13.9 million. Overall, the operations exceeded their forecasts and the administrative deficit is due to the year-end pension expense adjustment of \$1.7 million required by GASB 68. The unrestricted debt coverage service ratio is 4.77. In addition, all reserve actual transactions were in line with budget and forecast.

	Budget	Forecast	Actual
Administration	\$ 23,234	\$ (91,022)	\$ (1,773,857)
Real Estate Development	332,331	644,420	811,316
Investments	831,084	1,791,554	2,462,142
Bookstore	292,798	270,569	469,230
Dining Services	763,598	1,101,747	1,738,294
Kellogg West Conference Center	16,952	173,723	170,751
University Village	2,335,736	2,342,016	2,665,253
Designated Gifts	(1,545,000)	(1,314,000)	(1,113,086)
Research Office	20,004	20,000	20,000
Agriculture	(12,352)	(132,432)	(464,639)
Continuing Education	315,081	325,090	592,384
Unrestricted Programs	12		155,471
Foundation Total	\$ 3,373,478	\$ 5,131,665	\$ 5,733,529
Unrestricted			
Restricted Programs/ Scholarships	2,477,973	4,222,556	3,338,898
Restricted Endowments/ Donations	5,526,109	7,949,738	10,570,811
Assets Transferred to University	-		(1,053,433)
Total Surplus/Deficit	\$ 11,377,560	\$ 17,303,959	\$ 18,589,535

The above presentation provides an analysis of budget, forecast and actual amounts in their respective activities. The surplus/deficits within these activities include revenue and expenses for administrative fees and transfers that are eliminated in the audited financial statements.

3801 West Temple Ave., Bldg. 55
Pomona, CA 91768

909.869.2950 | 909.869.4549 fax

www.foundation.cpp.edu



*100% recycled fibers – no new trees are used
100% post consumer recycled fibers
Green Seal certified*

*The Cal Poly Pomona Foundation, Inc. 2015-2017
Biennial Report is also available online*

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