

CAL POLY POMONA FOUNDATION, INC.
FINANCE & INVESTMENT COMMITTEE
Tuesday, May 21, 2024
1:30 p.m.-3:30 p.m.
Join Zoom Meeting
<https://cpp.zoom.us/j/87642121586>
Meeting ID: 876 4212 1586

AGENDA

Committee Chair: Ysabel Trinidad
Members: Michelle Cardona, Dr. Rita Kumar, Carol Lee, Dr. Phyllis Nelson, Cynthia Nelson, Naman Pandadiya, Stephanie Pastor, Ruby Suchecki, Kris Zoleta
Staff: Claudia Burciaga-Ramos, Jared Ceja, Lisa Coats, Ernest Diaz, Tariq Marji
Guests: Andy Price, Karin Longhurst

I. ACKNOWLEDGEMENT OF MEMBERS OF THE PUBLIC

Who may or may not be commenting on a specific item or making a general comment.

II. CONSENT ACTION ITEMS

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

		Page
A. Reading of Minutes	Ysabel Trinidad, Chair	2 - 5
Approval of Meeting Minutes – February 13, 2024		

III. GENERAL UPDATES

B. Introduction of Tariq Marji, Interim CFO (Attachment)	Jared Ceja, CEO	6
C. CEO's Report	Jared Ceja	7 – 8

IV. INFORMATION & DISCUSSION ITEMS

D. Financial Highlights - Q3 2023-2024 (Attachment)	Jared Ceja Tariq Marji, CFO	9 – 11
E. Transfer to VEBA Trust	Tariq Marji	12

V. ACTION ITEMS

F. Investment Portfolio Report Q3 2023-2024 (Attachment)	Tariq Marji Andy Price & Karin Longhurst, Graystone	13 – 29
G. Proposed Operating & Capital Budgets 24/25 & Proforma (Attachment)	Jared Ceja Tariq Marji	30 – 36
H. Policy #170 Update – Ag Reserve Policy (Attachment)	Tariq Marji	37 – 40

VI. OPEN FORUM

VII. ADJOURNMENT Ysabel Trinidad .

CAL POLY POMONA FOUNDATION, INC.
Finance & Investment Committee Meeting Minutes
Tuesday, February 13, 2024
9:00-11:00 a.m.

Minutes

Notice is hereby given that a regular meeting of the Finance/Investment Committee was held by video conference/teleconference on Tuesday, February 13, 2024, at 9:00 a.m. to discuss matters on the posted agenda. The meeting notice in its entirety was posted on the internet at <https://foundation.cpp.edu/content/d/Meeting%20Packets/Finance%20&%20Investment%20Packet%20021324%20-%20Final.pdf>

Members: Michelle Cardona, Dr. Rita Kumar, Dr. Phyllis Nelson, Stephanie Pastor, Ruby Suchecki, Ysabel Trinidad, Kris Zoleta

Staff: Claudia Burciaga-Ramos, Jared Ceja, Lisa Coats, Ernest Diaz, Joanne Mathew, Thomas Sekayan

Absent: Cynthia Nelson, Naman Pandadiya

Guest(s): Allison Johnson, Karin Longhurst, Andy Price, Jola Tuck

CALL TO ORDER

Committee Chair Ysabel Trinidad began meeting discussion at 9:00 a.m.

CONSENT ACTION ITEMS

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

1. Approval Finance & Investment Committee Minutes, November 21, 2023
A motion was made by Dr. Phyllis Nelson and seconded by Kris Zoleta to approve the minutes. There was no opposition; the minutes were approved.

GENERAL UPDATES

2 CEO's Report

Jared Ceja discussed the impact of recent weather events and closures on campus operations, resulting in around half a million dollars in revenue losses. Jared outlined proposed rule changes from the Department of Education, focusing on modifications to meal plan management and restrictions on the use of financial aid for books and supplies. Discussion was held on the potential unintended consequences, particularly regarding student food insecurity and access to course materials for student success.

Mr. Ceja provided updates on a housing project near campus, including potential partnerships for shuttle services and operating a market. These partnerships aim to benefit both students and our institution economically. Additionally, Jared mentioned the upcoming arrival of Schools First Credit Union on campus, offering banking services to faculty, staff, and eligible students.

Information was provided on the Instant Access Complete subsidy, which aims to support students facing financial challenges by reducing IAC costs to \$50 per semester, distributing \$30,000 this semester, and planning continued support by building a reserve. Details were shared about an annual scholarship partnership with Pepsi, targeting our 1300+ students, with up to \$1,000 in support for educational expenses. We will distribute between \$25,000 and \$50,000 this year.

INFORMATION & DISCUSSION ITEMS

3. Financial Highlights 2nd Quarter 2023-2024

Joanne Mathew led the discussion on the financial update for quarter two, providing insights into key financial reports. Three key reports were reviewed: the Statement of Activities, the Fund Balance report, and the Cash Flow Forecast. Enterprise activities concluded with a surplus of \$2.8 million. Kellogg West has continued to face challenges ending the period in a deficit of \$543K. The Village performed exceptionally well at a surplus of \$1.6 million. Investments have also been stellar. Overall, Enterprise Activities ended the quarter in a surplus position of \$3.8 million for Q2. In addition, we are forecasting a surplus of \$4.5 million by year's end. The total fund balance stands at \$21.4 million for Enterprise Activities. Agriculture is encountering delays in crop sales at Westwind Ranch, accounting for the deficit forecast. CPGE is trending well ahead of budget.

Per the Fund Balance report, we are in a strong position at the end of Q2 with a total of \$136M in Current Assets. The current ratio is at 6.04 for the period.

The cash flow forecast highlights our current cash position out to November 2024. It also illustrates the movement of funds between investments and bank accounts to optimize earnings.

4. CalPERS Public Agency Valuation Reports

Joanne provided an update on the CalPERS retirement plans, detailing three tiers: Tier 1 (2% at 55), Tier 2 (2% at 60), and PEPRA (2% at 62). She highlighted the funding levels and contribution rates for each tier, noting that valuations are done with a gap of a year, based on data as of June 30, 2022.

For Tier 1, the funding level is at 77.3%, with an expected contribution rate of 13.88% for the next fiscal year. Tier 2's funding level is slightly under 90% with a contribution rate of 10.15%, while PEPRA's funding level is at 87.6% with a contribution rate of 7.87%.

Joanne mentioned proactive measures are now being undertaken, such as a \$1 million payment towards Tier 2 funding that was made last year, aiming to maintain lower contribution rates. She also noted that, despite minimal increases in expenses, funding rates remain strong compared to our peers. Jared added that these rates are market-driven and are dated as of June 2022, which impacts the timeliness of adjustments in financial planning.

Overall, the update highlighted the stability of contribution rates and funding levels, albeit with some lag due to market performance and the timing of data availability.

5. Budget Assumptions for 24/25

Mr. Ceja discussed the budget assumptions for the upcoming year, emphasizing the need for a conservative yet realistic approach. He started with enrollment projections, aiming for 22,265 FTE, with mechanisms in place for adjustments as needed. Inflation is budgeted at 4%, impacting various cost and revenue categories. Housing assumptions start with a 93% occupancy rate due to a nearby property's opening, offering 636 beds and posing uncertainty about its impact. Instant Access Complete pricing remains at \$250 without an increase, despite inflation. Compensation includes a 3.5% general increase and a 2.5% merit pool while also factoring in the impact of California's minimum wage laws. On-campus foot traffic correlates with enrollment, mainly measured through dining transactions, but is influenced by remote and hybrid classes. Discussion was held regarding competition from a luxury off-campus property, The Current Apartments, prompting efforts to retain residents and remain competitive, emphasizing CPPE's university housing's unique advantages.

ACTION ITEMS

6. Investment Portfolio Report, 2nd Quarter 2023 – 2024

Joanne, along with Andy Price and Karin Longhurst, provided an update on the university's investment portfolio, primarily managed by Graystone, a department of Morgan Stanley. Joanne noted a small portion managed by the Common Fund, separate from the main portfolio.

Andy highlighted recent market trends, including a rally in stocks and a drop in treasury yields after the Federal Reserve indicated a halt in rate hikes. However, concerns were raised about high valuations and potential inflationary pressures. They anticipated future rate cuts by the Fed.

Karin discussed the portfolio's asset allocation, which intentionally underweights equities and overweights fixed income, reflecting a cautious stance given market conditions. They emphasized the importance of diversification and identified areas of opportunity in international markets and alternative investments.

The investment performance for the fiscal year-to-date and calendar year 2023 was reviewed, with strong returns attributed to defensive positioning and overweighting in fixed income. They highlighted specific sectors within the portfolio, such as large-cap growth and value stocks, as well as international investments and alternatives. Changes in the fixed income allocation were discussed, including a shift towards longer-duration bonds to capitalize on yield opportunities. Additionally, alternative investments, including hedge funds and real estate funds, were highlighted for their contribution to portfolio diversification.

A motion was made by Ruby Suchecki and seconded by Carol Lee that the members of the Finance & Investment Committee have reviewed the comprehensive quarterly investment portfolio report and believe the report follows the investment policy and recommend it be presented to the Board of Directors at their next regularly scheduled meeting. There was no opposition, and the motion was approved unanimously.

7. 990 Tax Return Review

Forms 990 and 990-T, which are tax forms for exempt organizations, were presented to the Committee. Electronic versions were made available for review in advance of the meeting. Joanne introduced Jola Tuck and Alison Johnson from CohnReznick as the individuals responsible for completing the returns, specializing in exempt organization tax services. They discussed the importance of the 990, its public accessibility, and the need for accuracy in reporting to reflect the organization's activities and financial status. They went through the various parts of the 990, explaining the detail as presented in the return, along with each section's significance and any changes from previous years. Schedules A, B, D, I, J, O, and R are discussed, covering aspects such as tax-exempt status, contributions, financial transactions, grants, compensation, and Board involvement. The due date for filing the returns is May 15th for the fiscal year ending in June per the extension that was filed for the year.

A motion was made by Carol Lee and seconded by Michelle Cardona that Form 990, 990-T, and all supporting schedules are recommended by the Finance & Investment Committee for review and approval by the Board of Directors at their next regularly scheduled Board of Directors meeting. There was no opposition; the motion was approved.

8. Capital Budget 2024 - 2025

The discussion focused on reviewing the capital budget for the upcoming year. Jared and Joanne provided a detailed overview of the various capital requests, including expenditures for the Bookstore, Dining, Administration, IT, and other areas. They highlighted significant projects such as updates to Centerpointe, converting Roundtable Pizza to an Innovation Brew Works location, and converting Sushi Bar to a TaKorean. They also discussed the allocation of funds for emergencies and unanticipated needs for administration. Additional detail around specific capital items was provided with a focus on Kellogg West, the Farm Store, CTTI and the Bookstore.

There was a discussion about the prioritization of projects, especially concerning health and safety matters and deferred maintenance. Members requested more information about the amount of carryover from previous years and the process for addressing older projects versus approving new ones. Joanne and Jared provided insights on the differences between projects controlled internally and those done in collaboration with the University. Chair Trinidad added depth on some of the challenges facing the University's Facilities Planning & Management in recent periods and their efforts to improve the project management processes.

A motion was made by Dr. Phyllis Nelson and seconded by Ruby Suchecki that the members of the Finance & Investment Committee have reviewed and approved the presented 2024–2025 Capital Budget and forward this resolution to the Board of Directors for consideration at their next scheduled meeting.

OPEN FORUM

Jared announced that Joanne would be stepping down from her CFO role, and a replacement search was in progress. Mrs. Mathew will be moving into a part-time role with the organization, carving out some time to onboard her successor. Members expressed appreciation for Joanne's contributions and wished her well in her future endeavors.

ADJOURNMENT

Committee Chair Ysabel Trinidad adjourned the meeting at 11:02 a.m.

Ysabel Trinidad
Finance & Investment Committee, Chair

Welcome Back, Tariq!



Cal Poly Pomona Enterprises is pleased to announce that Tariq Marji has been appointed Interim CFO, effective April 15, 2024.

In his new role, Mr. Marji will oversee all financial departments, ensuring compliance with audit requirements and keeping our Enterprises informed on fiscal policies and financial matters. He will report directly to Jared Ceja, Chief Executive Officer of CPPE.

With more than 25 years of leadership in the CSU auxiliary system, Mr. Marji has demonstrated his ability in managing complex financial operations and fostering substantial growth. His career has been marked by exemplary leadership in the management of grants administration, children center, commercial operations, LA BioSpace Innovation center, risk management, and strategic organizational success.

His previous roles include serving as the Executive Director for Cal State L.A. University Auxiliary Services, Inc., where he provided administrative and executive leadership for a range of auxiliary operations. Before that, he was the Chief Financial Officer and Treasurer at CSUF Auxiliary Services Corporation, where he managed the financial stewardship of the organization for over thirteen years. Mr. Marji's professional journey also includes tenure as the General Financial Manager at Cal Poly Pomona Enterprises. Prior to working in higher education, Mr. Marji had a diverse professional career in the private sector including hotel services, property management, and manufacturing industries.

Mr. Marji received a master's degree in business administration from Woodbury University and has served as a Trustee for the Auxiliaries Multiple Employer Voluntary Employees' Beneficiary Association (VEBA), Treasurer for the National Association of College Auxiliary Services West (NACAS West), and various leadership roles within the Auxiliary Organization Association (AOA).



CAL POLY POMONA
ENTERPRISES

CEO's Report

May 21, 2024

F&I Committee

Topics

- ▶ Open House Results
- ▶ IBW Anniversary Event Results
- ▶ 24/25 Residential Meal Plans
- ▶ Budget Assumptions Reminder
- ▶ Franchise Minimum Wage Change
- ▶ C/O 2024 Numbers





**Cal Poly Pomona Foundation, Inc.
Statement of Activities
For Period Ending Mar 31, 2024**

	REVENUES		EXPENSES - Payroll		EXPENSES - Other			EXPENSES - Total		SURPLUS/(DEFICIT)			Annual Forecast FY 23-24	Annual Budget FY 23-24	Fund Balance As of 3/31/24
	FY 23-24 YTD	FY 23-24 YTD	FY 23-24 YTD	FY 23-24 YTD	FY 23-24 YTD			FY 23-24 YTD	FY 23-24 YTD	FY 23-24 YTD					
					Actual	Budget	Actual			Budget	Actual	Budget			
Commercial Services															
Dining Services	16,114,955	16,800,355	5,796,118	5,720,160	1,033,785	9,252,416	10,286,201	9,944,521	16,082,318	15,664,681	32,637	1,135,674	(1,103,037)	(37,798)	902,028
Bookstore	12,984,068	12,554,226	1,095,097	1,267,587	783,594	10,307,997	11,091,591	10,779,697	12,186,688	12,047,284	797,380	506,942	290,438	306,768	519,897
Kellogg West	2,578,692	3,343,531	1,716,421	1,763,817	167,615	1,466,548	1,634,163	1,664,986	3,350,584	3,428,803	(771,892)	(85,272)	(686,620)	(896,658)	20,773
University Village	9,391,675	9,068,091	1,788,302	1,807,959	610,459	3,942,492	4,552,951	5,222,827	6,341,253	7,030,786	3,050,422	2,037,305	1,013,117	2,780,670	2,269,004
Real Estate/Rentals	5,444,575	6,078,299	382,056	372,759	251,530	2,916,406	3,167,935	3,903,209	3,549,992	4,275,968	1,894,584	1,802,331	92,252	1,912,684	2,356,944
Total Commercial Services	46,513,965	47,844,502	10,777,994	10,932,282	2,846,983	27,885,858	30,732,841	31,515,240	41,510,835	42,447,522	5,003,130	5,396,980	(393,850)	4,065,665	6,068,646
Other Activities															
Investments	4,073,596	787,500	0	0	0	45,429	45,429	76,500	45,429	76,500	4,028,168	711,000	3,317,168	4,118,116	948,000
Administration	598,111	422,669	4,160,176	4,881,117	(3,802,935)	1,023,148	(2,779,787)	(2,196,041)	1,380,388	2,685,076	(782,277)	(2,262,407)	1,480,130	(1,959,107)	(2,987,667)
Total Other Activities	4,671,708	1,210,169	4,160,176	4,881,117	(3,802,935)	1,068,577	(2,734,359)	(2,119,541)	1,425,817	2,761,576	3,245,890	(1,551,407)	4,797,297	2,159,009	(2,039,667)
Total Commercial Services+Other Activities	51,185,673	49,054,671	14,938,170	15,813,399	(955,953)	28,954,435	27,998,482	29,395,699	42,936,652	45,209,098	8,249,021	3,845,573	4,403,447	6,224,673	4,028,979
Designated Funds															
Annual Designated	6,958	0	11,514	0	0	0	0	1,387,490	616,261	1,387,490	(609,303)	(1,387,490)	778,187	(1,148,824)	(1,850,000)
Total Designated Funds	6,958	0	11,514	0	0	0	0	1,387,490	616,261	1,387,490	(609,303)	(1,387,490)	778,187	(1,148,824)	(1,850,000)
Support Activities															
Bronco One Card	258,109	248,252	169,073	190,599	31,066	117,240	148,306	169,627	317,379	360,226	(59,270)	(111,974)	52,704	0	4
Research Office	1,772,401	1,254,753	109,710	225,892	683,064	929,627	1,612,691	978,861	1,722,401	1,204,753	50,000	50,000	(0)	48,137	50,000
Agriculture	3,310,542	3,757,981	1,300,527	1,278,848	131,300	2,248,452	2,379,752	2,353,236	3,680,279	3,632,084	(369,737)	125,897	(495,634)	(15,116)	366,864
College of P&GE	1,771,276	1,598,374	1,103,458	1,123,299	79,707	640,655	720,362	614,758	1,823,821	1,738,057	(52,545)	(139,683)	87,138	(386,517)	(455,375)
Support Programs	2,850,785	0	888,713	0	30,816	1,752,091	1,782,907	0	2,671,619	0	179,166	0	179,166	179,166	0
Total Support Activities	9,963,112	6,859,360	3,571,480	2,818,638	955,953	5,688,065	6,644,017	4,116,482	10,215,498	6,935,120	(252,386)	(75,760)	(176,626)	(174,330)	(38,507)
Operating Surplus (Deficit)	56,484,035	54,703,862	14,360,988	13,750,920	3,802,935	33,573,923	37,376,858	37,019,212	52,342,593	50,770,132	4,141,442	3,933,730	207,712	2,742,511	4,180,139
Unrest. Surplus (Deficit)	61,155,743	55,914,031	18,521,164	18,632,037	0	34,642,500	34,642,500	34,899,671	53,768,410	53,531,708	7,387,332	2,382,323	5,005,009	4,901,520	2,140,472
Grrants+Transfers															
Grants and Contracts	15,696,540	11,276,000	0	0	0	15,696,540	15,696,540	11,276,000	15,696,540	11,276,000	0	0	0	0	0
Vesting Grant Assets	0	0	0	0	0	(202,169)	(202,169)	0	(202,169)	0	202,169	0	202,169	0	0
Transfers	0	0	0	0	0	29,081	29,081	0	29,081	0	(29,081)	0	(29,081)	0	0
Total Grants+Transfers	15,696,540	11,276,000	0	0	0	15,523,452	15,523,452	11,276,000	15,523,452	11,276,000	173,088	0	173,088	0	0
Total Foundation Net	76,852,282	67,190,031	18,521,164	18,632,037	0	50,165,952	50,165,952	46,175,671	69,291,863	64,807,708	7,560,420	2,382,323	5,178,097	4,901,520	2,140,472

Cal Poly Pomona Foundation, Inc.
Fund Balance and Net Position (Current only)
As of Mar 31, 2024

Current Assets	Unrestricted	Restricted	Total
Cash	1,112,410	65,748	1,178,158
Investments	49,402,444	1,524,825	50,927,270
Receivables	7,345,330	2,738,744	10,084,074
Lease Receivables (short-term)	822,911	-	822,911
Lease Receivables (long-term)	92,473,261	-	92,473,261
Inventories	2,629,433	32,383	2,661,815
Prepaid	596,400	510	596,910
Due to/from	(20,844,948)	20,845,320	371
Other	0	0	0
Current Assets	133,537,241	25,207,530	158,744,771

Current Liabilities	Unrestricted	Restricted	Total
Accounts Payable	5,009,791	238,379	5,248,171
Accrued Liabilities	791,187	923,989	1,715,176
Deferred Income	1,318,484	527,709	1,846,193
Other	204	832,987	833,191
Current Liabilities	7,119,666	2,523,064	9,642,731

Fund Balances	Unrestricted	Restricted	Total
Net Assets Beginning	38,087,872	23,852,125	61,939,997
Net Change in Position	8,554,414	(993,994)	7,560,420
Fund Balances	46,642,286	22,858,131	69,500,416

Note:

Restricted funds in the Foundation include sponsored programs and foundation program:
Liquidity ratios:

Current Ratio = $\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Quick Ratio = $\frac{(\text{Current Assets} - \text{Inventory})}{\text{Current Liabilities}}$
Absolute liquidity ratio = $\frac{(\text{Cash} + \text{Marketable Securities})}{\text{Current Liabilities}}$

Liquidity Ratio	CPPF	Benchmark
Current Ratio	5.65	1.5-3
Quick Ratio	5.28	>=1
Absolute liquidity ratio	7.10	>0.5

Available Resources	
Unrestricted current assets	133,537,241
Less Inventory	(2,629,433)
Less Current Liabilities	(7,119,666)
Less Long-term Portion of Lease Receivables	(92,473,261)

Available Resources As of Mar 31, 2024 **31,314,881**

Operating Surplus for the period before depreciation 8,636,047

As of Mar 31, 2024, net 39,950,927

Operating surplus/(deficit) before depreciation at year-end 6,648,325

Total unrestricted funds year-end 37,963,205

Information & Discussion Items

Date: May 21, 2024
To: Finance & Investment Committee
From: Tariq Marji, CFO



Subject: Transfer to Auxiliaries Multiple Employer VEBA

Beginning in the fiscal year ended June 2011, the organization has participated in the Auxiliaries Multiple Employer VEBA (Voluntary Employees' Beneficiary Association). The Auxiliaries Multiple Employer VEBA is a separate 501(c)(9) organization established in August 2010 to assist in funding post-retirement healthcare benefits for recognized auxiliaries of the California State University System.

The Foundation contributed \$1.0M to this account on an annual basis until fiscal year 2019-2020. The contributions were halted in FY19-20 due to the impact of the COVID-19 pandemic and subsequent cost-cutting measures. Management restarted annual VEBA contributions in fiscal year 22-23.

Fiscal year 23/24 has been strong with a forecasted total net surplus of \$4.6M. Management intends to continue the historic contribution of \$1.0M to reduce interest costs associated with the Enterprises' obligation while decreasing the Actuarial Accrued liability (AAL). The transfer is expected to be made prior to June 30, 2024.



Memorandum

Date: May 21, 2024

To: Finance & Investment Committee

From: Tariq Marji, Chief Financial Officer
Andrew Price & Karin Longhurst, Graystone

Attached: Graystone Capital Market Commentary
Graystone Portfolio Review
Commonfund Investment Report

Subject: INVESTMENT HIGHLIGHTS – Third Quarter 2023-2024

The Foundation's General Investment Policy 131 requires a comprehensive quarterly report of the investment portfolio's performance be provided to the members of the Finance & Investment Committee and Board of Directors at each regularly scheduled meeting.

GENERAL INVESTMENT PORTFOLIO

The General Investment Portfolio ("Portfolio") has a current total market value of \$49.4M as of March 31, 2024. The majority portion managed by Graystone Consulting has a current market value of \$42.4M with 25% Fixed Income, 58% Equities, 16% Alternatives, and less than 1% Cash. All allocations are within current policy ranges. The return over the last quarter was 5.02% (gross) and 13.96% over the last twelve months (3/31/23-3/31/24). Additional information is included in the report provided by Graystone.

Management received capital call notices and has contributed \$236,250 against its commitment of \$250,000 to Capital Partners IV and \$701,250 against its commitment of \$750,000 to Capital Private Equity Partners VII. The value of the Non-Marketable investments are \$212,792. The CommonFund Summary Investment and Performance Reports are available for further details.

During Q3 2023-24, the foundation continued to maintain a MSPBNA Preferred Savings account. The balance and yield as of 3/31/24 are \$6.7M and 4.97%, respectively.

BE IT RESOLVED, that the members of the Finance & Investment Committee have reviewed the comprehensive quarterly investment report, believe the report is in compliance with the investment policy, and recommends the quarterly investment report be presented to the Board of Directors for approval at their next regularly scheduled meeting.

PASSED AND ADOPTED THIS 21ST DAY OF MAY 2024.

By: _____
Ysabel Trinidad, Chair
Finance & Investment Committee



A business of Morgan Stanley

Cal Poly Pomona Foundation



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Capital Markets Commentary

3-31-2024

1999 Avenue of the Stars, Suite 2400
Los Angeles, CA 90067

Executive Summary

Bottom Line: US economy is reflating, posing genuine challenges for the Fed, which is biased to ease; Stock index valuations are not compelling; Pursue active risk management and DIVERSIFICATION given the dependence of this rally on LIQUIDITY and EARNINGS ACHIEVEMENT; Quality cyclicals should catch-up.

- We are forecasting an economic soft-landing where **nominal economic growth slows to roughly 3%-4%, half the pace of 2023; NOT 1994**-as we see reacceleration leading to inflation given the lack of slack in the economy.
- Problematically, this **economy is the HAVES and HAVE-NOTS; higher for longer should pressure small businesses, lower 2/3rds of consumers, CRE and regional banks.**
- US Treasury rates are priced close to tactical fair value with **10-year yields to be 3.50%-3.95% by Q4**.
- We expect the **Fed to begin cutting in June; inflation remains sticky and still expected to be ~2.5% by January 2025 (MS & Co.).**
- We forecast US fixed income markets to ultimately compete with US stock index returns especially once the Fed begins to cut with both grinding out mid-single advances in the most likely case.

Key Considerations: Fundamentals INCREASING in importance

- US stocks have emerged from the 2022 bear market; uninterrupted 28% advance since last Halloween **to all-time highs is now disconnected from real rates and Fed policy expectations. Better-than-expected economic growth favors cyclical over secular growers who dominate the “Mag 7” as nominal GDP growth remains above 5%**
- **Market breadth has improved markedly with the equal weighted index outperforming in the last month.**
- **US equity valuations are rich** at more than 21.7x forward earnings (2024 Q4) and an equity risk premium of only **47bps**, levels similar to the end of 1998 before the Tech Wreck.
- Consensus expectations are ambitious presuming disinflationary reacceleration in profits especially in the second half; profit margin expansion and **year-over-year earnings growth of 11% in 2024 and 13% in 2025 to \$277/sh imply near record operating margins over 12.2%.**
- **Stock/bond correlations remain positive;** undermining the diversification benefits of 60/40. Finding asset classes uncorrelated to interest rates is difficult.
- **Market positioning is complacent with put/call ratios and short interest ratios low despite 10-year rates now up 55bps in the last 12 weeks.**

Major Investment Controversies

- Path of inflation: Consensus has priced “mission accomplished” toward 2% despite the fact that 1-month, 3-month, and 6-month readings are reaccelerating. Commodities are confirming global drivers of tightening supply chains. GIC believes inflation path is lumpy and services inflation will remain sticky keeping the Fed vigilant and slower than discounted by markets.
- US labor markets: Consensus is pricing modest changes to unemployment. While we think labor markets are reasonably tight, Fed unlikely to cut aggressively without U-3 above 4%; US consumer weakens in 2H2024; record credit card debt begins to weigh on spending. New wildcard is the role of immigration on growth and slowing wage growth.
- Market liquidity and financial conditions: Tailwinds and positive serendipity of 2023 abates; Fed moves to taper QT by April/May to offset US Treasury issuance and regional bank, CRE-related stresses. End of regional bank funding program also likely to drag.
- Terminal policy rates: Consensus still expecting pre-COVID r-star of sub-1% real rates on 10-year. GIC believes 1.5%-2% or pre-GFC levels are new normal. Higher for longer means lower valuation multiples; as does an admission that we are mid-cycle not at a trough.
- Management execution and idiosyncratic risks: Rising tide of rate cuts unlikely to lift all boats. Navigation requires company specific skill. Prefer active stance. Equal weight over market cap weighted passive index.

GIC Guidance for Portfolio Positioning

- **Overall, we remain market weight global equities; the US market cap-weighted beta is slightly underweight while we are overweight the equal-weighted benchmark**
- **MS & Co.’s December 2024 S&P 500 target price is 4,500; it incorporates a view that we will trade in a wide range from 4,100-5,100. That said, we are inclined to neutralize strong factor positionings. We are balancing exposures between defensives and cyclicals, growth and value and mega versus large/mid and small caps.**
- **Alternatively, we remain overweight fixed income, believing that a higher for longer regime creates opportunities to own better risk-adjusted returns in current coupons with the potential for capital gains if rates fade in 2024 as forecast. Munis and IG credit remain decent holds barbelled with short duration Treasuries.**
- **Outside the US, we prefer Japan based on improving growth and inflation dynamics there and the very inexpensive yen. We continue to also look for stock-specific opportunities in Europe and beta opportunities in select EMs like India, Brazil, and Mexico.**
- **We also like alternatives in: hedge funds, infrastructure, commodities, residential real estate, and private credit.**
- **Remaining fully invested to your PERSONAL BENCHMARKS is the best strategy. DO NOT TRY TO MARKET TIME.**
- **Dollar cost averaging should be patient given potential risks in the near term. LONG-TERM STRATEGIC MONEY should always be deployed in LUMP sums.**

Source: Morgan Stanley Wealth Management GIC as of April 10, 2024. Equity risk premium is the excess return that an individual stock or the overall stock market provides over a risk-free rate. The risk-free rate represents the interest an investor would expect from an absolutely risk-free investment over a specified period of time. R-star is the real short-term interest rate expected to prevail when an economy is at full strength and inflation is stable. Correlation is a statistical measure of how two securities move in relation to each other. This measure is often converted into what is known as correlation coefficient, which ranges between -1 and +1. Perfect positive correlation (a correlation coefficient of +1) implies that as one security moves, either up or down, the other security will move in lockstep, in the same direction. Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material.

What Happens to Earnings and Multiples From Here?

BULLISH CONSENSUS?

S&P 500 Index, 12-Month Forward Price/Earnings Ratio

	16	17	18	19	20	21	22	23	24	25
\$270	4,320	4,590	4,860	5,130	5,400	5,670	5,940	6,210	6,480	6,750
\$260	4,160	4,420	4,680	4,940	5,200	5,460	5,720	5,980	6,240	6,500
\$250	4,000	4,250	4,500	4,750	5,000	5,250	5,500	5,750	6,000	6,250
\$240	3,840	4,080	4,320	4,560	4,800	5,040	5,280	5,520	5,760	6,000
\$230	3,680	3,910	4,140	4,370	4,600	4,830	5,060	5,290	5,520	5,750
\$220	3,520	3,740	3,960	4,180	4,400	4,620	4,840	5,060	5,280	5,500
\$210	3,360	3,570	3,780	3,990	4,200	4,410	4,620	4,830	5,040	5,250
\$200	3,200	3,400	3,600	3,800	4,000	4,200	4,400	4,600	4,800	5,000

Source: Morgan Stanley Wealth Management GIC, Strategas as of April 10, 2024

Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material.



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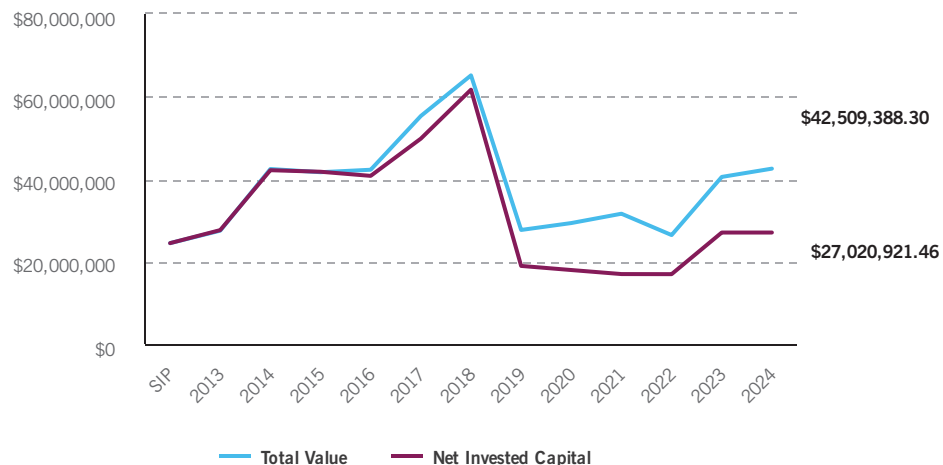
Andrew B. Price, CIMA® (310) 788-2043
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Portfolio Review As of March 31, 2024

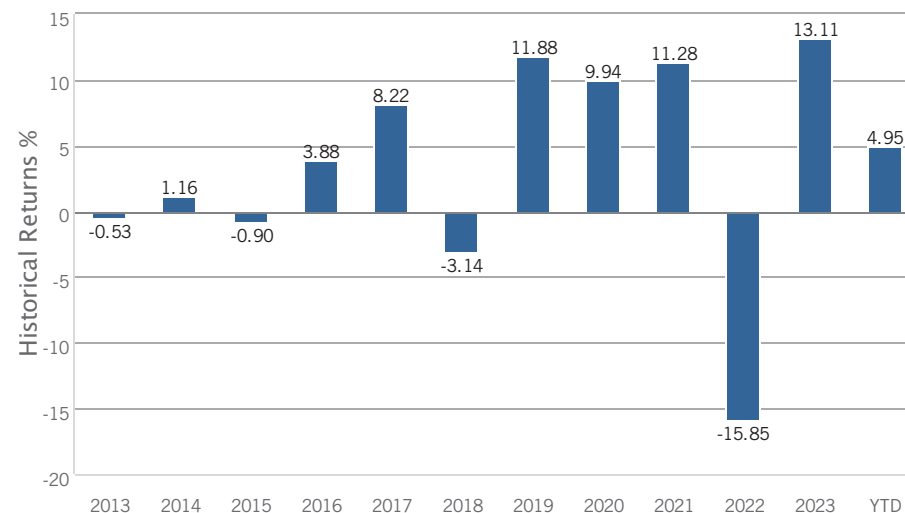
1999 Avenue of the Stars, Suite 2400
Los Angeles, CA 90067

TOTAL VALUE VS. NET INVESTED CAPITAL



Does not include Performance Ineligible Assets.

DOLLAR-WEIGHTED PERIOD RETURN % (NET OF FEES)

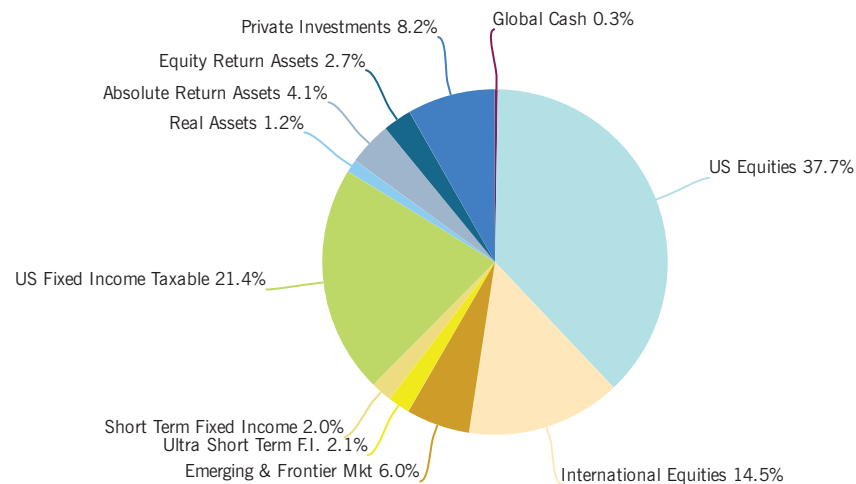


Does not include Performance Ineligible Assets.

DOLLAR-WEIGHTED RETURN % (NET OF FEES)

	Quarter to Date (\$) 12/31/23-03/31/24	Year to Date (\$) 12/31/23-03/31/24	Performance Inception Month End (\$) 03/31/13-03/31/24
Beginning Total Value	40,504,154	40,504,154	24,506,769
Net Contributions/Withdrawals	0	0	2,569,052
Investment Earnings	2,005,234	2,005,234	15,433,568
Ending Total Value	42,509,388	42,509,388	42,509,388
DOLLAR WEIGHTED RATE OF RETURN (%) (Annualized for periods over 12 months)			
Return % (Net of Fees)	4.95	4.95	3.43

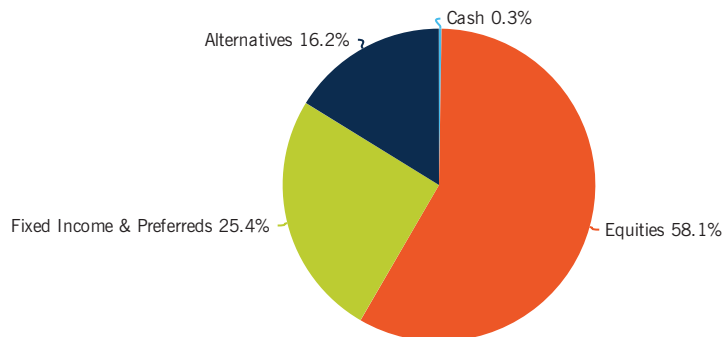
ASSET ALLOCATION



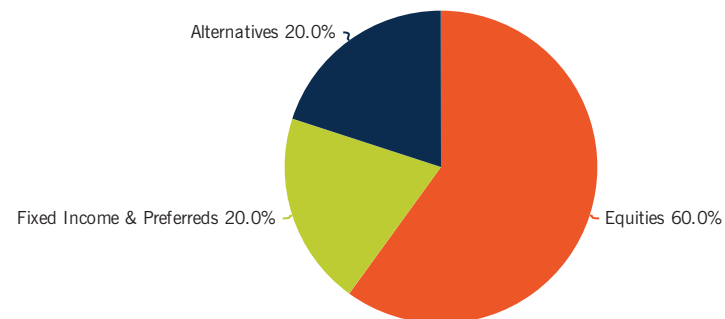
The investment returns shown on this page are dollar-weighted measurements which are affected by the timing and amount of your contributions and withdrawals.

ACTUAL VS. TARGET

Actual

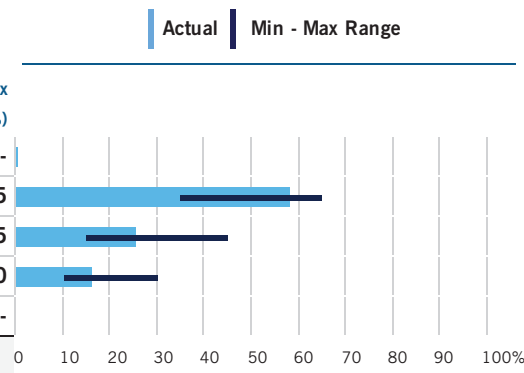


Target



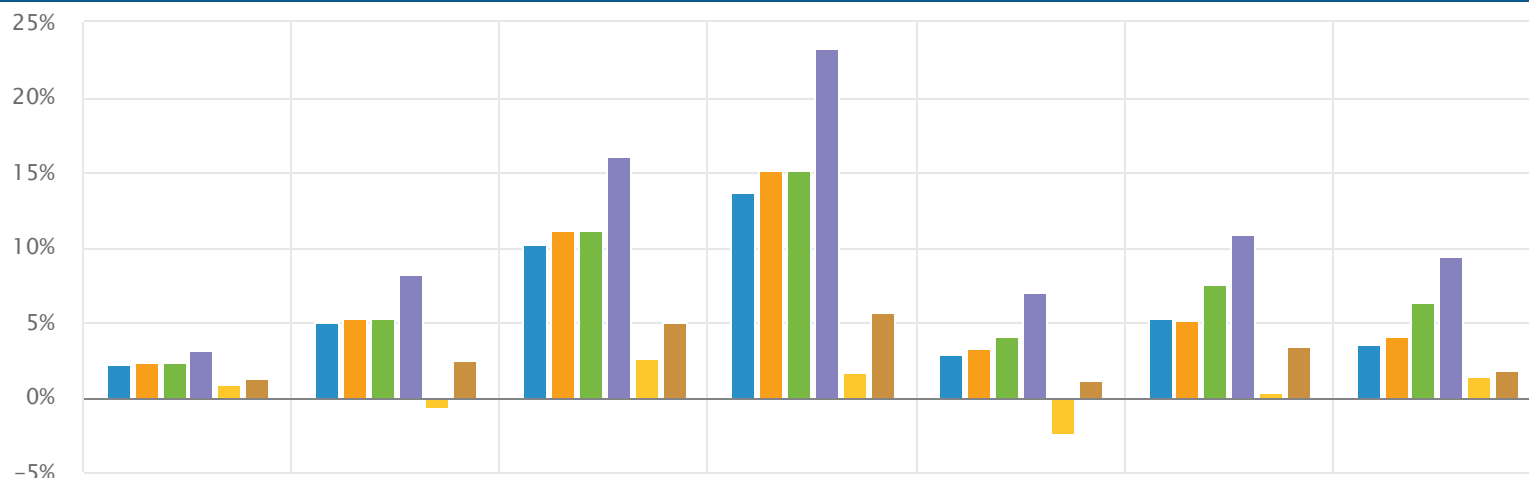
ASSET ALLOCATION: ACTUAL VS. TARGET WITH MIN-MAX RANGE

Asset Class	Actual 03/31/2024		Target		Difference		Min-Max Range (%)
	(\$)	(%)	(\$)	(%)	(\$)	(%)	
Cash	113,559.07	0.27	0.00	0.00	113,559.07	0.27	-
Equities	24,641,172.30	58.11	25,442,332.35	60.00	-801,160.04	-1.89	35 - 65
Fixed Income & Preferreds	10,774,881.93	25.41	8,480,777.45	20.00	2,294,104.48	5.41	15 - 45
Alternatives	6,874,273.94	16.21	8,480,777.45	20.00	-1,606,503.51	-3.79	10 - 30
Other	0.00	0.00	0.00	0.00	0.00	0.00	-
Total Assets	42,403,887.24	100.00	42,403,887.24	100.00			



Target Allocation as determined by you and your Financial Advisor for this account only. Total Value and % of Portfolio are based on US Dollar values.

RETURN % (GROSS AND NET OF FEES) VS. BENCHMARKS (ANNUALIZED)



	Month to Date 02/29/24 - 03/31/24	Quarter to Date 12/31/23 - 03/31/24	Custom Period 06/30/23 - 03/31/24	Last 12 Months 03/31/23 - 03/31/24	Last 3 Years 03/31/21 - 03/31/24	Last 5 Years 03/31/19 - 03/31/24	Performance Inception Month End 03/31/13 - 03/31/24
Beginning Total Value (\$)	41,598,724.74	40,504,153.81	31,845,271.37	27,604,771.23	29,813,003.56	63,954,494.28	24,506,768.54
Net Contributions/Withdrawals (\$)	0.00	0.00	6,758,494.86	10,091,828.19	9,090,430.51	-30,634,306.71	2,569,051.80
Investment Earnings (\$)	910,663.56	2,005,234.49	3,905,622.07	4,812,788.88	3,605,954.23	9,189,200.73	15,433,567.96
Ending Total Value (\$)	42,509,388.30	42,509,388.30	42,509,388.30	42,509,388.30	42,509,388.30	42,509,388.30	42,509,388.30
Return % (Gross of Fees)	2.19	5.02	10.44	13.96	3.14	5.51	3.80
Return % (Net of Fees)	2.19	4.95	10.24	13.68	2.87	5.23	3.55
Cal Poly Pomona - Blended Benchmark (%)	2.32	5.23	11.12	15.19	3.27	5.12	4.12
Cal Poly Pomona Policy BM (%)	2.32	5.23	11.12	15.19	4.07	7.52	6.40
MSCI AC World Net (%)	3.14	8.20	16.05	23.22	6.96	10.92	9.36
Bloomberg US Aggregate (%)	0.92	-0.78	2.56	1.70	-2.46	0.36	1.39
HFRX Global Hedge Fund (%)	1.26	2.51	5.03	5.70	1.12	3.44	1.83

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

OCIO - Cal Poly Pomona Foundation

As of March 31, 2024 | Reporting Currency: USD

RETURN % (GROSS OF FEES) VS. BENCHMARKS

Account Number	Investment Description/ Benchmark	Performance Inception Date	Total Value (\$) 03/31/24	% Of Portfolio 03/31/24	Month to Date (%) 02/29/24 - 03/31/24	Quarter to Date (%) 12/31/23 - 03/31/24	Year to Date (%) 12/31/23 - 03/31/24	Last 12 Months (%) 03/31/23 - 03/31/24	Performance Inception Month End (%) to 03/31/24
US Large Cap Growth			7,895,372.71	18.57					
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	Vanguard Growth ETF <i>CRSP Lg Cap Gr</i>	12/22/21	5,533,409.09	13.02	1.07 1.34	10.55 10.91	10.55 10.91	38.00 38.90	3.79 3.90
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	JP Morgan Large Cap Growth <i>Russell 1000 Gr</i>	02/02/23	1,188,985.88	2.80	2.32 1.76	16.47 11.41	16.47 11.41	43.60 39.00	46.96 44.14
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	Brown Advisory LC Sustain Grth <i>Russell 1000 Gr</i>	05/21/21	1,172,977.74	2.76	1.55 1.76	10.94 11.41	10.94 11.41	35.56 39.00	10.46 11.24
US Large Cap Value			6,897,937.51	16.23					
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	Boston Partners LC Value <i>Russell 1000 Value</i>	05/21/21	2,774,254.47	6.53	5.25 5.00	11.98 8.99	11.98 8.99	29.54 20.27	7.96 6.26
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	ClearBridge Large Value ESG <i>Russell 1000 Value</i>	05/21/21	2,735,841.13	6.44	4.18 5.00	7.88 8.99	7.88 8.99	27.14 20.27	7.60 6.26
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	Vanguard Value ETF <i>CRSP Lg VL</i>	12/22/21	1,387,841.91	3.26	5.00 5.20	9.42 9.75	9.42 9.75	20.70 21.03	7.46 7.43
US Mid Cap			1,188,719.72	2.80					
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	Earnest Prnts Small/Mid Core <i>Russell Midcap</i>	05/21/21	1,188,719.72	2.80	4.12 4.34	3.27 8.60	3.27 8.60	12.85 22.35	4.28 4.29
International Equities			6,131,666.59	14.42					
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	T. Rowe Price Intl Eqty ADR <i>MSCI EAFE Net</i>	07/20/22	3,520,855.47	8.28	2.66 3.29	6.18 5.78	6.18 5.78	16.61 15.32	14.51 15.31
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	iShares ESG Aware MSCI EAFE <i>MSCI EAFE ESG Focus NR USD</i>	05/21/21	2,610,811.12	6.14	3.41 3.31	5.79 5.61	5.79 5.61	14.61 14.64	2.30 2.56
Emerging Market Equities			2,523,254.39	5.94					
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	iShares ESG Aware MSCI EM <i>MSCI EM ESG Focus NR USD</i>	05/21/21	1,464,457.44	3.45	2.01 1.94	0.50 0.52	0.50 0.52	4.88 6.37	-8.15 -8.32

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TIME WEIGHTED PERFORMANCE DETAIL

OCIO - Cal Poly Pomona Foundation

As of March 31, 2024 | Reporting Currency: USD

RETURN % (GROSS OF FEES) VS. BENCHMARKS (Continued)

	Account Number	Investment Description/ Benchmark	Performance Inception Date	Total Value (\$) 03/31/24	% Of Portfolio 03/31/24	Month to Date (%) 02/29/24 - 03/31/24	Quarter to Date (%) 12/31/23 - 03/31/24	Year to Date (%) 12/31/23 - 03/31/24	Last 12 Months (%) 03/31/23 - 03/31/24	Performance Inception Month End (%) to 03/31/24
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415	GQG Emerging Markets Equity Fd <i>MSCI EM Net</i>	12/07/23	535,273.53	1.26	2.41 2.48	10.16 2.37	10.16 2.37	- -	10.16 2.37
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415	Martin Currie Emerging Markets <i>MSCI EM Net</i>	05/21/21	523,523.42	1.23	2.82 2.48	1.72 2.37	1.72 2.37	2.46 8.15	-9.65 -6.54
Ultra-Short Term F.I.				883,988.38	2.08					
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415	iShares BC Short Treasury Bd <i>90-Day T-Bills</i>	08/31/23	883,988.38	2.08	0.40 0.46	1.15 1.37	1.15 1.37	- -	2.99 3.28
Short Term Fixed Income				837,112.68	1.97					
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415	Vanguard Short Term Corp Bond <i>Bloomberg US Corporate 1-5 Y</i>	07/20/22	837,112.68	1.97	0.65 0.69	0.51 0.60	0.51 0.60	4.73 5.07	2.95 3.11
Securitized				1,684,279.39	3.96					
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415	JP Morgan Mort Backed Sec Fd <i>BB US Agg Securitized - MBS</i>	07/20/22	1,684,279.39	3.96	0.89 1.06	-0.17 -1.04	-0.17 -1.04	2.16 1.39	0.27 -1.59
US Taxable Core				7,381,810.17	17.37					
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415	Federated Hermes Total Ret Bd <i>Bloomberg US Aggregate</i>	07/19/23	2,111,274.35	4.97	0.99 0.92	-0.53 -0.78	-0.53 -0.78	- -	2.76 2.64
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415	iShares BC Aggregate Bond <i>Bloomberg US Aggregate</i>	04/18/22	1,894,924.81	4.46	0.88 0.92	-0.72 -0.78	-0.72 -0.78	1.19 1.70	0.17 0.34
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415	iShares BC 7-10 Yr Treas Bd <i>ICE BofA US Treasury 7-10 Y</i>	07/20/22	1,267,630.30	2.98	0.92 0.70	-1.09 -1.33	-1.09 -1.33	-1.37 -1.52	-3.38 -3.48
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415	Western Core Plus Bond Fd <i>Bloomberg US Aggregate</i>	04/20/22	1,058,578.58	2.49	1.23 0.92	-1.09 -0.78	-1.09 -0.78	2.03 1.70	-0.32 0.34
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415	CCM Community Impact Bond Fund <i>Bloomberg US Aggregate</i>	05/21/21	1,049,402.13	2.47	0.73 0.92	-0.09 -0.78	-0.09 -0.78	1.84 1.70	-2.29 -2.98

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TIME WEIGHTED PERFORMANCE DETAIL

OCIO - Cal Poly Pomona Foundation

As of March 31, 2024 | Reporting Currency: USD

RETURN % (GROSS OF FEES) VS. BENCHMARKS (Continued)

	Account Number	Investment Description/ Benchmark	Performance Inception Date	Total Value (\$) 03/31/24	% Of Portfolio 03/31/24	Month to Date (%) 02/29/24 - 03/31/24	Quarter to Date (%) 12/31/23 - 03/31/24	Year to Date (%) 12/31/23 - 03/31/24	Last 12 Months (%) 03/31/23 - 03/31/24	Performance Inception Month End (%) to 03/31/24	
Alternatives				6,967,890.06	16.39						
	CAL POLY POMONA FOUNDATION INC (Alternative Investments Advisory) - Alternative Investments	835-XXX416	Alternative Investments Advisory <i>HFRX Global Hedge Fund</i>	06/25/21	4,205,576.85	9.89	2.03	4.11	4.11	9.94	3.75
	CAL POLY POMONA FOUNDATION INC (Alternative Investments Advisory) - Hamilton Lane	835-XXX325	Alternative Investments Advisory <i>HFRX Global Hedge Fund</i>	06/05/17	2,589,758.14	6.09	0.00	0.00	0.00	1.13	9.34
	CAL POLY POMONA FOUNDATION INC (Alternative Investments Advisory) - Alternative Investments	835-XXX245	Alternative Investments Advisory <i>HFRX Global Hedge Fund</i>	05/11/23	172,555.07	0.41	0.07	0.16	0.16	-	61.59
							1.26	2.51	2.51	-	5.83
Other				3,445.57	0.01						
	N/A			03/19/24	3,445.57	0.01	-	-	-	-	-
	CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415	N/A	03/19/24	3,445.57	0.01	-	-	-	-	-
Cash				113,911.14	0.27						
	CAL POLY POMONA FOUNDATION INC (AAA) - Short Term FI	812-XXX546	Cash	03/07/13	74,406.39	0.18	-	-	-	-	-
	CAL POLY POMONA FOUNDATION INC (Alternative Investments Advisory) - Hamilton Lane	835-XXX325	Alternative Investments Advisory	06/05/17	29,990.34	0.07	-	-	-	-	-
	CAL POLY POMONA FOUNDATION INC (Alternative Investments Advisory) - Alternative Investments	835-XXX416	Alternative Investments Advisory	06/22/21	4,937.94	0.01	-	-	-	-	-
	CAL POLY POMONA FOUNDATION INC (Alternative Investments Advisory) - Alternative Investments	835-XXX245	Alternative Investments Advisory	05/02/23	4,576.47	0.01	-	-	-	-	-

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals. Year to Date(YTD), Quarter to Date(QTD) and Month to Date(MTD): Returns are for the period in which position or account was open.

POSITIONS TIME WEIGHTED PERFORMANCE DETAIL - ADVISORY ASSETS

Alternative Investments 835-XXX416 - Alternative Investments Advisory

As of March 31, 2024 | Reporting Currency: USD

RETURN % (GROSS OF FEES) (ANNUALIZED)

Product/ Security Description ▲	Performance Inception Date	Ending Total Value (\$)	Month to Date (%) 02/29/24 - 03/31/24	Quarter to Date (%) 12/31/23 - 03/31/24	Year to Date (%) 12/31/23 - 03/31/24	Last 12 Months (%) 03/31/23 - 03/31/24	% of Portfolio
Total Portfolio (Gross of Fees)	06/22/2021	4,205,593.63	2.03	4.11	4.11	9.93	100.00
<i>HFRX Global Hedge Fund</i>			1.26	2.51	2.51	5.70	
Others							
BLACKSTONE BCRED(BCJ25)	07/01/2021	256,183.61	1.18	3.10	3.10	14.15	6.09
BREIT CL I(BBF37)	07/01/2021	518,726.03	0.62	1.81	1.81	1.82	12.33
COATUE OFFSHORE(BBH04)	06/28/2021	290,771.81	1.54	6.38	6.38	22.06	6.91
HP/STARBOARD VALUE LTD(HPC6E)	07/30/2021	309,267.49	2.21	2.58	2.58	16.00	7.35
HUDSON BAY LTD - ADVISORY(BCQ55)	12/29/2021	604,615.28	1.41	2.44	2.44	5.55	14.38
HUDSON BAY LTD TRNCHE II MS(BCT31)	07/27/2023	260,155.75	1.41	2.44	2.44	-	6.19
PARTNERS GROUP PE - I(BBP03)	07/01/2021	485,513.13	2.14	1.00	1.00	6.42	11.54
SCHONFELD FUNDMNTL EF LTD(BCI57)	11/28/2022	909,888.36	2.93	5.44	5.44	9.89	21.64
SEG PARTNERS OFFSH CLASS I(BBZ77)	06/28/2021	309,747.64	3.31	11.76	11.76	17.08	7.37
THIRD POINT(BBN11)	06/28/2021	260,707.75	3.39	7.87	7.87	16.53	6.20
Cash, MMF and Bank Deposits							
Cash(0000MONEY)	03/19/2024	16.78	-	-	-	-	0.00

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals. Position level performance detail is only available since 12/31/2014.

OCIO - Cal Poly Pomona Foundation

As of March 31, 2024 | Reporting Currency: USD

ILLIQUID ALTERNATIVE INVESTMENTS

Security Description / Account Number	Inception Date	Valuation Date	As Of Valuation Date (1)						Since Last Valuation		
			Comm. Amt. (\$) / Unfunded (\$) (2)	Contr. Inside Comm. To Date (\$)	Total Contr. To Date (\$) (2)	Non-Recall (\$) / Recall Dist To Date (\$)	Est. Val. (\$) / Est. Profit / (Loss) (\$) (5)	Fund Net IRR (%) (6)/ MOIC (x)	Net Cash Flow Since Last Val. (\$ (3) (4)	Adjusted Val. (\$) (3)	Most Recent Cash Flow (4)
FORTRESS LENDING IV A (FO) 835-XXX245 <i>Symbol/Cusip: BDO26</i>	03/21/24	03/21/24	250,000 242,500	7,500	7,500	0 0	7,500 0	- 1.00	0	7,500	-
HAMILTON LANE PMOF FOF SER 835-XXX325 <i>Symbol/Cusip: BBB92</i>	06/05/17	09/30/23	3,000,000 576,612	2,610,218	2,612,665	1,095,032 186,830	2,552,035 1,221,232	11.53 1.47	37,723	2,589,758	03/27/24
PREMIER LCP X OFFSHORE 835-XXX245 <i>Symbol/Cusip: BDF27</i>	06/29/23	09/30/23	400,000 336,970	63,030	63,630	0 0	88,525 24,895	NM 1.39	56,053	144,578	03/25/24
BLUE OWL RE FUND VI OFF 835-XXX245 <i>Symbol/Cusip: BDD03</i>	05/12/23	12/31/23	300,000 264,394	35,606	36,004	1,126 0	29,493 -5,384	NM 0.85	-9,284	20,478	03/15/24
Illiquid Alternative Investments Total			3,950,000 1,420,476	2,716,354	2,719,799	1,096,158 186,830	2,677,553 1,240,743		84,491	2,762,313	

Footnotes

(1) Transactions pending valuation are not included until the valuation inclusive of the activity is posted.

(2) Total Contributions to date may include certain transaction types which do not reduce Unfunded Commitment (e.g. Contribution Outside Commitment, External Fees and Expenses, Sub Close Interest Paid).

(3) Net Cash Flows Since Last Valuation may include transaction types which do not impact Adjusted Valuation (e.g. External Fees and Expenses, Interest/Income).

(4) Period end dates other than prior business day will exclude cash flows subsequent to the period end.

(5) Estimated Profit / (Loss) = Estimated Valuation + Total Distribution to Date - Total Contributions to Date

(6) Fund Net IRR - the value displayed in this field was calculated and provided by the Alternative Investments manager. Alternative Investments managers may have varying definitions of what constitutes a "Net IRR." The amount is generally an overall fund IRR and may not represent any individual client's experience in the fund. The following values may also appear in this field, as applicable: "NM" - represents IRRs that are determined to be not meaningful during the early stages of the fund's life. "-" - represents that a return is not available for the given period.

Private Programs Investment Report

Cal Poly Pomona Foundation

All Accounts

January 1, 2024 - March 31, 2024



commonfund

All Accounts

January 1, 2024 - March 31, 2024

ACCOUNT SUMMARY AS OF 3/31/2024

	Vintage Year	Capital Committed	Capital Called	Remaining Capital to be Called	Capital Distributions	Capital Balance	Multiple	IRR	Value Date
General Fund - 06									
Commonfund Real Estate									
Realty Investors 2004-12 (Tranche)	2005	\$1,500,000	\$1,500,000	\$0	(\$283,096)		0.2	-26.2%	
Total Commonfund Real Estate		\$1,500,000	\$1,500,000	\$0	(\$283,096)		0.2	-26.2%	
US Private Equity									
Private Equity Partners VII	2007	\$750,000	\$701,250	\$48,750	(\$1,418,183)	\$161,328	2.2	13.8%	12/31/2023
Total US Private Equity		\$750,000	\$701,250	\$48,750	(\$1,418,183)	\$161,328	2.2	13.8%	12/31/2023
Multi-Asset									
Capital Partners IV	2007	\$250,000	\$236,250	\$13,750	(\$405,850)	\$52,786	1.9	9.9%	12/31/2023
Total Multi-Asset		\$250,000	\$236,250	\$13,750	(\$405,850)	\$52,786	1.9	9.9%	12/31/2023
Total General Fund - 06		\$2,500,000	\$2,437,500	\$62,500	(\$2,107,129)	\$214,114	0.9	-0.6%	12/31/2023
Grand Total		\$2,500,000	\$2,437,500	\$62,500	(\$2,107,129)	\$214,114	0.9	-0.6%	12/31/2023

Explanatory Notes:

- Performance data is net of all fees and carried interest. Transaction flows and capital for these funds are included in the appropriate totals.

Fund performance is depicted net of fees. Manager and strategy performance is net of sub-advisor management fees and gross of other Commonfund Fund expenses. Past performance is not indicative of future performance.

All Accounts

January 1, 2024 - March 31, 2024

- Multiple, also referred to as TVPI, total value to invested capital net of the general partners and special limited partners (Capital Distributions + Capital Balance/Capital Distributions).
- Each partnership's net IRR (Internal Rate of Return) should be evaluated in light of information on such partnership's investment program, the risks associated therewith, and partnership performance as disclosed in the respective Offering Memorandum and Annual and Quarterly Reports. Return information calculated on a dollar-weighted (e.g., internal rate of return), since inception basis, which is standard for the private capital industry, rather than the time-weighted (e.g., annual or other period rate of return) basis. Comparison of returns calculated on a net IRR basis with returns on a time-weighted basis is not appropriate. There can be no assurance that unrealized investments ultimately will be realized at the valuations used in calculating net IRRs or Net Multiples or that the calculated net IRRs will be obtained. Actual realized returns will depend on, among other factors, future operating results, the value of assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale.
- Capital Called and Capital Distributions are since inception through the report End Date.

NON-MARKETABLE INVESTMENTS ROLL FORWARD FROM VALUE DATE TO 3/31/2024

Non-Marketable Fund	Incep. Date	Commitment	Valuation Date	Most Recent Valuation	Capital Calls since Valuation Date	Distributions since Valuation Date	Adjusted Market Value
Private Equity Partners VII	9/30/2007	\$750,000.00	9/30/2023	\$160,868.00	\$750.00	(\$16,207.00)	\$145,411.00
Capital Partners IV	9/30/2007	\$250,000.00	9/30/2023	\$51,924.00	\$0.00	(\$4,684.00)	\$47,240.00
Total Core Funds		\$1,000,000.00	9/30/2023	\$212,792.00	\$750.00	(\$20,891.00)	\$192,651.00
Non-Marketable Total		\$1,000,000.00	9/30/2023	\$212,792.00	\$750.00	(\$20,891.00)	\$192,651.00

Fund performance is depicted net of fees. Manager and strategy performance is net of sub-advisor management fees and gross of other Commonfund Fund expenses. Past performance is not indicative of future performance.

All Accounts

January 1, 2024 - March 31, 2024

PERFORMANCE AS OF 3/31/2024

Performance Item	QTD	1 Year	3 Years	5 Years	10 Years
Private Equity Partners VII	0.00	-5.64	8.65	10.06	13.50
US Private Equity	0.00	-5.64	8.65	10.06	13.50
Capital Partners IV	0.00	-4.27	5.31	5.32	8.29
Multi-Asset	0.00	-4.27	5.31	5.32	8.29
Total Non-Marketable	0.00	-5.15	7.95	8.99	12.24
Total Portfolio	0.00	-5.15	7.95	8.99	12.24

Investments in Programs for closed-end investment products are carried as of the most recent valuation date, which may not correspond to the marketable securities valuation dates. Distressed Debt programs are reported with a one quarter lag. For example, if the report 'As of' date is 9/30/YY then Distressed Debt programs are represented using 6/30/YY, or previous quarter values. Private Capital programs are reported with a one quarter lag. For example, if the report 'As of' date is 9/30/YY then Private Capital and Real Estate programs are represented using 6/30/YY, or previous quarter values. Private Investment returns are normally reported as an Internal Rate of Return (IRR). All other Commonfund investment returns are reported as Time Weighted Rates of Return (TWR). For Consolidated Performance reporting purposes, TWRs are used for all individual and composite returns.

Fund performance is depicted net of fees. Manager and strategy performance is net of sub-advisor management fees and gross of other Commonfund Fund expenses. Past performance is not indicative of future performance.

Memorandum



Date: May 21, 2024

To: Finance & Investment Committee

From: Jared Ceja, CEO
Tariq Marji, CFO

Attached: 2024-2025 Statement of Activities (Proposed Budgets by Unit)
2024-2025 Consolidated Forecast, Proposed Budget, & Proforma
2024-2025 Approved Capital Budget
Reserve Analysis

Subject: **Proposed Operating & Capital Budgets 24/25 & Proforma**

Pursuant to the provisions of the *Compliance Guide for California State University Auxiliary Organizations Section 11.7* and in accordance with *Foundation Policy #118 – Budget Process*, Management is presenting the Foundation’s annual budgets for review and approval by the governing Board before the start of the fiscal year. The Operating Budgets include: Commercial Services (Bookstore, Dining Services, Kellogg West, University Village and Real Estate); Support Activities (Bronco One Card Office, Research Office, Agriculture Enterprises, and Continuing Education); Designated Gifts, Reserves; and Other Administrative Activities.

Operating Budget includes:

- Total Revenue of \$74.4 M; of which \$61.6 M relates to Commercial Services, \$10.2 M to Support Activities and \$2.5 M to Other Administrative Activities.
- Total Expenses of \$72 M; of which \$57.2 M relates to Commercial Services, \$10.2 M to Support Activities, \$2.2 M to Designated Gifts, and \$2.5 M to Other Administrative Activities.
- Budgeted surplus for the year is \$2.4 M.

Forecast Proformas present the total Operating budget and the individual budget units with additional detail estimated out to Fiscal Year 2028-29. Capital Budget for the fiscal year 2024-2025, which was approved by the Board at the February 20th meeting, remains unchanged at \$5.5 M in new requests.

WHEREAS, the Finance & Investment Committee has reviewed and discussed the proposed operating budget, capital budget, forecast proforma, and reserves pursuant to Budget Process Policy No. 118, and

NOW, THEREFORE, the Finance & Investment Committee approves the Proposed Operating and Capital Budgets for fiscal year 2024-25 for Commercial Services, Supplemental Programs, Designated Gifts, and Reserves as presented to be forwarded to the Board for their review and consideration at the next regularly scheduled meeting.

Passed and adopted this 21st day of MAY 2024.

By: _____
Ysabel Trinidad, Chair
Finance & Investment Committee



Cal Poly Pomona Foundation, Inc.
Statement of Activities
Cal Poly Pomona Enterprises
excl. Foundation Programs and Grants

	REVENUES		EXPENSES - Payroll		EXPENSES - Other		EXPENSES - Total		SURPLUS/(DEFICIT)			Fund Balance as of 6/30/23	Projected Fund Balance As of 6/30/24	Projected Fund Balance As of 6/30/25
	FY 23-24 Forecast	FY 24-25 Proposed Budget	FY 23-24 Forecast	FY 24-25 Proposed Budget	FY 23-24 Forecast	FY 24-25 Proposed Budget	FY 23-24 Forecast	FY 24-25 Proposed Budget	FY 23-24 Forecast	FY 24-25 Proposed Budget	\$ Variance versus Forecast			
	Commercial Services													
Dining Services	20,326,032	22,249,785	7,437,526	8,277,773	12,799,549	13,506,818	20,237,075	21,784,591	88,957	465,194	376,237			
Bookstore	14,515,300	15,590,521	1,541,656	1,761,320	12,666,875	13,276,844	14,208,531	15,038,164	306,769	552,357	245,588			
Kellogg West	3,813,903	4,195,361	2,530,484	2,371,298	2,180,078	2,274,705	4,710,562	4,646,003	(896,659)	(450,642)	446,017			
University Village	12,022,122	12,217,716	2,445,746	2,598,604	6,795,707	7,307,193	9,241,453	9,905,797	2,780,669	2,311,919	(468,750)			
Real Estate/Rentals	7,291,652	7,387,743	1,091,521	1,378,617	4,429,711	4,446,273	5,521,232	5,824,890	1,770,420	1,562,853	(207,567)			
Total Commercial Services	57,969,009	61,641,126	15,046,933	16,387,612	38,871,920	40,811,833	53,918,853	57,199,445	4,050,156	4,441,681	391,525	72,385,613	76,435,769	80,877,450
Other Activities														
Investments	4,214,544	2,012,200	0	0	96,429	100,286	96,429	100,286	4,118,115	1,911,914	(2,206,201)			
Administration	654,805	531,760	5,786,663	6,181,971	(3,342,751)	(3,762,613)	2,443,912	2,419,358	(1,789,107)	(1,887,598)	(98,491)			
Total Other Activities	4,869,349	2,543,960	5,786,663	6,181,971	(3,246,322)	(3,662,327)	2,540,341	2,519,644	2,329,008	24,316	(2,304,692)	(34,661,188)	(32,332,180)	(32,307,864)
Total Commercial Services and Other Acti	62,838,358	64,185,086	20,833,596	22,569,583	35,625,598	37,149,506	56,459,194	59,719,089	6,379,164	4,465,997	(1,913,167)	37,724,425	44,103,589	48,569,586
Designated Funds	6,958	0	5,862	0	1,851,096	2,150,000	1,856,958	2,150,000	(1,850,000)	(2,150,000)	(300,000)	0	(1,850,000)	(4,000,000)
Support Activities														
Bronco One Card	445,221	448,874	241,384	259,214	203,837	189,660	445,221	448,874	0	0	(0)	(225,087)	(225,087)	(225,087)
Research Office	2,359,903	2,350,000	142,188	342,372	2,169,578	1,957,628	2,311,766	2,300,000	48,137	50,000	1,863	(1,122,740)	(1,074,603)	(1,024,603)
Agriculture	4,880,060	5,365,512	1,854,342	2,144,114	3,040,835	3,170,793	4,895,177	5,314,907	(15,117)	50,605	65,722	415,913	400,796	451,401
Continuing Education	2,051,280	2,059,624	1,129,122	1,107,610	1,020,540	1,006,787	2,149,662	2,114,397	(98,382)	(54,773)	43,609	4,576,092	4,477,710	4,422,937
Total Support Activities	9,736,464	10,224,010	3,367,036	3,853,310	6,434,790	6,324,868	9,801,826	10,178,178	(65,362)	45,832	111,194	3,644,178	3,578,816	3,624,648
Unrestricted Surplus (Deficit)	72,581,780	74,409,096	24,206,494	26,422,893	43,911,484	45,624,374	68,117,978	72,047,267	4,463,802	2,361,829	(2,101,974)	41,368,603	45,832,405	48,194,234

Cal Poly Pomona Foundation, Inc.
Consolidated Budget Comparison Summary
Cal Poly Pomona Enterprises

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	Projected Actual / Forecast	Proposed Budget	Estimated	Estimated	Estimated	Estimated
Revenues						
Grants & Contracts Revenue	21,453,664	21,363,636	22,218,182	23,106,909	24,031,185	24,992,433
Foundation Programs Revenue	2,850,785	0	0	0	0	0
Administrative Fees, Revenue	0	0	0	0	0	0
Indirect Cost Recoveries	2,359,903	2,350,000	2,444,000	2,541,760	2,643,430	2,749,168
Investment Returns	5,434,972	3,228,684	3,305,241	3,385,030	3,468,180	3,554,824
Other Revenue	1,661,080	1,367,215	1,421,904	1,479,581	1,538,764	1,600,314
Sales	63,125,825	67,463,197	70,172,086	73,189,085	76,072,139	79,069,181
Total Revenues	96,886,229	95,772,732	99,561,412	103,702,364	107,753,699	111,965,920
% YoY	-11.7%	-1.1%	4.0%	4.2%	3.9%	3.9%
Total Cost of Goods Sold	18,640,510	19,391,715	20,349,727	21,155,135	21,992,546	22,863,235
% of Revenue	19.2%	20.2%	20.4%	20.4%	20.4%	20.4%
Expenditures - Controllable						
Utilities	2,636,060	2,771,972	2,879,195	3,015,610	3,132,388	3,253,721
Agr/RE Fees	466,465	510,060	530,408	551,569	573,575	596,459
Feed	78,731	58,992	61,352	63,806	66,358	69,012
Insurance	794,517	804,779	836,170	874,643	908,782	944,261
Repairs & Maintenance	3,380,315	3,436,610	3,561,170	3,710,234	3,845,361	3,985,695
Meals & Refreshments	192,140	132,275	137,316	142,681	148,135	153,800
Postage & Freight	58,969	49,557	51,505	53,588	55,697	57,890
Advertising	442,107	457,473	341,546	354,220	367,357	380,989
Rent/Commissions	1,660,780	1,685,592	1,752,186	1,821,549	1,893,532	1,968,368
Salaries & Wages	0	0	0	0	0	0
Services	2,319,045	2,781,876	3,016,292	3,142,595	3,262,804	3,387,655
Designated Gifts	1,856,958	2,150,000	1,000,000	1,000,000	1,000,000	1,000,000
Supplies	1,910,844	2,336,786	2,428,452	2,537,003	2,636,590	2,740,104
Telephone	513,800	568,507	590,774	621,627	645,991	671,314
Travel	39,980	18,120	18,751	19,410	20,092	20,798
Laundry	149,375	162,211	167,750	173,482	179,414	185,552
Real Estate Fees	20,056	20,500	21,320	22,173	23,060	23,982
Other Controllable Expenses	2,173,395	1,592,417	1,649,746	1,718,152	1,786,193	1,856,934
Total Expenditures - Controllable	18,693,537	19,537,727	19,043,932	19,822,343	20,545,328	21,296,535
% YoY	6.1%	4.5%	-2.5%	4.1%	3.6%	3.7%
% of Revenue	19.3%	20.4%	19.1%	19.1%	19.1%	19.0%
Expenditures Non-Controllable						
Administrative Fees, Expense	0	0	0	0	0	0
Depreciation	1,746,806	1,848,663	1,939,682	1,886,136	1,830,984	1,774,177
Amortization	1,682,400	1,732,872	1,784,858	1,838,404	1,893,556	1,950,363
Interest Expense	1,294,932	1,238,186	1,287,713	1,345,712	1,399,540	1,455,522
Rent/Commissions	0	0	0	0	0	0
Bank Card Fees	642,118	607,114	631,241	660,055	686,298	713,586
Grants & Contracts Expense	21,453,664	21,363,636	22,218,182	23,106,909	24,031,185	24,992,433
Foundation Programs Expense	2,671,619					
Other Non-Controllable Expenses	1,211,181	1,268,096	1,316,972	1,372,693	1,425,734	1,480,842
Total Expenditures Non-Controllable	30,702,720	28,058,567	29,178,648	30,209,908	31,267,298	32,366,922
% YoY	-7.3%	-8.6%	4.0%	3.5%	3.5%	3.5%
% of Revenue	31.7%	29.3%	29.3%	29.1%	29.0%	28.9%
Labor Costs						
Salaries & Wages	17,602,295	19,573,589	20,454,401	21,413,306	22,376,905	23,383,866
Employee Benefits	6,604,199	6,849,304	7,157,523	7,495,464	7,832,760	8,185,235
Total Labor Costs	24,206,494	26,422,893	27,611,923	28,908,771	30,209,665	31,569,100
% YoY	2.1%	9.2%	4.5%	4.7%	4.5%	4.5%
% of Revenue	25.0%	27.6%	27.7%	27.9%	28.0%	28.2%
Total COGS & Expenses	92,243,260	93,410,903	96,184,231	100,096,156	104,014,836	108,095,792
Net Income	4,642,968	2,361,830	3,377,181	3,606,208	3,738,862	3,870,128

CAL POLY POMONA FOUNDATION
2024-2025 CAPITAL EXPENDITURES BUDGET
APPROVED

Project	Reserve	Carryover to Proposed Budget Year	2024-2025 Requested Budget	Purpose	Category
Bronco Bookstore					
BRONCO BOOKSTORE		-	25,000	Back office carpet and employee area updates	Deferred Maintenance
BRONCO BOOKSTORE		45,000	-	Upstairs remodel + credit union build out carry over from previous year	Deferred Maintenance
BRONCO BOOKSTORE		36,000	-	replacement register carry over from last year	Programmatic
BRONCO BOOKSTORE		36,000	-	Replacement registers	Scheduled Renewals/Security
BRONCO BOOKSTORE		-	18,000	Building 66 (Bookstore) re-roof to seal any openings	Deferred Maintenance
BRONCO BOOKSTORE		-	15,000	replacement work stations	Scheduled Renewals/Security
Bronco Bookstore Total		117,000	58,000		
Bronco One Card Office					
BRONCO ONE CARD OFFICE		-	27,500	Modular furniture	ADA Related
Bronco One Card Office Total		-	27,500		
Dining					
CENTERPOINTE DINING COMMONS	Yes	-	65,000	Centerpointe Dishroom Pulper Replacement	Programmatic
CENTERPOINTE DINING COMMONS	Yes	-	15,000	Maintenance of Centerpointe furniture	Deferred Maintenance
CENTERPOINTE DINING COMMONS	Yes	-	45,000	Expand digital signage, branding, and wayfinding throughout dining hall to support resident dining program	Programmatic
CENTERPOINTE DINING COMMONS	Yes	35,000	-	RFID fresh food vending for food desserts	Programmatic
CENTERPOINTE DINING COMMONS	Yes	-	30,000	Steamer to Replace Kettle, doubling steamer capacity	Programmatic
FRESH ESCAPES		-	25,000	Cold wells are at end of life and need to be replaced, including surrounding countertop.	Deferred Maintenance
FRESH ESCAPES		-	25,000	Purchase of equipment to expand Fresh Escape program to breakfast, and coffee all day.	Programmatic
INTERNATIONAL GROUNDS		-	15,000	Modify electrical and finish work to convert to fresh food vending zone	Programmatic
PONY EXPRESS @ENV		-	21,000	Counter modifications to support weight of additional equipment.	Programmatic
PONY EXPRESS @ENV		-	16,000	Purchasing equipment to expand access to hot foods at ENV Cafe.	Programmatic
PONY EXPRESS AT CBA		-	30,000	C-store built-in cooler and freezer are at end of life, and need to be replaced for business continuity	Deferred Maintenance
QDOBA		-	20,000	End of Life equipment	Deferred Maintenance
RETAIL DINING	Yes	45,000	-	Food Lockers and ordering kiosks	Programmatic
ROUND TABLE PIZZA		-	125,000	Conversion of Roundtable Pizza to IBW Pizzeria - additional seating, branding, and equipment	Programmatic
ROUND TABLE PIZZA		-	10,000	EOL Dough Sheeter/Beverage Equipment	Scheduled Renewals/Security
ROUND TABLE PIZZA		-	25,000	Existing cart at End of Life - Pizza Delivery Cart for IBW @ BSC to expand Retail Catering program	Deferred Maintenance
SADDLES CAFE		-	175,000	Build out of Saddle to convert to Coffee concept	Programmatic
SADDLES CAFE		-	85,000	Equipment package for Saddles conversion to Coffee concept	Programmatic
STARBUCKS		-	30,000	Brand recommendation to add refrigeration/thawing capacity to meet customer demand	Programmatic
SUBWAY		-	15,000	Franchise Extension	Contractual/Legal
SUSHI BAR		-	125,000	Conversion of former Taco Bell space into TaKorean branded concept (trade dress, some construction)	Programmatic
VISTA MARKET	Yes	-	85,000	Vista Market Refrigeration Renewal	Deferred Maintenance
Dining Total		80,000	982,000		
Administration					
FOUNDATION ADMINISTRATION		-	525,000	Emergency and unanticipated needs	Programmatic
Administration Total		-	525,000		
Information Technology					
FOUNDATION MIS		-	30,000	API configuration for UKG, OneSolution, and Clover	Programmatic
FOUNDATION MIS		-	25,000	Automation improvements to UKG WorkforceReady	Programmatic
FOUNDATION MIS		25,000	-	Bldg 55 to Campus POD datacenter migration.	Scheduled Renewals/Security
FOUNDATION MIS		-	15,000	Consultant and equipment funds for expanding partnership with Campus IT.	Programmatic
FOUNDATION MIS		-	25,000	Enterprise Workstation & Equipment Refresh	Scheduled Renewals/Security
FOUNDATION MIS		-	15,000	Improvements to OneSolution including automation, workflows, etc.	Programmatic
FOUNDATION MIS		-	25,000	IT work area redesign	Programmatic
Information Tech Total		25,000	135,000		
Kellogg West					
K.W. ROOM REVENUE		-	80,000	Conference furniture replacement - Tables and Chairs	Scheduled Renewals/Security
K.W. ROOM REVENUE		750,000	-	Contingency to support campus work on building	Deferred Maintenance
K.W. ROOM REVENUE		-	210,000	Elevator Modernization reached end-of-life, 1 of 3	Deferred Maintenance
K.W. ROOM REVENUE		500,000	-	Fire/Life Safety System Replacement	Health & Safety
K.W. ROOM REVENUE		-	130,000	HVAC Fan Coil Assembly Replacement - 20 hotel rooms Bldg 1 of 2	Deferred Maintenance

CAL POLY POMONA FOUNDATION
2024-2025 CAPITAL EXPENDITURES BUDGET
APPROVED

Project	Reserve	Carryover to Proposed Budget Year	2024-2025 Requested Budget	Purpose	Category
K.W. ROOM REVENUE		-	500,000	HVAC replacement on end-of-life analog system	Deferred Maintenance
K.W. ROOM REVENUE		-	45,000	Kitchen Hood modifications due to potential fire hazard	Health & Safety
K.W. ROOM REVENUE		-	35,000	KW Freezer Replacement due to end-of-life	Deferred Maintenance
K.W. ROOM REVENUE		-	25,000	Purchase and upgrade food and beverage equipment to include warmers, chafing equipment, blenders, utensils, beverage dispensers, platters, tables, wedding chairs replacement, carts	Programmatic
K.W. ROOM REVENUE		-	300,000	Replace end of life /failing boilers for multiple buildings	Deferred Maintenance
K.W. ROOM REVENUE		564,000	-	Roof repair	Deferred Maintenance
Kellogg West Total		1,814,000	1,325,000		
Agriculture					
AGRISCAPES OUTREACH	Yes	-	25,000	Concrete hardscape access improvement and ADA	ADA Related
AGRISCAPES OUTREACH		-	40,000	Developing accessible animal farm housing closer to petting farm	Programmatic
AGRISCAPES OUTREACH	Yes	32,000	-	Tuff Shed or Similar - Manufactured storage building to provide additional needed space for event & farming equipment and materials	Programmatic
AGRISCAPES OUTREACH		-	175,000	Utilities upgrade and extension to reduce rental equipment/generators and expand programming	Programmatic
AGRONOMY FARM	Yes	80,000	-	Citrus and Avocado Sizing Line - Multi-purpose weight sorter that can handle various fruit varieties. Being able to sort all fruit will allow farm to sell based on the industry size standards, resulting increased sales and revenue	Programmatic
AGRONOMY FARM		-	55,000	Ford F-250 Crew Cab - \$55,000 (Sourcewell) – Vehicle will support new Farm Director position, several current vehicles are nearing end of life	Programmatic
AGRONOMY FARM	Yes	155,000	-	Multipurpose Produce ashline - To replace antique produce washing lines with modern technology, increase washing volume and effectiveness, meet current food safety requirements, and increase worker safety. All citrus, melons, squash, and root vegetables	Programmatic
AGRONOMY FARM	Yes	25,000	-	Multipurpose Spray Washer - Simple spray and wash conveyor table to clean and sanitize harvest crates between harvests and any crops that only need a spray for washing. Needed to meet food safety and organic certification requirements	Programmatic
AGRONOMY FARM	Yes	6,000	-	Pallet scale - To weigh all incoming and outgoing produce. This will allow for better inventory management and yield data which will allow precise analysis of cost of production and farming techniques	Programmatic
AGRONOMY FARM	Yes	87,000	-	Rough Terrain Forklift - To replace existing forklift that is far past its useful life and undersized for safe operation. New forklift would allow for efficient and safe use for field harvesting. Estimated annual savings for rentals and improved harvest efficiency \$7,500/yr = lifetime savings \$75,000	Programmatic
AGRONOMY FARM	Yes	55,000	-	Vegetable Wash Line - To increase washing volume and effectiveness, meet current food safety requirements, and increase worker safety. Leafy greens, lettuce, broccoli, celery, kale spinach, brussels etc	Programmatic
CATTLE UNIT	Yes	103,125	-	Barn. Current barn will be demolished and and a new barn is required	Programmatic
FARM STORE AT KELLOGG RANCH		-	350,000	Complete rebuild of walk in freezer and surrounding wall. The current freezer has reached end of life	Deferred Maintenance
FARM STORE AT KELLOGG RANCH		5,000	-	Purchase of a surveillance system that includes cameras, cloud recording storage, and analytic software for the Farm Store. Reduce theft and provide consumer analytics for classroom use	Deferred Maintenance
LLAMA AND SHEEP UNIT	Yes	103,125	-	Barn. Current barn will be demolished and and a new barn is required	Programmatic
ORNAMENTAL HORTICULTURE		-	10,000	Repainting of iron fence	Deferred Maintenance
PUMPKIN FESTIVAL		-	25,000	Concrete hardscape access improvement and ADA	ADA Related
PUMPKIN FESTIVAL		-	18,000	Garage/sched for additional equipment storage	Programmatic
VET CLINIC		-	23,200	Acquire a Radiology Equipment (X-Ray Radiology Plate) for equine diagnostics to be added to the Veterinary Clinic. It's an upgrade to be used in the skills labs and can be employed for routine diagnostics of horses	Deferred Maintenance
Agriculture Total		651,250	721,200		
Facilities & Real Estate					
BUILDING 66 OPERATIONS		-	42,000	Building 66 - New atrium furniture	Deferred Maintenance
BUILDING 66 OPERATIONS		-	18,000	Building 66 (real estate) re-roof to seal any openings	Deferred Maintenance
BUILDING 97 OPERATIONS		200,000	-	Building 97 - Firewall Extension/ Code Update affecting Classroom 120	Health & Safety
BUILDING 97 OPERATIONS		-	20,000	Building 97 (real estate) re-roof to seal any openings	Deferred Maintenance
BUILDING 97 OPERATIONS		-	16,000	Building 97 Water Source Heat Pump	Deferred Maintenance
BUILDING 97 OPERATIONS		-	7,000	Replace awning in front of Care Center and Career Center	Deferred Maintenance
CAMPUS CENTER OVERHEAD		-	20,000	Building 97 (dining) re-roof to seal any openings	Deferred Maintenance
CENTER FOR TRAINING TECH & INCUBATION		-	15,000	CTTI - HVAC mini-split for suite 240 in building 220C	Deferred Maintenance
CENTER FOR TRAINING TECH & INCUBATION		-	76,720	CTTI Building 220B (real estate) partial Re-roof	Deferred Maintenance

CAL POLY POMONA FOUNDATION
2024-2025 CAPITAL EXPENDITURES BUDGET
APPROVED

Project	Reserve	Carryover to Proposed Budget Year	2024-2025 Requested Budget	Purpose	Category
CENTER FOR TRAINING TECH & INCUBATION		-	20,000	CTTI HVAC time clock	Deferred Maintenance
FOUNDATION MAINTENANCE		-	18,000	Used Street Legal Electric Golf C	Programmatic
FOUNDATION MAINTENANCE		27,000	-	Used utility Vehicle needed for facilities technicians	Programmatic
Facilities & Real Estate Total		227,000	252,720		
University Village					
UNIVERSITY VILLAGE		-	90,000	Add wifi access points	Programmatic
UNIVERSITY VILLAGE		-	45,000	Appliances: replace stoves & refrigerators	Scheduled Renewals/Security
UNIVERSITY VILLAGE		-	55,000	Boiler replacement	Deferred Maintenance
UNIVERSITY VILLAGE		650,000	-	Carryover - Roofs	Deferred Maintenance
UNIVERSITY VILLAGE		-	125,000	Concrete: repair tripping hazards, sidewalks, walkways	Health & Safety
UNIVERSITY VILLAGE		-	40,000	Duct cleaning multiple bldgs	Health & Safety
UNIVERSITY VILLAGE		40,000	20,000	Elevators: walls	Deferred Maintenance
UNIVERSITY VILLAGE		-	25,000	Enlarge trash enclosure to fit dumpster and recycling	Health & Safety
UNIVERSITY VILLAGE		-	240,000	Furniture: apartments	Scheduled Renewals/Security
UNIVERSITY VILLAGE		-	30,000	Golf carts: replace one & add one	Scheduled Renewals/Security
UNIVERSITY VILLAGE		-	220,000	HVAC replacement	Deferred Maintenance
UNIVERSITY VILLAGE		-	40,000	Iron work: patio gates, trash enclosure gates	Deferred Maintenance
UNIVERSITY VILLAGE		-	30,000	Landscaping: tree removal, planters, add different trees	Programmatic
UNIVERSITY VILLAGE		83,333	37,000	Lighting: street lights and building lights	Health & Safety
UNIVERSITY VILLAGE		25,000	55,000	Office: carpet & tile replacement	Deferred Maintenance
UNIVERSITY VILLAGE		-	285,000	Painting/Floors: routine interior painting, floor replacement due to wear/tear	Scheduled Renewals/Security
UNIVERSITY VILLAGE		-	20,000	Reglaze tubs/showers	Scheduled Renewals/Security
UNIVERSITY VILLAGE		-	12,100	Replace Blinds due to damage/wear and tear: 4 bldgs.	Deferred Maintenance
UNIVERSITY VILLAGE		-	50,000	Toilet replacement: B95 and as needed	Scheduled Renewals/Security
UNIVERSITY VILLAGE		-	15,000	Treads: repair stairwells for safety	Health & Safety
UNIVERSITY VILLAGE		-	25,000	Water heaters: replace as needed	Scheduled Renewals/Security
University Village Total		798,333	1,459,100		
College of Professional & Global Education					
CPGE		50,000	-	Conversion of CPGE Classrooms 104/105 - Bldg. 220A and staff work areas - Bldg. 220C. Expand instructional services and quality of service to meet student needs	Programmatic
CPGE			3,280	CTTi Building 220B (CPGE) re-roof to seal any openings	Deferred Maintenance
CPGE		150,000		International Village Consulting	Scheduled Renewals/Security
College of Professional & Global Education Total		200,000	3,280		
Grand Total		3,912,583	5,488,800		

Total including prior year carryovers

9,401,383

Cal Poly Pomona Foundation, Inc.

Reserve Analysis

Cal Poly Pomona Enterprises

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	
	Fund Balance	Budget	Projected Actual / Forecast	Proposed	Estimated	Estimated	Estimated	Estimated	Est. Actual + Additions
Transfer to Reserves:									
Capital/Deferred Maintenance	7,206,659	0	300,000	0	50,000	0	250,000	250,000	8,056,659
Residential Board Meal Program	5,555,104	490,000	490,000	520,000	639,000	800,000	860,000	860,000	9,724,104
Real Estate/Development	3,668,175	430,000	645,000	816,000	653,119	217,706	0	0	6,000,000
University Village Development	1,321,735	226,000	753,333	812,000	1,200,000	1,310,000	1,390,000	1,480,000	8,267,069
AG State Share Reserve	645,396	200,000	200,000	30,000	20,000	20,000	20,000	20,000	955,396
Residence Student Program Trust Fund	620,189	120,000	120,000	120,000	120,000	130,000	130,000	130,000	1,370,189
Operating/Working Capital Reserve	620,037	100,000	500,000	0	50,000	75,000	200,000	200,000	1,645,037
Insurance	286,496	25,000	30,000	25,000	25,000	25,000	25,000	25,000	441,496
Demo Reserve	158,845	15,000	15,000	15,000	15,000	15,000	15,000	15,000	248,845
Transfer to Reserves	20,082,635	1,606,000	3,053,333	2,338,000	2,772,119	2,592,706	2,890,000	2,980,000	36,708,793

Memorandum

Date: May 21, 2024

To: Finance & Investment Committee

From: Tariq Marji, CFO

Attached: Updated Policy 170: Agricultural Program Reserves (tracked changes)

Subject: Update – Agricultural Program Reserves (Policy 170)

Agricultural Program Reserves policy #170 was last updated in 2022. Since that time, Agricultural Enterprises has diversified, and inflationary activity has made the 2001 established financial thresholds insufficient.

Three primary substantive updates have been proposed to the policy:

- 1) The College of Agriculture Emergency Reserve has been renamed and broadened to reflect potential future needs of the program.
- 2) Uses for the Agricultural Enterprises Program Reserve have been enhanced to include reinvestment beyond emergency operational needs.
- 3) The ceiling for the Pine Tree Ranch Reserve has been increased from a fixed \$75,000 by tying it to a combination of two formulas.

Details of the update may be seen in the attached tracked changes version of Policy 170.

PROPOSED ACTION:

Management is requesting the Finance & Investment Committee's approval to forward the proposed updates to Policy 170: Agricultural Program Reserves as presented.

BE IT RESOLVED, that the Finance & Investment Committee has reviewed and approved Management's request to update Policy 170: Agricultural Program Reserves as presented and present the changes to the Board of Directors at its next regularly scheduled meeting.

PASSED AND APPROVED THIS 19TH DAY OF MAY 21, 2024.

By: _____
Ysabel Trinidad, Chair
Finance & Investment Committee



POLICIES AND PROCEDURES

CORPORATE POLICY

Subject: Agricultural Program Reserves

Policy No.: 170

Date: ~~3/7/2022~~5/22/2024

Last Revision Date: ~~2/27/2001~~03/07/2022

Revision: 4

A. Purpose

B. ~~College of Agriculture Emergency~~ Agricultural Enterprises Reserve Account

C. Pine Tree Ranch Capital Reserve

APPENDIX 1

A. Purpose

It is the policy of the Cal Poly Pomona Foundation, Inc. in partnership with the Huntley College of Agriculture, to establish and maintain reserve funds from an annual contribution from the net surplus created by ~~to establish and maintain reserves for the~~ Foundation's agricultural programs.

For purposes of this policy, these operations are those organized under ~~the agricultural program projects will be defined as all agricultural projects in the agriculture fund of the Foundation~~ Agricultural Enterprises that generate revenues from annual operations as detailed in Appendix 1. ~~including student projects with balances at June 30th and excluding all Arabian horse and veterinarian projects.~~

The reserves are ~~as follows~~ the Huntley College Foundation Reserve and the Pine Tree Ranch Capital Reserve.

B. ~~College of Agriculture Emergency~~ Agricultural Enterprises Program Reserve Accounts

The Foundation will maintain a ~~A~~ contingency reserve for the ~~a~~ Agricultural ~~p~~Programs ~~administered by the Foundation will be established and maintained by~~ under the oversight of the Dean of the Huntley College of Agriculture. The ~~contingency~~ reserve will be funded from an annual contributions of fifty-five percent (55%) of the combined net annual surplus from all agricultural program projects as listed in Appendix 1, ~~after consideration of the Pine Tree Ranch reserve~~ for the fiscal year ended June 30, ~~as defined above.~~

~~Any~~ Distributions from the contingency reserves for emergency operating needs and for



POLICIES AND PROCEDURES

~~reinvestment in programmatic, farm, and outreach programs for capital and operating expenditures~~ will require the approval from the Dean of the ~~Huntley College of Agriculture~~ and the Chief Financial Officer ~~prior to disbursement for the benefit of the agricultural program projects~~. Any other type of distribution from the ~~contingency~~ reserve will require the ~~review and approval of the Dean of the Huntley College of the College of Agriculture;~~ the ~~Executive Director Chief Executive Officer,~~ or his/her designee and the Board of Directors before any funds ~~of this nature could~~ be disbursed.

C. Pine Tree Ranch Reserve

A Pine Tree Ranch Reserve will be established and maintained as follows:

Current Operating Reserve

The Current Operating Reserve is intended to provide funds for unanticipated losses. The minimum amount to be designated as Operating Reserve will be established in an amount sufficient to maintain ongoing operations for a set period of (9) nine months of average operating costs.

Capital Replacement Reserve

The Capital Replacement Reserve is intended to provide a ready source of funds for repair or acquisition of leaseholds, furniture, fixtures, and equipment necessary for the effective operation. The reserve will be set at 50% of total fixed assets of the Pine Tree Ranch.

After funding the Current Operating Reserve and the Capital Replacement Reserve portions of the Pine Tree Ranch Reserve, 55% of any remaining surplus will contribute to the Agricultural Enterprises Program Reserve.

A Pine Tree Ranch reserve of \$75,000 will be established and used for capital outlays for the Pine Tree Ranch. The Pine Tree Ranch reserve will be funded up to \$75,000 from annual contributions of fifty percent (50%) of the combined net annual surplus from the Pine Tree Ranch project(s) for the fiscal year ended June 30, as defined above.

Distributions from the Pine Tree Ranch reserve for capital outlays require the review and approval by the Dean of the College of Agriculture and the Executive Director of the Foundation or his/her designee before funds can be disbursed. Any other type of distribution from the Pine Tree Ranch reserve (i.e., working capital) will require the review and approval of the Dean of the College of Agriculture, the Executive Director or his/her designee and the Board of Directors before any funds of this nature could be disbursed.



POLICIES AND PROCEDURES

APPENDIX 1

Subject: Agricultural Program Reserves

Policy No.: 170

Last Revision Date: 2/27/2001

Date: 3/7/2022

Revision:

Plant Sciences

016200	Agronomy Farm
193040	Pine Tree Ranch
320300	Ornamental Horticulture
462530	Westwind Ranch

Animal & Veterinary Sciences

020010	Cattle Unit
420010	Llama and Sheep Unit
428460	Vet Clinic
430010	Swine Unit

Huntley College Farm Store

260220	Farm Store at Kellogg Ranch
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Huntley College Outreach

462300	Pumpkin Festival
462610	Agriscapes Outreach
463180	Agriscapes Discovery Farm
460360	Petting Farm

Wasmansdorff House

462540	Wasmansdorff House – Pine Tree
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