

2012



2013

Corporate Business Plan

No Waste

No Secrets

No Politics

No Illusions

No Surprises

No Confusion

No Distractions

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

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

Cal Poly Pomona Foundation, Inc.

“Quality Service Supporting Quality Education”



Cal Poly Pomona Foundation, Inc.
Fiscal 2012-2013 Business Plan and Budgets

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EXECUTIVE OVERVIEW

The 2012-2013 Foundation Consolidated Business Plan/Budget Process

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

Overview

Short-term Planning

**30-Day Goals and Performance Plans*

**Administrative Work Plans*

**Business Plans*

**Annual Budgets*

Long-term Planning

**Multi-year Strategic Planning*

**Multi-year Cash Flow Planning*

30-Day Goals

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

Performance Plans

Individual staff employees establish a personal performance plan with their supervisors. This is based on their job descriptions and performance factors related to how they contribute towards the success of their unit. Performance reviews objectively consider the extent to which their contributions have met with expectations. The Foundation's Demonstrated Merit Performance Compensation Plan (DMPCP) establishes how an employee's performance rating relates to a position classification, grade level and possible merit increase on an annual basis.

Administrative Work Plans

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

Unit Business Plans

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

Annual Budgets

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

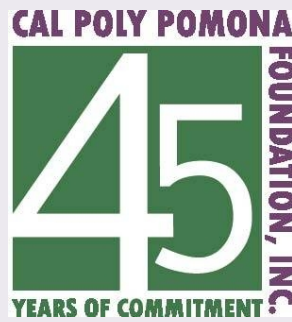
Foundation Consolidated Business Plan

The Consolidated Business Plan is an executive summary of how the Foundation expects to perform and coordinate its activities. During the first quarter of the fiscal year, key Foundation directors will meet to review and discuss the Foundation's Consolidated Business Plan. At this meeting, each director will review his/her unit's business plan with the management team. Directors are held accountable for their business plans. The Foundation Consolidated Business Plan is also designed as a working document. Each director who participates in the Foundation Consolidated Business Plan meeting receives a copy of the plan.

Strategic Plan

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

2012 – 2013
BUDGET REVIEW
POWERPOINT PRESENTATION



CAL POLY POMONA FOUNDATION

2012-13

Board of Directors Meeting
Budget Review
May 24, 2012



POLICY NO. 118- Foundation Budget Process

Annual operating and capital budget for unrestricted activities include:

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

CAL POLY POMONA FOUNDATION

Budget Presentation 2012-2013

UNRESTRICTED ACTIVITIES

General Activities

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

Enterprises

- Bookstores
- Kellogg West Conference Center
- Dining Services
- Foundation Housing Service

Designated Gifts

Reserves

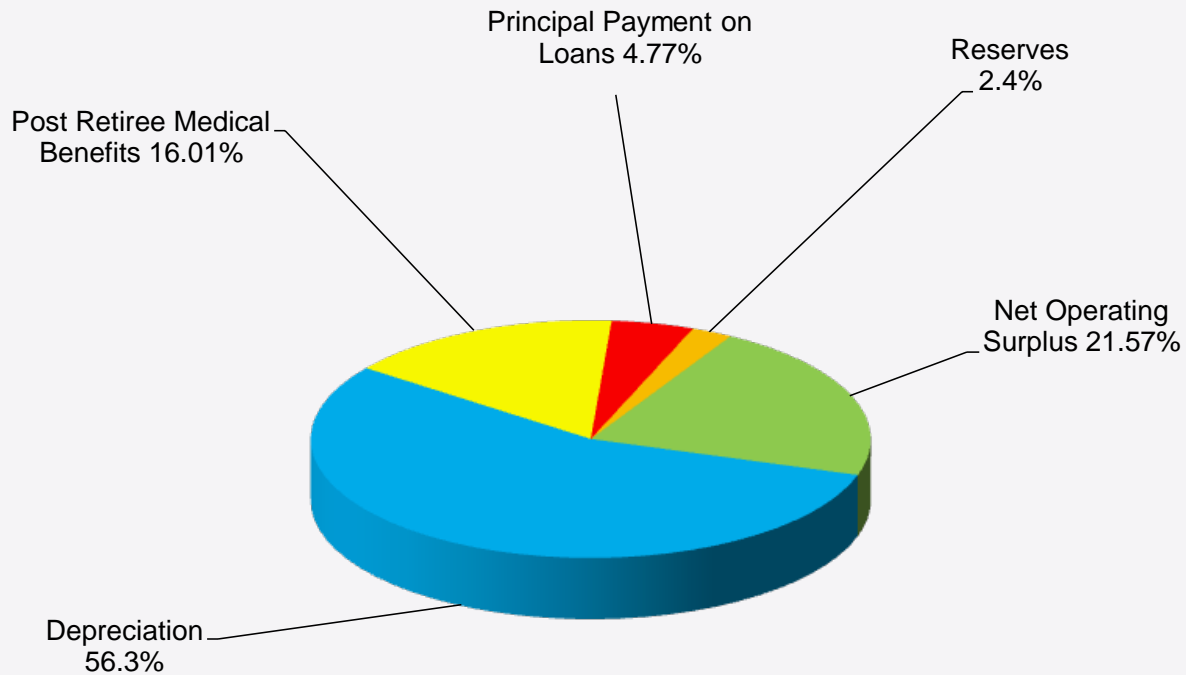
Supplemental Programs

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

CAL POLY POMONA FOUNDATION

Budget Presentation 2012-2013

SOURCES OF CASH



CAL POLY POMONA FOUNDATION

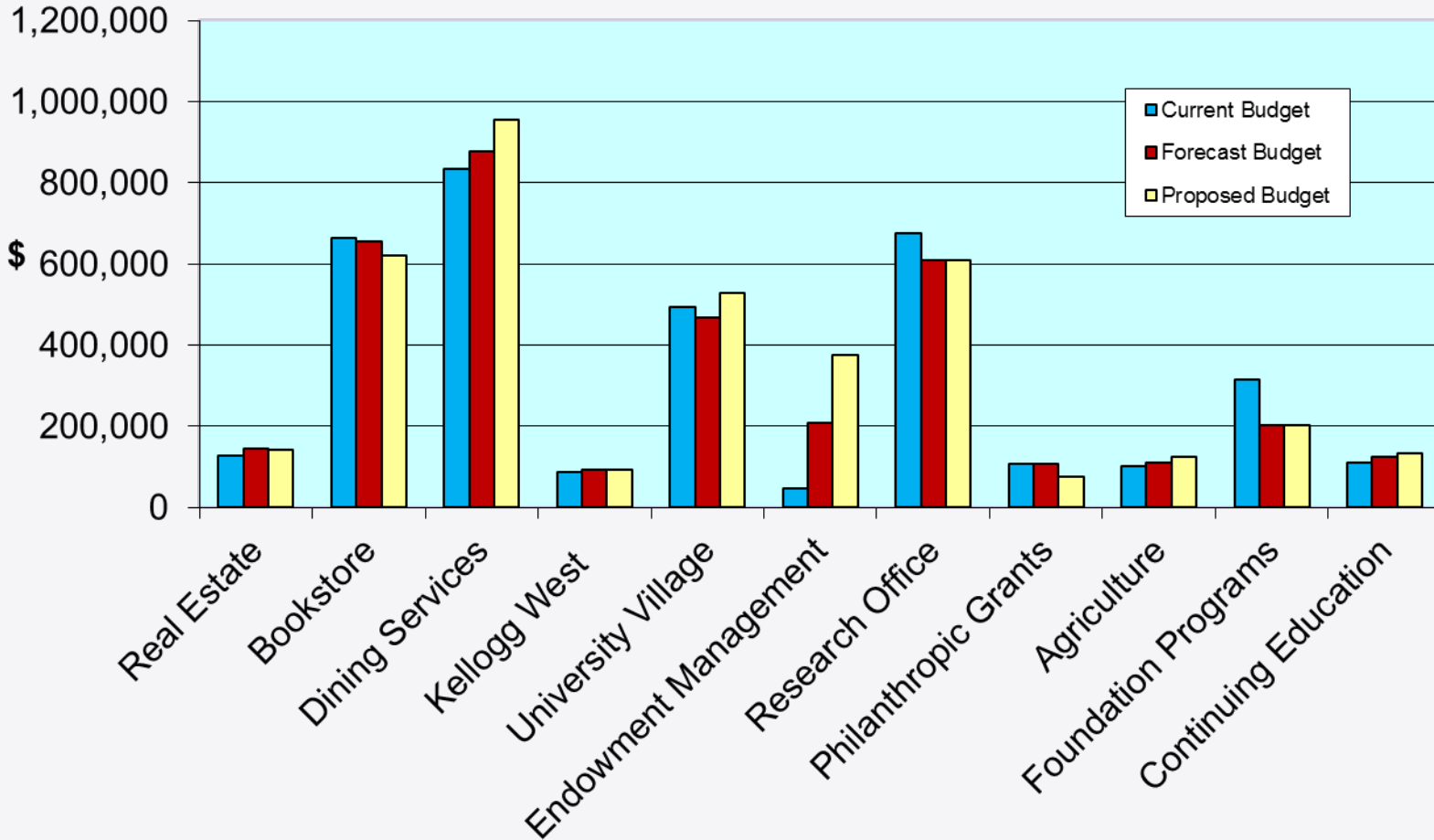
Budget Presentation 2012-2013

ADMINISTRATION	2011-12 Current Year Approved Budget	% of Revenue	2011-12 Current Year Forecast	% of Revenue	2012-13 Proposed Budget	% of Revenue
Revenues	3,594,347	100%	3,614,683	100%	3,869,369	100%
Expenditures Controllable	743,729	21%	867,498	24%	803,703	21%
Expenditures Non-Controllable	313,903	9%	284,390	8%	297,045	8%
Total Labor	3,720,370	104%	3,335,956	92%	3,588,956	93%
Total Expenses	4,778,002	132.9%	4,487,844	124%	4,689,704	121%
Net Income	(1,183,655)	-32.9%	(873,161)	-24%	(820,335)	-21.2%

CAL POLY POMONA FOUNDATION

Budget Presentation 2012-2013

Administration Fee Revenues



CAL POLY POMONA FOUNDATION

Budget Presentation 2012-2013

REAL ESTATE	2011-12 Current Year Approved Budget	% of Revenue	2011-12 Current Year Forecast	% of Revenue	2012-13 Proposed Budget	% of Revenue
Revenues	2,897,636	100%	2,874,037	100%	2,801,494	100%
C.O.G.S	49,980	2%	33,785	1%	49,980	2%
Gross Margin	2,847,656	98%	2,840,252	99%	2,751,514	98%
Expenditures Controllable	840,916	29%	846,283	29%	904,867	32%
Expenditures Non-Controllable	1,388,086	48%	1,313,876	46%	1,327,707	47%
Total Labor	224,578	8%	202,208	7%	212,952	8%
Total Expenses	2,453,580	85%	2,362,367	82%	2,445,526	87%
Net Income	394,076	14%	477,885	17%	305,988	11%

CAL POLY POMONA FOUNDATION

Budget Presentation 2012-2013

REAL ESTATE SURPLUS/(DEFICIT)			
	2011-12 Approved Budget	2011-12 Forecast	2012-13 Proposed Budget
DESCRIPTION			
REAL ESTATE DEVELOPMENT			
Center for Training Technology & Incubation	(36,215)	(41,288)	(140,204)
Innovation Village	443,448	428,332	418,795
Total Real Estate Development	407,233	387,044	278,591
RENTAL Buildings			
Building # 66 - Classrooms & Offices	118,601	93,630	110,359
Building # 97 - Offices	112,998	116,018	113,316
CTTi Building # 220A - Vacant	(96,199)	(93,154)	(96,199)
Total Rental Buildings	135,400	116,494	127,476
FACULTY HOUSING			
Faculty Housing	(148,557)	(25,653)	(100,079)
Total Faculty Housing	(148,557)	(25,653)	(100,079)
GRAND TOTAL REAL ESTATE	394,076	477,885	305,988

CAL POLY POMONA FOUNDATION

Budget Presentation 2012-2013

INVESTMENTS - GENERAL	2011-12 Current Year Approved Budget	% of Revenue	2011-12 Current Year Forecast	% of Revenue	2012-13 Proposed Budget	% of Revenue
<i>Revenues</i>						
Interest Income	587,854	100%	85,466	100%	632,828	100%
Services	0	0%	0	0%	0	0%
Expenditures Controllable	0	0	0	0	0	0
Other Expenses	21,871	4%	22,393	26%	22,289	4%
Expenditures Non-Controllable	21,871	4%	22,393	26%	22,289	4%
Total Expenses	21,871	4%	22,393	26%	22,289	4%
Net Income	565,983	96.3%	63,073	74%	610,539	96.5%

CAL POLY POMONA FOUNDATION

Budget Presentation 2012-2013

INVESTMENTS - ENDOWMENTS	2011-12 Current Year Approved Budget	% of Revenue	2011-12 Current Year Forecast	% of Revenue	2012-13 Proposed Budget	% of Revenue
<i>Revenues</i>						
Admin Fees	-	0%	259,581	10%	-	0%
Interest Income	5,287,289	51%	586,804	23%	3,982,982	79%
Other	5,060,000	49%	1,732,283	67%	1,060,000	21%
Total Revenue	10,347,289	100%	2,578,668	100%	5,042,982	100%
Expenditures Controllable	2,500,000	24%	2,740,961	106%	2,932,236	58%
Expenditures Non-Controllable						
Admin Fees	633,975	6%	303,184	12%	425,071	8%
Other Expenses	296,910	3%	178,223	7%	236,923	5%
Total Expenses Non-Controllable	930,885	9%	481,407	19%	661,994	13%
Total Expenses	3,430,885	33.2%	3,222,368	125%	3,594,230	71%
Net Income	6,916,404	66.8%	(643,700)	-25%	1,448,752	28.7%


CAL POLY POMONA FOUNDATION

Budget Presentation 2012-2013

ENTERPRISES	2011-12 Current Year Approved Budget	% of Revenue	2011-12 Current Year Forecast	% of Revenue	2012-13 Proposed Budget	% of Revenue
Revenues	32,907,090	100%	33,571,966	100%	34,647,993	100%
C.O.G.S	12,450,819	38%	12,670,101	38%	12,812,548	37%
Gross Margin	20,456,271	62%	20,901,865	62%	21,835,445	63%
Expenditures Controllable	3,772,134	11%	3,850,999	11%	4,147,538	12%
Expenditures Non-Controllable	7,546,805	23%	7,418,520	22%	7,756,689	22%
Total Labor	7,638,380	23%	7,248,130	22%	7,933,519	23%
Total Expenses	18,957,319	58%	18,517,649	55%	19,837,746	57%
Net Income	1,498,952	5%	2,384,216	7%	1,997,699	6%


CAL POLY POMONA FOUNDATION

Budget Presentation 2012-2013

 BRONCO BOOKSTORE		2011-12 Current Year Approved Budget	% of Revenue	2011-12 Current Year Forecast	% of Revenue	2012-13 Proposed Budget	% of Revenue
Revenues		10,947,439	100%	10,715,065	100%	10,241,960	100%
C.O.G.S		8,062,423	74%	8,012,463	75%	7,505,712	73%
Gross Margin		2,885,016	26%	2,702,602	25%	2,736,248	27%
Expenditures Controllable		235,467	2%	229,581	2%	274,365	3%
Expenditures Non-Controllable		999,236	9%	997,077	9%	948,384	9%
Total Labor		1,293,834	12%	1,156,018	11%	1,206,465	12%
Total Expenses		2,528,537	23%	2,382,676	22%	2,429,214	24%
Net Income		356,479	3%	319,926	3%	307,034	3%


CAL POLY POMONA FOUNDATION

Budget Presentation 2012-2013

	2011-12 Current Year Approved Budget	% of Revenue	2011-12 Current Year Forecast	% of Revenue	2012-13 Proposed Budget	% of Revenue
Revenues	12,860,142	100%	13,517,539	100%	14,710,236	100%
C.O.G.S	4,387,473	34%	4,656,250	34%	5,305,856	36%
Gross Margin	8,472,669	66%	8,861,289	66%	9,404,380	64%
Expenditures Controllable	1,659,758	13%	1,696,867	13%	1,831,650	12%
Expenditures Non-Controllable	2,224,139	17%	2,276,850	17%	2,468,832	17%
Total Labor	4,213,374	33%	4,127,169	31%	4,588,964	31%
Total Expenses	8,097,271	63%	8,100,886	60%	8,889,446	60%
Net Income	366,445	3%	770,339	6%	516,865	4%

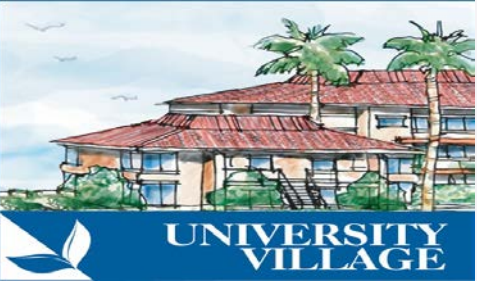
CAL POLY POMONA FOUNDATION

Budget Presentation 2012-2013

		2011-12 Current Year Approved Budget	% of Revenue	2011-12 Current Year Forecast	% of Revenue	2012-13 Proposed Budget	% of Revenue
Revenues		1,356,691	100%	1,364,230	100%	1,431,126	100%
C.O.G.S		923	0.1%	1,388	0.1%	980	0.1%
Gross Margin		1,355,768	100%	1,362,842	100%	1,430,146	100%
Expenditures Controllable		544,523	40%	520,314	38%	565,291	39%
Expenditures Non-Controllable		247,682	18%	240,640	18%	208,188	15%
Total Labor		650,118	48%	601,114	44%	631,301	44%
Total Expenses		1,442,323	106%	1,362,068	100%	1,404,780	98%
Net Income		(86,555)	-6%	774	0%	25,366	2%

CAL POLY POMONA FOUNDATION

Budget Presentation 2012-2013

	2011-12 Current Year Approved Budget	% of Revenue	2011-12 Current Year Forecast	% of Revenue	2012-13 Proposed Budget	% of Revenue
Revenues	7,602,822	100%	7,835,136	100%	8,126,675	100%
Expenditures Controllable	1,724,703	23%	1,738,594	22%	1,852,313	23%
Expenditures Non-Controllable	4,014,390	53%	3,843,559	49%	4,076,417	50%
Total Labor	1,001,146	13%	959,806	12%	1,049,511	13%
Total Expenses	6,740,239	89%	6,541,959	83%	6,978,241	86%
Net Income	862,583	11%	1,293,177	17%	1,148,434	14%

CAL POLY POMONA FOUNDATION

Budget Presentation 2012-2013

Continuing Education	2011-12 Current Year Approved Budget	% of Revenue	2011-12 Current Year Forecast	% of Revenue	2012-13 Proposed Budget	% of Revenue
Revenues	2,529,199	100%	2,804,331	100%	2,965,070	100%
Expenditures Controllable	763,491	30%	876,522	31%	792,474	27%
Expenditures Non-Controllable	182,286	7%	207,123	7%	212,747	7%
Total Labor	1,185,320	47%	1,313,672	47%	1,508,173	51%
Total Expenses	2,131,097	84%	2,397,317	85%	2,513,394	85%
Net Income	398,102	16%	407,014	15%	451,676	15%

CAL POLY POMONA FOUNDATION

Budget Presentation 2012-2013

	2011-12 Approved Budget	2011-12 Forecast Budget	2012-13 Proposed Budget
<u>COLLEGE OF EXTENDED UNIVERSITY - Programs</u>			
Administration	658	(55,395)	4,344
Certificate Programs	32,368	20,800	23,106
English Language Inst.	300,925	278,045	268,294
CEU International Training	30,505	90,241	70,500
Six Sigma Program	3,972	29,501	36,486
Professional Project Management Program	3,223	4,890	8,886
On Site Training Programs	841	15,172	18,310
Start-Up Programs	2,500	1,666	3,501
Technical Programs	4,553	-	-
Test Prep Programs	14,461	5	4,586
Total College of Extended Univ Programs	394,006	384,925	438,013
<u>COLLEGE OF ENGINEERING</u>			
Non-Credit Learning Admin	(5,092)	-	(5,150)
Civil Engineering Review	9,188	3,602	2,217
Total College of Engineering	4,096	3,602	(2,933)
<u>College of Science</u>			
Chemistry Agilent Project	-	18,487	16,596
Total College of Science	-	18,487	16,596
GRAND TOTAL CONTINUING EDUCATION PROGRAMS	398,102	407,014	451,676

CAL POLY POMONA FOUNDATION

Budget Presentation 2012-2013

AGRICULTURE	2011-12 Current Year Approved Budget	% of Revenue	2011-12 Current Year Forecast	% of Revenue	2012-13 Proposed Budget	% of Revenue
Revenues	2,539,441	100%	2,902,129	100%	3,129,118	100%
C.O.G.S	605,525	24%	745,300	26%	794,841	25%
Gross Margin	1,933,916	76%	2,156,829	74%	2,334,277	75%
Expenditures Controllable	1,048,830	41%	1,216,060	42%	1,321,262	42%
Expenditures Non-Controllable	193,028	8%	172,652	6%	221,021	7%
Total Labor	700,556	28%	653,319	23%	687,962	22%
Total Expenses	1,942,414	76%	2,042,031	70%	2,230,245	71%
Net Income	(8,498)	0%	114,798	4%	104,032	3%

CAL POLY POMONA FOUNDATION

Budget Presentation 2012-2013

AGRICULTURE AID TO INSTRUCTION PROGRAMS			
Surplus/(Deficit) Budget Comparison Summary			
DESCRIPTION	2011-12 Approved Budget	2011-12 Forecast Budget	2012-13 Proposed Budget
Agronomy Farms	25,889	96,310	62,691
Arabian Horse Unit	(3,470)	770	2,170
Beef Unit	(6,269)	(1,488)	(1,206)
Fruit Industry	(2,996)	583	4,036
Meat Lab	(202)	5,590	2,734
Ornamental Horticulture	(1,166)	(7,743)	6,449
Pine Tree Ranch	5,434	11,288	6,073
Sheep Unit	(14,775)	(5,240)	(4,888)
Swine Unit	(24,967)	(4,990)	(2,980)
Farm Store at Kellogg Ranch	14,024	19,718	28,953
Total	(8,498)	114,798	104,032

CAL POLY POMONA FOUNDATION

Budget Presentation 2012-2013

RESEARCH	2011-12 Current Year Approved Budget	% of Revenue	2011-12 Current Year Forecast	% of Revenue	2012-13 Proposed Budget	% of Revenue
Revenues	1,500,000	100%	1,600,000	100%	1,600,000	100%
Expenditures Controllable	633,737	42%	829,085	52%	770,042	48%
Expenditures Non-Controllable	676,301	45%	608,800	38%	608,800	38%
Total Labor	144,806	10%	116,963	7%	176,002	11%
Total Expenses	1,454,844	97%	1,554,848	97%	1,554,844	97%
Net Income	45,156	3%	45,152	3%	45,156	3%

CAL POLY POMONA FOUNDATION

Budget Presentation 2012-2013

DESIGNATED GIFTS

Per Policy No. 118, the Foundation has included in this year's budget a contribution in support of the University of \$1,173,096. The contribution is funded from the prior year's surplus after requirements for capital spending, reserves and debt service have been considered and includes the following:

	2011-2012	2012-2013
	<u>Forecast</u>	<u>Proposed</u>
• President's Request	\$ 382,517	\$ 552,750
• University Advancement Request	353,000	419,475
• Research and Graduate Studies Request	110,000	110,000
• Admin. Operating Endowment Request	105,750	74,250
• Faculty Staff Café deficit	13,226	16,621
• Designated Foundation Program Interest	<u>504,475</u>	<u>0</u>
Total Requested	<u>\$1,468,968</u>	<u>\$1,173,096</u>

- Over the past five years the Foundation has contributed over \$4.57 million in cash to the University.



CAL POLY POMONA FOUNDATION

Budget Presentation 2012-2013

USES OF CASH	2011-2012 BUDGET	2011-2012 FORECAST	2012-2013 BUDGET
CAPITAL EXPENDITURES			
Dining Services	1,405,760	1,296,160	743,000
Kellogg West	225,000	248,200	187,000
Bookstore	-	-	25,000
University Village	546,000	694,427	553,000
Administration	148,000	113,000	270,000
Real Estate	488,750	488,750	40,000
Agriculture	214,650	46,950	125,000
CEU	-	-	10,000
Foundation Programs	410,854	410,854	-
PY Carryover	-	-	332,300
TOTAL CAPITAL EXPENDITURES	3,439,014	3,298,341	(1) 2,285,300
FINANCING			
CTTi Bond payment - 2000	185,000	185,000	-
University Village Bond payment - 2005A & B	550,000	550,000	570,000
CTTi Bond payment - 2007	170,000	170,000	180,000
TOTAL USES OF FINANCING	905,000	905,000	750,000
RESERVES			
Agriculture Program Reserve @ 55% net Annual Surplus	-	57,495	54,181
Capital Reserve @ 1.75% of Gross Auxiliary Revenues	796,660	829,662	868,803
Innovation Village Demo Reserve	-	-	82,693
Insurance Reserve	-	27,127	60,950
Residential Board Meal Program Surplus Reserve excess 7%	171,903	437,928	62,398
Pine Tree Ranch Reserve @ 50% net Annual Surplus	2,717	5,644	3,037
Post Retiree Medical Benefits Trust - Note 1	1,000,000	1,000,000	1,000,000
Research & Sponsored Programs	20,000	20,000	20,000
Venture Capital/Real Estate Reserve @ 1% of Gross Revenue	-	-	21,451
TOTAL RESERVE CONTRIBUTIONS	1,991,280	2,377,856	2,173,513
TOTAL USES OF CASH	6,335,294	6,581,197	5,208,813

Note 1 - the 2012-13 budget includes funding \$1.0 mil to a VEBA Trust & the APBO obligation is not considered a Use of Cash

(1) Capital Expenditures of \$1.95 million and carryover of \$330K for a total of \$2.29 million

(2) Principal Debt Payment of \$750,000

(3) Contribution to Reserves \$2.17 million

CAL POLY POMONA FOUNDATION

Budget Presentation 2012-2013

CAL POLY POMONA FOUNDATION, INC.
2012-2013 PROPOSED CAPITAL BUDGET

	Prior Years Remaining	Proposed Detail 2012-13	Proposed Total 2012-13	
Enterprise Activities				
Foundation Housing				
University Village	20,000	553,000		Interior painting Phase III (\$155000), Study lounge construction (\$51000), Tech center/lab (\$10000), Starrez software update (\$27000), Starrez computer servers (\$60000), Wi-Fi installation/equipment (\$225000), Carbon monoxide detectors (\$10000), Network Switch Upgrade- To add additional ports for wireless/office equipment and to increase network bandwidth for the new wireless and Starrez system upgrades (\$15000)
Total Foundation Housing			553,000	
Bronco Bookstore				
Bookstore	-	25,000	25,000	Consultant for Master plan update (\$25000)
Dining Services				
Dining		20,000		Dining Workstation 4 register upgrades- The last of the Micros registers running on Windows XP, which are no longer supported by Microsoft. Lack of security patch support has left the devices increasingly vulnerable to cybe attack
Dining		10,000		Ceiling repairs at CCMP Panda side dining room
ENV Café		5,000		Tables and chairs for patio with umbrellas
Fresh Mex venue		300,000		Installation of Fresh Mex concept at BSC to replace Subway Express
Poly Fresh @ CTTi		25,000		Tables and chairs (\$8000), Display cooler and mill work (\$12000), Electrical work (\$5000)
Los Olivos		85,000		Remodel and mill work for lobby (\$25000), Upgrade to service area- new paint, lighting, and minor mill work (\$25000), Video monitors for menus/nutrition kiosks (\$5000), Tables and chairs for dining area new lighting (\$30000)
Vista Market		16,000		Exterior freezer
Kellogg West Dining	17,500	132,000		Replace buffet line (\$5000), Dining room electrical and plumbing work (\$15000), Portable tables/chairs for KHP & KW (\$20000), Refer trucks for KW (\$70000), Paint dining rooms (\$12000), Electrical work for buffet lines (\$10000)
Einstein Bagel Shop	92,100	50,000		Additional funding to complete tenant improvements
CBA Convenience Store		100,000		Additional funding to complete tenant improvements, Addition of a self check out POS system
Total Dining Services			743,000	
Kellogg West Conference Center & Lodge				
Kellogg West Rooms & Conference		187,000		Front desk/lobby/main floor refurbishment, painting and wallpaper (\$40000), Main conference center refurbishment, painting, and wallpaper (\$85000), Main conference center public area furniture replacement (\$15000), Conference center meeting room signage upgrade (\$5000), Hillside and Woodview hallways (4 floors) carpet replacement (\$35000), Kellogg West server upgrade- the current computer hardware running the Kellogg West HVAC services is at the end of life and needs to be upgraded (\$7000)
Total Kellogg West			187,000	
Facilities				



CAL POLY POMONA FOUNDATION

Budget Presentation 2012-2013

CAL POLY POMONA FOUNDATION, INC. 2012-2013 PROPOSED CAPITAL BUDGET

(Continued)

	Prior Years Remaining	Proposed Detail 2012-13	Proposed Total 2012-13	
Real Estate Activities				
CTTI Buildings		40,000		Landscape improvements behind Bldg. 220B (\$10000), Courtyard furniture (\$6000), CTTi lounge furniture (\$3000), HVAC energy management system (Honeywell) (\$21000)
Total Real Estate Activities			40,000	
College of Ag				
Spadra/Westwind Ranch	90,000	70,000		Hay Barn Repairs/Concrete at Spadra Ranch (\$40000), Well #3 Repairs and rehab at Westwind Ranch (\$30000)
Pine Tree Ranch	77,700			Repairs and improvements to ranch house
Farm Store		55,000		Multi deck merchandiser-Deli (\$25000), Re-location of Farm Store entrance (\$30000)
			125,000	
College of Science				
Chemistry Agilent Project		10,000	10,000	Computer Equipment
Administration				
Human Resources	20,000	40,000		KRONOS Employment Services- Expansion of services and upgrade version 6.1 to 6.2
Accounting		10,000		A/P area remodel/consultant designer
Management Info Systems	15,000			WAVE document workflow
Management Info Systems		35,000		Generator- For Building 55 computer room to provide constant power during campus outages
Management Info Systems		15,000		Mobile Device Security Management Software- To provide file access and security for personal mobile devices connecting to Foundation data sources
Management Info Systems		30,000		Disk to Disk Back-up solution- For enterprise backup and recover as well as disaster recovery capability
Management Info Systems		15,000		VM System Enhancements- Additional memory, upgraded fiber card and disk capacity
Management Info Systems		75,000		Financial System Business Process Review- Consulting time and development work to improve workflow. Work will also build out of test system for following year's upgrade from IFAS 7.72 to 10.2
Management Info Systems	-	50,000		Endowment Module for IFAS- To provide more efficient processing of donations and endowments
Total Administration			270,000	
Prior Years and Proposed Capital Budget	332,300		1,953,000	
Total Prior Years and Proposed Capital Budget			2,285,300	

Note - the proposed capital budget assumes funding from the operations of the unit and no funding from the reserves, except for Los Olivos and Pine Tree Ranch.



CAL POLY POMONA FOUNDATION

Budget Presentation 2012-2013

USES OF CASH		2011-2012	2011-2012	2012-2013
		<u>BUDGET</u>	<u>FORECAST</u>	<u>BUDGET</u>
CAPITAL EXPENDITURES				
	Dining Services	1,405,760	1,296,160	743,000
	Kellogg West	225,000	248,200	187,000
	Bookstore	-	-	25,000
	University Village	546,000	694,427	553,000
	Administration	148,000	113,000	270,000
	Real Estate	488,750	488,750	40,000
	Agriculture	214,650	46,950	125,000
	CEU	-	-	10,000
	Foundation Programs	410,854	410,854	-
	PY Carryover	-	-	332,300
	TOTAL CAPITAL EXPENDITURES	3,439,014	3,298,341	2,285,300
FINANCING				
	CTTi Bond payment - 2000	185,000	185,000	-
	University Village Bond payment - 2005A & B	550,000	550,000	570,000
	CTTi Bond payment - 2007	170,000	170,000	180,000
	TOTAL USES OF FINANCING	905,000	905,000	(2) 750,000
RESERVES				
	Agriculture Program Reserve @ 55% net Annual Surplus	-	57,495	54,181
	Capital Reserve @ 1.75% of Gross Auxiliary Revenues	796,660	829,662	868,803
	Innovation Village Demo Reserve	-	-	82,693
	Insurance Reserve	-	27,127	60,950
	Residential Board Meal Program Surplus Reserve excess 7%	171,903	437,928	62,398
	Pine Tree Ranch Reserve @ 50% net Annual Surplus	2,717	5,644	3,037
	Post Retiree Medical Benefits Trust - Note 1	1,000,000	1,000,000	1,000,000
	Research & Sponsored Programs	20,000	20,000	20,000
	Venture Capital/Real Estate Reserve @ 1% of Gross Revenue	-	-	21,451
	TOTAL RESERVE CONTRIBUTIONS	1,991,280	2,377,856	2,173,513
TOTAL USES OF CASH		6,335,294	6,581,197	5,208,813

Note 1 - the 2012-13 budget includes funding \$1.0 mil to a VEBA Trust & the APBO obligation is not considered a Use of Cash

(1) Capital Expenditures of \$1.95 million and carryover of \$332K for a total of \$2.29 million

(2) Principal Debt Payment of \$750,000

³⁰ (3) Contribution to Reserves \$2.17 million

CAL POLY POMONA FOUNDATION

Budget Presentation 2012-2013

Description	Debt Service Coverage (Fiscal Year Ended June 30)		Proposed Budget 2012-13
	Budget 2011-12	Forecast 2011-12	
Change in unrestricted net assets	184,233	1,100,157	1,477,434
Add Back:			
University Designated Expenses	1,477,508	1,468,968	1,173,096
Surplus (Deficit) before Designated Expenses - see Note	\$ 1,661,741	\$ 2,569,125	\$ 2,650,530
Add Back:			
Depreciation and amortization	3,629,573	3,560,091	3,786,795
Interest (see detail below)	1,435,663	1,435,663	1,403,350
Available for Debt Service	6,726,977	7,564,879	7,840,675
Maximum Annual Debt Service *			
2000 Series Bonds	197,705	197,705	-
2005 Series Bonds	1,830,625	1,830,625	1,830,625
2007 Series Bonds	332,750	332,750	332,750
Total Debt Service	2,361,080	2,361,080	2,163,375
Total Debt Service before Designated Expenses - see Note	2.85	3.20	3.62
Total Debt Service after Designated Expenses	2.22	2.58	3.08
Note: The CSU requires for additional bond issuance, the Foundation demonstrate a debt service coverage ratio of 1.25 for both the proposed project and Foundation's debt program.			
* Maximum annual debt service is reported as the total amount of scheduled debt service during the year in which the debt service is scheduled to be highest during the life of the Bonds			
Interest Detail			
2000 Series Bonds - Interest	5,288	5,288	0
2005 Series Bonds - Interest	1,276,208	1,276,208	1,256,250
2007 Series Bonds - Interest	154,167	154,167	147,100
Total Interest Expense	\$1,435,663	\$1,435,663	\$1,403,350

CAL POLY POMONA FOUNDATION

Budget Presentation 2012-2013

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

	<u>Proposed</u>	<u>Goal</u>
• <u>Policy No. 103</u>		
• Indirect Cost (Disallowance) Reserve	404,656	492,195
• <u>Policy No. 170</u>		
• Agriculture Program Reserve	169,701	75,000
• Pine Tree Ranch Reserve	63,526	75,000
• <u>Policy No. 171</u>		
• Res Board Meal Program Surplus Res	1,093,854	
• Cafeteria State Share Reserve	182,062	
• <u>Policy No. 172</u>		
• Operating Reserve	5,536,289	5,536,289
• Capital Equipment Reserve	3,849,408	6,000,000
• Venture Capital/Real Estate Reserve	498,458	6,000,000
• <u>Policy No. 173</u>		
• APBO for Retiree Medical Benefits	14,804,073	14,804,073
• Funded portion of Retiree Medical Benefits	1,000,000	
• <u>Policy No. 174</u>		
• Insurance Reserve	198,398	
• <u>Policy No. 175</u>		
• Research & Sponsored Programs Reserve	156,390	



CAL POLY POMONA FOUNDATION

Budget Presentation 2012-2013

USES OF CASH		2011-2012	2011-2012	2012-2013
		BUDGET	FORECAST	BUDGET
CAPITAL EXPENDITURES				
Dining Services		1,405,760	1,296,160	743,000
Kellogg West		225,000	248,200	187,000
Bookstore		-	-	25,000
University Village		546,000	694,427	553,000
Administration		148,000	113,000	270,000
Real Estate		488,750	488,750	40,000
Agriculture		214,650	46,950	125,000
CEU		-	-	10,000
Foundation Programs		410,854	410,854	-
PY Carryover		-	-	332,300
TOTAL CAPITAL EXPENDITURES		3,439,014	3,298,341	2,285,300
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CTTi Bond payment - 2007		170,000	170,000	180,000
TOTAL USES OF FINANCING		905,000	905,000	750,000
RESERVES				
Agriculture Program Reserve @ 55% net Annual Surplus		-	57,495	54,181
Capital Reserve @ 1.75% of Gross Auxiliary Revenues		796,660	829,662	868,803
Innovation Village Demo Reserve		-	-	82,693
Insurance Reserve		-	27,127	60,950
Residential Board Meal Program Surplus Reserve excess 7%		171,903	437,928	62,398
Pine Tree Ranch Reserve @ 50% net Annual Surplus		2,717	5,644	3,037
Post Retiree Medical Benefits Trust - Note 1		1,000,000	1,000,000	1,000,000
Research & Sponsored Programs		20,000	20,000	20,000
Venture Capital/Real Estate Reserve @ 1% of Gross Revenue		-	-	21,451
TOTAL RESERVE CONTRIBUTIONS		1,991,280	2,377,856	(3) 2,173,513
TOTAL USES OF CASH		6,335,294	6,581,197	5,208,813

Note 1 - the 2012-13 budget includes funding \$1.0 mil to a VEBA Trust & the APBO obligation is not considered a Use of Cash

(1) Capital Expenditures of \$1.95 million and carryover of \$332K for a total of \$2.29 million

(2) Principal Debt Payment of \$750,000

³³ (3) *Contribution to Reserves \$2.17 million*

POLICY NO. 172 -Long-Range Cash Forecast (Fiscal Viability) & Reserves

Long-Range Cash Forecast includes ten year forecaster of:

- Surplus (Deficit)
- Non cash Transactions
- Financing Activities
- Capital Improvements
- Designated Gifts
- Reserve draws / Contributions
- Net cash available



CAL POLY POMONA FOUNDATION

Budget Presentation 2012-2013

Cal Poly Pomona Foundation, Inc. Long Term Cash Plan/Reserve (000's)						Reserve						
						Balances	Reserve					
						2023	Goal					
						2011	2012					
						2013	2014-2018					
						2014-2023						
SOURCES OF CASH												
Excess of Revenue over Expenses												
Total Surplus (Deficit) - Operations						3,181	2,569	2,650	14,758	35,713		
Non-cash transactions												
Depreciation						3,415	3,561	3,787	18,935	37,870		
FAS 158 - Post Retiree Medical Benefits						851	1,082	1,097	2,650	3,936	19,628	19,628
Total Non-cash transactions						4,266	4,643	4,884	21,585	41,806		
TOTAL CASH GENERATED FROM OPERATIONS						7,447	7,212	7,534	36,343	77,519		
Total Financing Activities						25	262	327	1,655	3,382		
Total Reserve Activities						45	830	163	4,752	10,261		
TOTAL SOURCES OF CASH						7,517	8,304	8,024	42,750	91,162		
USES OF CASH												
Capital Project Requirements						5,001	3,298	2,285	10,828	23,405		
Financing Activities						715	905	750	5,820	13,066		
Designated Gifts						1,036	1,469	1,173	6,806	15,492		
Transfer Fixed Assets to University						-	-	-	-	-		
Other Changes- see note						-	-	-	-	-		
Reserve Contributions						724	2,378	2,174	9,858	20,541	18,746	24,479
TOTAL USES OF CASH						7,476	8,050	6,382	33,312	72,504		
Net Change in Cash						41	254	1,642	9,438	18,658		
Cash Available						3,132	3,386	5,028	14,466	23,686		
Min. Two Month Working Capital Reserve Required						-	5,237	5,536				

CAL POLY POMONA FOUNDATION

Budget Presentation 2012-2013

General, Enterprise, and Reserve Budgets for Fiscal Year 2012-13 Resolution

WHEREAS, Pursuant to the provisions of the Policies and Procedures for California State University Auxiliary Organization Section 9.8.1, for the Educational Code Section 89904(b), the Cal Poly Pomona Foundation's proposed operating budgets and forecast include: General Activities (Administration; Real Estate & Investments) Enterprise Activities (Bookstore/Dining Services/Kellogg West/Foundation Housing); Reserves and Capital Budgets; along with the Summary of Sources and Uses and Working Capital; Statement of Activities; Debt Service Coverage; and Long Term Cash Plan/Reserves. The Foundation's governing Board accomplishes these activities by reviewing and approving the annual operating and capital budgets before the start of each fiscal year. Necessary changes to the approved budgets may be made by the governing Board as the fiscal year progresses, and

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

CAL POLY POMONA FOUNDATION

Budget Presentation 2012-2013

(Continuation)

WHEREAS, the budget includes contributing 9.5% to the CALPERS 2% at 55 years of age retirement Risk Pool for employees hired on or before June 26, 2011 (these employees will contribute 5%) and 7.73% for employees hired thereafter to the CALPERS 2% at 60 retirement Risk Pool (these employees will contribute 7%) for a total of approximately \$803,000; and no change to salary grades ranges and a 3% or approximately \$135,000 wage adjustment for eligible employees (“Eligible employees” are regular benefited employees paid from non-grant funds, who were hired prior to the beginning of this 2011-12 fiscal year and who have not had any pay adjustments due to promotions or job restructures during the 2011-12 fiscal year), and among the Eligible employees includes the Executive Director and Senior Managing Director/CFO; and contribute \$1.0 million to the VEBA Trust and assume 9% as the benefit cost for the postretirement health care plan as per actuarial studies.

WHEREAS, the Foundation management has prepared and presents these proposed operating and capital budgets and forecasts, designated gifts, reserves and long range plan/reserve, and

WHEREAS, the Board of Directors has reviewed and discussed these proposed operating and capital budgets and forecasts, designated gifts, reserves and long range plan/reserve pursuant to Foundation Budget Process Policy No. 118, and

NOW, THEREFORE, the Board of Directors approves the Proposed Operating and Capital Budgets for fiscal year 2012-13 and forecasts for fiscal year 2011-12 for General Activities, Enterprise Activities, Supplemental Programs, Designated Gifts, Reserves and the long-range cash plan/reserve.

PASSED AND ADOPTED THIS 24th DAY OF MAY 2012

By: _____

Winnie Dong, Secretary

Cal Poly Pomona Foundation Board of Directors

SUMMARY

CAL POLY POMONA FOUNDATION, INC. PROPOSED 2012-13 BUDGET HIGHLIGHTS

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

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

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

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

The proposed operating revenues of \$50.7 million offset by the expenditures of \$49.2 million generate a net surplus of \$1,477,434. The proposed operating budgeted revenues are projected to increase \$2,193,257 or 4.5% over the current year forecast mainly due to Dining Services, University Village, Agriculture, Continuing Education and offset by Bookstore. In arriving at this surplus, management recommends the following:

- Allow for a 5.00% increase in the meal plans and assume the same number of residents on the meal plans;
- Allow for a 5% increase in license fee rates at University Village and assume academic year and summer occupancy of 95% and 30% respectively;
- Contribute 9.5% to the CALPERS 2% at 55 years of age retirement Risk Pool for employees hired on or before June 26, 2011 (these employees will

contribute 5%) and 7.73% for employees hired thereafter to the CALPERS 2% at 60 retirement Risk Pool (these employees will contribute 7%) for a total of approximately \$803,000;

- No change to salary grades and a 3% or approximately \$138,000 wage adjustment; and
- Contribute \$1.0 million to the VEBA Trust and assume 9% as the benefit cost for the postretirement health care plan per actuarial studies

The proposed debt service coverage beginning with the net surplus and adding back the designated gifts, depreciation and interest generates a proposed coverage of 3.62 and forecasted coverage of 3.08. The proposed budget and forecast meets (exceeds) the CSU requirements for additional bond issuance of 1.25 though the Foundation's currently does not have any proposed capital projects that require additional bond financing.

The proposed operating, non-cash transactions including depreciation, financing and uses of reserves as reported in the Summary of Sources of Cash, generates \$6.8 million from the following activities:

• Operating surplus	\$2,650,530
• Designated Gifts to the University	(1,173,096)
• Non-cash depreciation and amortization	3,786,795
• Non-cash retirement medical	1,096,882
• Financing	325,570
• Reserves	<u>162,700</u>
• Total cash generated	<u>\$6,850,381</u>

The proposed uses of cash of \$5.2 million are for the following activities:

• Capital improvement requests	\$1,953,000
• Capital improvement carry forward	332,300
• Principle bond payments	750,000
• Contributions to reserves	<u>2,173,513</u>
• Total cash used	<u>\$5,208,813</u>

The proposed capital budget request of \$1.9 million is for Foundation Village Housing, Bookstore, Dining Services, Kellogg West Conference Center, Real Estate, College of Agriculture and Science and Administration.

General Activities – include administration, real estate and investments, are projected to generate a surplus of \$96,192 versus a forecasted deficit of \$332,203 mainly due to projected return on investments. **Administration** revenues are comprised of fees and are budgeted to increase 7.0% or \$254,686 mainly due to increased revenues from Dining Services and University Village. Administration is proposing to generate a deficit of (\$820,335) versus a forecasted deficit of (\$873,161) and includes the retirees medical benefit premiums of \$479,725 and \$454,513 in the proposed budget and forecast respectively.

Administration is requesting capital of \$270,000 for the following: KRONOS expansion of services and upgrade, Workstations, Generator for computer room, Mobile device for security management software, Disk to disk back-up solution, VM system enhancements, Financial system business process upgrades and

Endowment Module. Carryover funding from prior years is \$25,000 for KRONOS expansion of services and upgrade and Wave document workflow.

Real Estate includes development, building rental and faculty staff housing and is projecting to generate a surplus of \$305,988 versus the forecast of \$477,885. The Real Estate Division is requesting capital of \$40,000 for landscape improvements behind Building 220B, Courtyard furniture, CTTi lounge furniture and HVAC energy management system.

General Investments (excluding endowments) are budgeted to generate a surplus of \$610,539 versus a forecasted surplus of \$63,073 due to a proposed return of 6% or \$478,431 in the equity markets with an average portfolio of \$7.9 million by investing \$3.5 million (\$500,000 per month) over the first seven months of the fiscal year. The fixed income portfolio is budgeted to generate a surplus of \$132,103 based upon gross interest earnings of \$193,201 less unrealized loss of \$0 as we are assuming no changes in the interest rates, broker fees of \$22,288 and total quarterly interest distributions of \$3,271 to the scholarship programs and \$29,292 to the Foundation programs. The fixed income portfolio's adjusted weighted average yield forecast of approximately 0.72% decreases to 0.62% by June 2013 and we move the current duration of 0.89 back to the Merrill Lynch 1 to 3 year Treasury/Agency Index duration of approximately 1.75 as bonds mature and with an additional \$3.0 million (\$500,000 per month) invested starting in January 2013 based upon the sensitivity analysis prepared by Bondlogistix.

Endowment Investments The proposed budget generates a surplus of \$1.4 million and assumes the endowment value is \$58.7 million at June 2012 and is proposed to increase to \$68.2 million at June 2013. Working with Morgan Stanley Smith Barney we have proposed an annual return of 4% excluding dividends and interest. Dividends and interest are forecasted to return 1.4% and 0.6% respectively. Donations are projected to be \$1.0 million and the pledge payments are projected to be \$8.1 million including the Kellogg Foundation pledge payment. We anticipate a 5% or \$2.9 million endowment earnings distribution in October 2012.

Bookstore - The state of the economy and the competitive pressures on course materials will again affect Bronco Bookstore with a budgeted decrease in revenues of 4.4% or \$473,105 generating a proposed surplus of \$307,034 or 3.0%. Although the rate of decrease has slowed somewhat from fiscal year 2009-10, combined sales and rentals have continued to decline – fiscal year to date decrease of 6% compared to fiscal year 10-11, and that trend is expected to continue. However, other high-margin categories such as gifts and soft goods have seen sales growth and that has kept net income in line with expectations. The Bookstore is forecasting a 3% net income which is the same as last year.

General Merchandise areas rely on more discretionary income spending and have remained fairly constant during the past year. Supplies revenue is budgeted to be flat for the coming year however Soft Goods and Gifts revenue is budgeted to increase 21% or \$219,618. Food areas are planned to be flat, while health and beauty will be down slightly. The Computer Store continues to be a steady performer, and is seen as a growth area for the Bookstore, though the variable nature of departmental sales on campus makes it hard to predict. The store plans to continue pursuing the strategy of marketing to students and parents, as well as growing services like

computer repairs, and improving the e-commerce potential for computer and accessory sales.

Nothing remarkable is expected in the expense area. Tight controls on expenses will be the ongoing trend, with no capital projects planned. Labor will continue to be a focus, with a tighter control on student and part time staff hours.

Bookstore capital request is \$25,000 for a consultant to update the Master Plan.

Dining Services - With the following new features and venues we are projecting sales to come in at just over \$14.8 million, an increase of \$1.2 million or 8.7% over forecast and generate a surplus of \$472,640 or 3.2%. The fiscal year will be filled with many new and exciting challenges. This summer we will implement the new menu at CTTi cafe with a Panera style flair coupled with our new Poly Fresh "Fresh to Go" program featuring upscale sandwiches and salads. We plan on opening a new "Qdoba" format at Bronco Student Center. At Los Olivos we will be remodeling both the Lobby area and Serving area, adding 2 nutrition stations as well as online nutrition information and LED menu displays at each point of service. At CCMP we will be working with the CPP Bike Club to market and promote the "Bike Shop", and will be adding additional exterior bike racks and refreshing the dining area. Vista and Denny's will be marketing there new LTO's including pancake specials and adding milk shakes to the menu. We are also gathering information on installing baffles to reduce the noise in the dining area. At the ENV cafe we will be adding new exterior tables, chairs and umbrellas similar to those at CCMP to refresh the look of the patio area to create a more inviting atmosphere. In the catering function we will be enhancing the dining room at Kellogg West with new paint, and renewing the menus both for catering and the conference guests. KHP will see some new features and marketing programs including monthly recitals, elder hostel tours and expanded menus. With the opening of the new College of Business complex we will be opening Einstein's Bagel Shop featuring fresh baked bagels and pastries, sandwich specials and a wide array of signature beverages. Next door to Einstein's will be the new Pony Express featuring a wide assortment of packaged goods and snacks along with bottled beverages coupled with our new Poly Fresh "Fresh to Go" items. With the above new features and venues we are projecting sales to come in at just over \$14.8 million which will generate a contribution of more than 3.2% to the bottom line. The above is predicated on Board approval for the requested enhancements.

With the projected growth in our base operations on campus and the addition of 3 new venues on campus, we are requesting the following additions to our staff:

- Assistant Manager at Vista Market
- Supervisor/Manager at Qdoba venue at Bronco Student Center
- Supervisor at the Pony Express @ CBA
- Manager at the Einstein's/Pony Express-a @ CBA
- Assistant Manager at Starbuck's
- Supervisor at Kellogg House

Retail Dining revenues are budgeted to increase by \$1.6 million to \$6,228,646 or a 33.2% increase over the current year's forecast of \$4,677,610. Retail dining is budgeting to generate a surplus of \$930,151, versus a forecasted surplus of

\$871,896. The revenue increases are due to the new venues and programmatic enhancements as mentioned above.

Vending sales are proposed to decrease by 16.1% or \$24,100 over the current year forecast and will generate a surplus of \$21,986 versus the current year forecasted surplus of \$44,032.

Residential Dining segment of our business reflects a proposed decrease in revenues of 7.5% or \$555,484 due to the closing of the Los Olivos C-store. The proposed budget assumes the same number of residents and we are requesting a 5.0% increase in the traditional meal plans. Our new Group Purchasing Organization (GPO) agreement should also have a positive effect on cost of goods at with in the resident dining programs. This coupled with the new interactive nutrition information website and additional programmatic enhancements with in Resident dining will have very positive effects.

Kellogg West Food and Beverage/ Campus Catering revenues are budgeted to increase 12.5% or \$201,246 generating a deficit of \$34,845 versus a forecasted deficit of \$164,746. This is due to updates in our catering and conference menus coupled with the use of our GPO which will impact Cost of Goods (COG) along with improving controls in both labor and combined expenditures. In addition KW will be introducing new catering menu section, focused on simpler offerings of budget conscious items to address the needs of the campus during these uncertain budgetary times.

Dining Services Administration which provides management oversight, supervision, accounting and general logistics support for Foundation Dining Services, will generate a deficit of \$860, 984 for the upcoming fiscal year; this represents a slight increase over the current year's forecast by \$13,892.

As detailed above Foundation Dining Services will see a combined budgeted growth in sales of over \$1.2 million, to \$14,848,232 and will generate an overall budgeted contribution of \$472,640.

Dining Service's capital budget request of \$743,000 includes the following:

- \$20,000 - Four register upgrades- The last of the Micros registers running on Windows XP.
- \$10,000 - Ceiling repairs at CCMP Panda side dining room
- \$5,000 - Tables and chairs for patio with umbrellas at ENV Cafe
- \$300,000 - Installation of Fresh-Mex concept at BSC to replace Subway Express
- \$25,000 - Tables and chairs, display cooler and mill work, electrical work @ Poly Fresh @ CTTi
- \$85,000 - Remodel and mill work for lobby (\$25000), upgrade to service area, new paint, lighting, and minor mill work, video monitors for menus/nutrition kiosks, tables and chairs for dining area new lighting.
- \$16,000 - Exterior freezer @ Vista Market
- \$132,000 - Replace buffet line, dining room electrical and plumbing work , portable tables/chairs for KHP & KW , refer trucks for KW, paint dining rooms, electrical work for buffet lines
- \$50,000 - Additional funding to complete tenant improvements * Einstein's Bagel Shop
- \$100,000 - Additional funding to complete TI's at CBA cafe and install "Self Check-out" POS system

Kellogg West Conference Center & Lodge - The proposed budgeted revenues are projected to increase by 4.9% or \$66,896 resulting in a surplus of \$25,366 versus a forecasted surplus of \$774. For 2012-2013 there are no changes planned in Staffing. The proposed budget assumes an increase for meetings/conferences and revenues will continue increasing through 2012-2013 with the continued demand for affordable facilities that "look good on paper". This was especially noticeable with the return of many past clients who at one time "up-scaled" their meetings to higher priced, luxury alternatives but who are now, due to budget constraints, coming back to more affordable alternatives such as Kellogg West. The addition of the second SCE corporate building to Innovation Village has also helped create an increase in demand for Kellogg West meeting services/facilities, with quite a few small one and two day SCE associated meetings being steadily booked and inquiry calls continuing almost daily. Controllable Expenses as well as labor expenses for 2012-2013 continue to be tightly controlled and the financial bottom line is the focus. In light of forecasted continued sluggish economic conditions Kellogg West will only slightly increase some areas of pricing, where costs have greatly increased, but as a whole will hold present pricing in order to continue being "affordable" and "competitive" in a market that has a great deal of many and newer hospitality alternatives.

Kellogg West Conference Center and Lodge is requesting capital funds of \$187,000 for the following:

- Front desk/lobby/main floor refurbishment, painting and wallpaper (\$40,000),
- Main conference center refurbishment, painting, and wallpaper (\$85,000),
- Main conference center public area furniture replacement (\$15,000),
- Conference center meeting room signage upgrade (\$5,000),
- Hillside and Wood View hallways (4 floors) carpet replacement (\$35,000),
- Kellogg West server upgrade- the current computer hardware running the Kellogg West HVAC services is at the end of life and needs to be upgraded (\$7,000)

University Village – The 2011-2012 budgeted revenues are projected to increase by 3.7% or \$291,539 and has been designed to continue the growth and development experienced over the past several years while increasing the use of "best practices" and maintaining fiscal accountability. A sense of "reality" as to what we "need to do" to maintain success and continue development of each project "unit" continues to guide the "writers" of the latest financial plan. Student occupancy "drives" the development of this budget. As a result of our overall success in employing a 95% academic year occupancy guide, we've decided to once again base our "bottom line" and revenue projections on this percentage. In light of the continued "evolution" of the summer "mission" of the University, we've maintained our expectations of summer occupancy at 30% of available bed spaces with a proposed "special" reduced "summer rate" for students living in the open buildings. This fiscal year, we propose the closing of Phase III for the summer months to allow for painting, cleaning, and general repairs. We expect full or near full occupancy during 2012-2013 however, it's important to consider changes in the University, national and international economy, enrollment and subsequent budget "cuts" etc. and allow for some "cushioning" against any sudden economic and budgetary downturns. The 2012-2013 budget is based (largely) on the end of year forecast provided for 2011-2012. We've reduced (considerably) spending in 2010-2011 and 2011-2012 without compromising the development of the facility, operations and transitional housing program. All units did

well with "belt tightening" this year. We've been able to add a full-time Technology Coordinator (2011) and full-time Community Development Coordinator (2012). Both positions have already made a significant positive impact on our operation.

We believe that this is a "balanced" and focused budget capable of continuing forward movement during a time of national recovery from recession and extraordinary changes in higher education. The 2012-2013 budget is somewhat less "lean" than recent budget submissions. We've restored some funding for professional staff development and related travel. We also don't want to "lose ground" on the progress that we've made both maintaining and upgrading facilities. We're "thankful" that we can rely on years of growth and economic success during these difficult and uncertain times, we believe however that we must continue the vigorous maintenance and facility enhancement program (outlined in the 10 year cash flow plan) in order to satisfy our "customer" and prevent a greater, more long term and costly decline in residential facilities. We believe this is a "good" budget allowing for a necessary 5% increase in license fee rates in all Phases while preserving an economic "first rate" quality of life offered to our customers. Our decision to create a consistent rate for Phases II and III was a popular one with Phase III occupancy "soaring" past Phase II during 2011-2012. The completion of capital projects in Phase I (new kitchen cabinets, carpet replacement, medicine cabinets, appliances, paint etc.) has modernized this area and far more popular with our students. We believe that our customers have many options and choices in relation to where they live (especially with the opening of an additional phase of the UHS suites and with numerous local apartment communities experiencing significant vacancies). We want and need for the University Village to remain the premier housing choice for area college students looking to live in a more independent and progressive environment!

Capital projects of \$553,000 for 2012-2013 again reflect a focus on the "practical and necessary" in order to ensure essential services and customer appeal. We continue to maintain, upgrade and "extend the life" of our "aging" facilities. Phase III will be closed for the summer for "cosmetic" and "light" structural upgrades. This work is critical in order to maintain the "appeal" of Phase III housing as well as to reduce the effects of wear and tear on the facility. 2012-2013 projects are listed below in priority order:

- Scheduled refurbishing/painting and repair of all Phase III apartments - \$155,000
- Installation of WiFi throughout the Village - \$225,000
- Study/Computer Lounge Construction - \$51,000
- Technology Support Center - \$10,000
- Star Rez Housing Management System Software Update - \$27,000
- Star Rez VM Servers - \$60,000
- Carbon Monoxide Detectors - \$10,000
- Network Switch Upgrades - \$15,000

Board Designated Gifts – for the benefit of the University, is projected to decrease 20% or \$295,872 to \$1.2 million due to the carryover of \$410,854 from the prior year that was expended for upgrades to the Kellogg Gymnasium. The proposed Board designated gift request actually increased 10.9% or \$114,982 (net of the carryover) and includes funds for the President's public relations, University Advancement's outreach, communications and University-wide events to our alumni, friends and

donors and Office of Research and Graduate Studies for a program designed to increase grant and contract activity to strengthen the training of teacher-scholars.

Research Office – Research and Sponsored Programs consists of two projects. The Office of Research and Sponsored Programs proposed budget is projecting to generate a surplus of \$400,331 versus a forecasted surplus of \$525,328 that will be distributed to the Division of Academic Affairs through the Indirect Surplus project that is generating a corresponding proposed budgeted deficit of \$355,175 and forecasted deficit of \$480,176 to allow for a proposed budgeted surplus of \$45,156. This surplus is used to fund the patent reserve for \$20,000 and the balance of \$25,000 may be used to fund the Indirect Cost Disallowance Reserve in future years. The proposed budgeted revenues are greater than forecasted due to a higher effective IDC rate. The indirect cost recoveries are budgeted to be \$1,600,000 or 11.85% on \$13.5 million of direct expenditures. Costs continue to be impacted by California's economy and uncertainties regarding the impact of continuing state funding cuts for CSU. ORSP is implementing a new web-based database that is improving pre-award proposal management, tracking, reporting and compliance. The database incorporates numerous features customized to meet ORSP's and the University's and Foundation's needs, such as: day-to-day tracking of proposal progress, approval signatures, status, and new tracking of interval issues. More features/reports are planned to meet needs.

Agricultural Programs – proposed budget consists of ten projects and is projecting to generate a surplus of \$104,032 versus a forecasted surplus of \$114,798. Revenues are proposed to increase by \$226,989 or 7.8% mainly due to the Farm Store. No major changes in staffing are anticipated for 2011/12.

Farm Store revenues for fiscal year 2012-2013 include a modest 13% increase in sales, and have been budgeted over forecast. Sales of gifts, deli, grocery, and Cal Poly Pomona produced vegetables and fruit should lead the gains in gross revenue as budgeted over 2011-2012. The COGS for the entire store are budgeted at 58.5% of gross sales after 3 years straight of 55%. Goals for this year include:

- Relocation of entrance to the front of the store.
- Increase in sales of Cal Poly Pomona produced products.
- Addition of books to Farm Store inventory.
- Increase in quality and sales of overall produce department.
- Expansion of wine & possibly beer sales.
- Exploring possibility of e-shopping and/or community supported agriculture program.
- Increase sales in satellite locations. (i.e. Building 28, Red Cross, CLA, etc.)
- Explore Health Department issues associated with full service deli counter/case with lunch service.
- Increase in advertising via social media (i.e. Facebook and Twitter)

Farm Store has the following proposed capital projects: Replacement of multi-deck deli merchandise - \$25,000; and relocation of the front entrance to store - \$30,000. The other entrance will remain as an alternative entrance/exit for specific store hours, and ease crowding at check stands during busy periods.

Agronomy Farm - Overall this project has been a positive consistent performer over the past decade and has generated \$320,842 surplus to the Foundation. This project

also provides many un-reimbursed services to the College and University annually. This includes the upkeep and maintenance of over 150 acres of irrigated pasture, and another 150 acres of dry land pastures. Acreage of crops for the proposed 2012/2013 fiscal year will be very similar to the year before with sales of field crop products estimated at \$ 785,000. The ability to produce at this level hinges on a successful partnership with the California Department of Corrections at Westwind Ranch. Without this acreage, many of the educational projects we currently do like Hydroponics and organic production enterprises would be compromised. Last year a major goal was to increase the amount and variety of product flowing from the Agronomy Farm through the Farm Store. 2012-2013 will see us venture into seed crops by producing 1 acre of Red Savina Habanero Pepper Seed for Monsanto. In an effort to reduce costs for horse, beef and sheep budgets, the Farm intends to plant 10 acres of Alfalfa Hay and 30 acres of Teff Hay. This will save the units with the high costs of commodities by eliminating the broker and marketing directly to the units. Expenses in labor are scheduled to increase, as the administration is mandating that release salaries for farm management come from the Foundation side rather than the historical state side. This will add an additional \$25,000 to labor costs in 2012-2013.

Agronomy Farm carries 2 approved capital expenditure requests into 2012-2013. An addition of irrigated acreage from an extension of a reclaimed water line will open over 100 acres to irrigation on Westwind Ranch, but will require surface mainline to move water. Approximately \$30,000 in yellowmine mainline is scheduled to be purchased in 2012-2013. In addition, as part of our agreement with the California Department of Corrections, we must construct a new fence line along Kimball Avenue. This project has been put on hold, due to the long-term lease of 150 acres of State property to Majestic Realty. We anticipate that parameters will be worked out for this in 2012-2013 and we will proceed with construction. The amounts may decline due to less linear footage of fencing needed. Two new projects are submitted. The 2 hay barns at the Spadra Ranch are in need of roof and structural repairs, along with installing a concrete slab to reduce our storage issues at Building #47, Tractor Shop. Recent donations of tractors will require additional barn space near the shop and will necessitate the move of 3 major tanks used to store fertilizer. This project will also help us maintain quality of hay stored at Spadra. Bottom bales on stacks will now be stored on concrete, not dirt. Additionally, Well #3, Cal Poly's well on Spadra Ranch property, has a leaking packing gland on the shaft, and may require that the well be pulled for inspection. It is hoped this repair may only run in the \$15,000 range, but we have doubled an initial estimate just in case.

Arabian Horse Center does have several very valuable horses being offered for sale, and if even one or two of these animals are sold it would have significant impact on the budget. Revenues from horse boarding will be flat. The Arabian horse center is examining the possibilities of expanding our exhibitions and bringing in outside presenters to offer attendees some unique equestrian experiences. These exhibitions yield a much higher ticket price and could possibly be a significant source of income. The center hosts several continuing education courses for veterinarians and equine professionals during the year. There is the possibility that this program could be greatly expanded. We have worked hard during the past year to increase the numbers of students involved in the Arabian horse center. This has been very successful. We currently have 90 students involved in our foal watch program, approximately 40 students involved in the horse show team, and another 20 students

involved in drill team and barn riders. The price of hay is linked to the price of oil, the cost of transport and fertilizer. Last year, we anticipated a savings in the area of feed by reducing the herd size by approximately 1/3. During the past year the center sold 31 horses. However, the cost of hay increased from \$11 per bale to \$24 per bale. This eliminated any savings that were anticipated in the area of feed. The shoeing and trimming of the horse's hooves continues to be a significant expense. This is due to the elimination of the state line for a state employed farrier. We have reduced the cost of wood shavings to bed the stables by approximately 1/3. We will continue our efforts to sell horses and reduce size of the herd, as the sale of each horse saves the center approximately \$20,000 per year an ongoing upkeep cost.

Beef Unit - we plan on expanding our grass fed natural beef products to 8-10 head this year. While we are not making money, we are losing far less than we have in the years past which is an improvement. Depending on state support these numbers may be substantially better.

Fruit Industries - revenues are budgeted slightly lower due to a large crop of navel oranges and large sales of gift packs in 2011/2012. The new Farmer's Markets give us new venue for crops via retail not wholesale. Expenses are budgeted significantly down from the preceding year, due to the fact we will be able to do our own spraying for Psyllid during the 2012/2013 year. Pesticide costs will obviously go up. We will hire a pest control advisor to assist students in professionally monitor for this serious pest. The warm winter we are experiencing during 11/12 will have a very negative impact on the new 12 acre block of stone fruit. Yields from this block were disappointing for 11/12 and probably will be again in 2012/2013. Although yields are not there, this orchard provides valuable experiential learning opportunities in many classes over the academic year. We are still hoping to salvage a crop of Apricots and Pluots this year. As always, this unit's expenses are mostly labor for the harvest and care of the orchards on campus. Labor expenses will rise slightly in 2012/2013, with an increase applying to hourly employees.

Meat Lab - should realize an increase in profits with the additional products being introduced in the coming fiscal year. This, along with custom slaughtering, will help offset some of our increased costs. Custom slaughter should help our income and provide carcasses for the AVS 327 labs taught in the Meat Lab. The inspection program has changed from USDA to State of California Department of Food & Agriculture. The Director is currently the Meat Lab's Processed Meat Inspector & the Livestock Meat Inspector. We hope to be able to add additional products to our Farm Store sales inventory with these two licenses in place.

Ornamental Horticulture - The new budget reflects our optimistic expectations for increased sales due to our community outreach (livingsocial.com), increased production of vegetables, succulents, berries and fruit trees. We will be reducing our production of bamboos, grasses and evergreen shrubs, as their turnover rates have declined substantially.

Pine Tree Ranch - shows sales about flat for the year. 2012/2013 will be the year for replacement of old trees. Prior to moving on this we will observe fruit set for the year. If a good crop is set, we may delay one year. It is hoped that Advancement funding can be used for this project which will total around \$80,000. We have not budgeted capital funds for this yet, but may come to the Board with a proposal. The Pine Tree

Ranch Reserve is \$132,000, well over the goal of \$75,000 due to good years in 2008, 2009 and 2010. Work on the residence will commence again this summer. It is hoped in the years to come that a student manager may be placed back at the property to lower our cultural costs from Somis Pacific.

Sheep Unit - we have purchased some higher quality ewes in partnership with Livestock Show Team Student group. We expect the offspring from these ewes to increase our revenue this year. We have decreased expenses to reduce the proposed budgeted deficit by reducing student workers, moved students to stipend basis rather than hourly, decreased animals to a bare minimum for teaching purposes, etc...

Swine Unit - in the current year we have increased sow numbers (and quality) and purchased 12 new high-line gilts. With these new gilts and the current sows we plan on producing upwards of 500 pigs for sale next year. There is a high demand for small 75-125lb pigs in this area and we want to be able to provide to this market. Again feed prices are the main cost associated with this unit. The new unit manager is actively trying to locate a cheaper feed source to cut costs.

Continuing Education - includes non-credit programs from the College of the Extended University, the College of Engineering and the College of Science and is projecting to generate a surplus of \$451,676 versus a forecasted surplus of \$407,014 on revenues of \$3.0 million, an increase of \$160,739 or 5.73% over forecasted revenues.

College of the Extended University – proposed budget consists of eight programs and an administrative project and is projecting to generate a surplus of \$438,013 versus a forecasted surplus of \$384,925 on revenues of \$2.9 million, an increase of \$191,658 or 7.0% over the current year forecasted revenues.

Administration - The CEU unit budget (in most cases) reflects a conservative projection for 10% growth. This projection is reflective of the current economic climate. It is anticipated that the economy will continue to bolster some areas and depress others. A new addition to all operating unit budgets is a 2% charge for marketing. These funds will be used to market all programs and the CEU as a total. The CEU is making changes in staff to provide the support needed to grow. To reduce the dependence on consultants for the International Education Programs a Program Development Coordinator for China and Pacific (PDCCP) is being hired. Previously the majority of the duties of this position were carried out by a consultant. The cost of this service and the potential for conflict of interest were both high. The PDCCP position brings this critical aspect of a vibrant business segment in house allowing for greater control and reduced cost. It is anticipated that as the international programs grow and new markets are tapped more positions of this type will be required.

Certification Programs - we will continue to pursue and try to develop several new ones for FY 21/13. However, we do not anticipate program growth or enrollments to be robust.

English Language Institute - the proposed 2012-2013 revenue increases almost 5% over the current year forecast with an expectation of continuing growth of

enrollment. There will be a significant increase in labor costs due to the retention of instructors that were added to the regular program at the end of last fiscal year and the addition of instructors that needed to be added to accommodate strong growth in the fall of 2012. Also, labor costs will rise as we discontinue the practice of paying short-term instructors as contractors and begin paying them through the regular payroll. Finally, in order to retain the most effective instructors, an effort will be made to bring teacher compensation more in line with our local competitors in the field.

International Education Training Programs - Although we have experienced growth in the current year it is too early to estimate a growth rate for the 2012-2013 fiscal year and so we have estimated a flat line. We have been reaching out to international higher educational institutions and trying to develop new programs for the higher education market. A website in Chinese hosted on the SAFEA subsidized unit in China will continue to help promote these programs. Additional networking efforts will be made to reach out to government offices and/or agencies in the selected regions. For both the current year 2011-2012 and forecasted 2012-2013 projections, we have included all employee related salaries/benefits as it relates to International Training Programs. With this change, we expect the International Education Programs to produce a net surplus of \$70,499 in the 2012-13 fiscal year.

Six Sigma Program - revenue is projected to increase by 27% from \$82,463 to \$104,650 for fiscal year 2012-13. We are expecting a growing demand from industry. We will be increasing our promotional efforts by advertising the program online more aggressively. And we will continue our strategies in expanding the online version of the program for a greater region beyond what we could serve with the face-to-face courses.

Project Management Program - revenue is projected to be doubled from \$25,979 in 2011-2012 to \$51,958 in 2012-2013 with expenses remaining at the same proportional level to the revenue. The demand for the project management training seems to be fairly steady. Our focus will be to aggressively reach out to the public and promote the project management program with online advertisement and industrial networks. The program will also be cross promoted with the Six Sigma program to increase the publicity.

On Site Training Programs - Those cities which in the past and present have enrolled their employees in the Southern California Local Government Leadership Academy and the Local Government Supervisory Program will eventually have trained all their employees, therefore it is essential that the program continues to recruit new cities and local government agencies to participate in the training program. For 2012-2013, we will focus on recruiting large governmental and private agencies to participate in training related to leadership and supervision. A large local government agency was recruited in the current fiscal year for leadership and supervisory training, and their expressed interest in sending their employees to participate in the training program is a positive indicator for the growth of the program. More promotional advertisements will be launched to help increase class enrollment and thus revenue for the coming year.

Start-Up Programs - For fiscal year 2011-12, we have been focusing on the launch and marketing of the Supply Chain Management online certificate program. The advertisement of the Global Transportation and Distribution online certificate &

Sustainable Events Planning online certificate programs will be launched in the middle of spring 2012, but the advertising marketing of the program is expected to start in summer 2012 due to a limited advertising budget for the 2011-12 fiscal year. The increase of advertising dollar for fiscal year 2012-13 will help promote the online courses, and hence increase the revenue for the account as projected.

Test Preparation Programs - The 2012-2013 revenue is estimated to increase by about (10%) with hopes of the EIT reestablishing its past historical enrollment levels. Overall, this project remains fairly steady without significant fluctuations.

College of Engineering – proposed budget consists of one program and an administrative project and is projecting to generate a deficit of \$2,933 versus a forecasted surplus of \$3,602 on revenues of \$18,500, versus forecasted revenues of \$43,420 as only one civil engineering review course is budgeted and funds will be expended in the proposed budget for equipment in exchange for rent of the facility in the administrative project to support the College of Engineering.

College of Science – proposed budget consists of an Agilent software training program and is projecting to generate a surplus of \$16,596 versus a forecasted surplus of \$18,487 on revenues of \$29,204 in line with forecasted revenues. There is a \$10,000 capital request for computer equipment in the proposed fiscal year.

Unrestricted Campus Programs – Revenues and expenditures of \$1,017,696 are projected to remain the same as the forecast and breakeven and are greater than prior year actual revenues of \$896,882 and expenditures of \$883,735.

CAL POLY POMONA FOUNDATION, INC.
2012-13 PROPOSED BUDGET
SUMMARY OF SOURCES AND USES OF FUNDS

	Revised 2011-2012 BUDGET	2011-2012 FORECAST	2012-2013 PROPOSED BUDGET
SOURCES OF CASH			
SURPLUS (DEFICIT)			
Administration	(1,183,655)	(873,161)	(820,335)
Real Estate	394,076	477,885	305,988
Investments	565,983	63,073	610,539
Bookstores	356,479	319,925	307,034
Dining Services	318,070	720,488	472,640
Kellogg West Conference Center	(86,555)	774	25,366
University Village	862,583	1,293,177	1,148,434
Supplementary Programs	434,760	566,964	600,864
TOTAL OPERATING SURPLUS (DEFICIT)	<u>1,661,741</u>	<u>2,569,125</u>	<u>2,650,530</u>
Designated Gifts	<u>(1,477,508)</u>	<u>(1,468,968)</u>	<u>(1,173,096)</u>
NET OPERATING SURPLUS (DEFICIT)	<u>184,233</u>	<u>1,100,157</u>	<u>1,477,434</u>
NON-CASH TRANSACTIONS:			
Depreciation and Amortization	3,629,573	3,560,091	3,786,795
Post Retiree Medical Benefits - See Note 1	<u>818,865</u>	<u>1,082,254</u>	<u>1,096,882</u>
TOTAL CASH GENERATED BY OPERATIONS	<u>4,632,671</u>	<u>5,742,502</u>	<u>6,361,111</u>
FINANCING			
Reserve CTTI Bonds 2000 Series	237,396	237,396	
Repayment of principal loan to ENV for Model Studio	25,244	25,244	26,570
Alternative Investments - Innovation Village Infrastructure Ph I			300,000
TOTAL SOURCES OF FINANCING	<u>262,640</u>	<u>262,640</u>	<u>326,570</u>
RESERVES			
Cafeteria State Share Reserve		35,000	
Foundation Program Reserve	410,854	410,854	
Indirect Cost Disallowance Reserve	6,873	6,873	
Pine Tree Ranch Reserve			77,700
Residential Board Meal Program Surplus Reserve	<u>412,000</u>	<u>377,000</u>	<u>85,000</u>
TOTAL SOURCES FROM RESERVES	<u>829,727</u>	<u>829,727</u>	<u>162,700</u>
TOTAL SOURCES OF CASH	<u>5,725,038</u>	<u>6,834,869</u>	<u>6,850,381</u>
USES OF CASH			
CAPITAL EXPENDITURES			
University Village	546,000	694,427	553,000
Bookstore			25,000
Dining Services	1,405,760	1,296,160	743,000
Kellogg West	225,000	248,200	187,000
Real Estate	488,750	488,750	40,000
Agricultural Units	214,650	46,950	125,000
Continuing Education			10,000
Administration	148,000	113,000	270,000
Foundation Programs	410,854	410,854	
Prior Year Carryover			332,300
TOTAL CAPITAL EXPENDITURES	<u>3,439,014</u>	<u>3,298,341</u>	<u>2,285,300</u>
INVESTING			
CTTi Bond payment - 2000	185,000	185,000	
University Village Bond payment - 2005A & B	550,000	550,000	570,000
CTTi Bond payment - 2007	<u>170,000</u>	<u>170,000</u>	<u>180,000</u>
TOTAL USES OF FINANCING	<u>905,000</u>	<u>905,000</u>	<u>750,000</u>
RESERVES			
Agriculture Program Reserve @ 55% net Annual Surplus		57,495	54,181
Cafeteria State Share Reserve			
Capital Reserve @ 1.75% of Gross Auxiliary Revenues	796,660	829,662	868,803
Emergency Reserve			
Indirect Cost Disallowance Reserve			
Innovation Village Demo Reserve			82,693
Insurance Reserve		27,127	60,950
Pine Tree Ranch Reserve @ 50% net Annual Surplus	2,717	5,644	3,037
Post Retiree Medical Benefits Trust - see Note 1	1,000,000	1,000,000	1,000,000
Research & Sponsored Programs	20,000	20,000	20,000
Residential Board Meal Program Surplus Reserve excess 7%	171,903.00	437,928	62,398
Venture Capital/Real Estate Reserve @ 1.0% of Gross Rev.			21,451
TOTAL RESERVE CONTRIBUTIONS	<u>1,991,280</u>	<u>2,377,856</u>	<u>2,173,513</u>
TOTAL USES OF CASH	<u>6,335,294</u>	<u>6,581,197</u>	<u>5,208,813</u>
NET SOURCES & (USES) OF CASH	<u>(610,256)</u>	<u>253,672</u>	<u>1,641,568</u>
BEGINNING OF THE YEAR WORKING CAPITAL LESS CONTINGENCY		<u>3,131,845</u>	<u>3,385,517</u>
NET WORKING CAPITAL AVAILABLE END OF YEAR - Note 2		<u>3,385,517</u>	<u>5,027,085</u>
Minimal Two Months Working Capital Reserve Required		<u>5,237,156</u>	<u>5,536,289</u>

Note 1 - the Post Retirement Med Benefit is not considered a Use of Cash only the actual funding of \$1.0 million each year;

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

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

	Balance as of 6/30/2011	Forecast Fiscal 11/12	Proposed Budgeted 12/13	Net End of 6/30/2013	Goal
Sources of Funds:					
Fund Balance (Unrestricted)	27,497,885	1,100,157	1,477,434	30,075,476	
Current & Long term debt					
CTTI Bonds Series 2000	185,000	(185,000)	0	0	
University Village Series 2005	26,105,000	(550,000)	(570,000)	24,985,000	
CTTI Bonds Series 2007	3,320,000	(170,000)	(180,000)	2,970,000	
Excess of Accounts Receivable over Accounts Payable	(1,297,218)			(1,297,218)	
Post Retiree Medical Benefits - Note 1	12,624,937	1,082,254	1,096,882	14,804,073	14,804,073
Total Available	68,435,604	1,277,411	1,824,316	71,537,331	
Uses of Funds					
Investment in fixed assets	91,900,672	3,298,341	2,285,300	97,484,313	
Depreciation	(35,692,884)	(3,560,091)	(3,786,795)	(43,039,770)	
Inventory	3,350,313			3,350,313	
Reserves :					
Bond Trustee Reserves					
Reserve CTTI Bonds 2000 Series	237,396	(237,396)		0	
Board Designated Reserves					
Agriculture Program Reserve	58,025	57,495	54,181	169,701	75,000
Cafeteria State Share Reserve	217,062	(35,000)		182,062	
Capital Reserve	2,150,943	829,662	868,803	3,849,408	6,000,000
Emergency Reserve	120,152			120,152	
Foundation Programs	410,854	(410,854)		0	
Indirect Cost Dissallowance Reserve	411,529	(6,873)		404,656	492,195
Innovation Village Demo Reserve			82,693	82,693	
Insurance Reserve	110,321	27,127	60,950	198,398	
Pine Tree Ranch Reserve	132,545	5,644	(74,663)	63,526	75,000
Auxiliaries Multiple Employer VEBA Trust - Note 1	0	1,000,000	1,000,000	2,000,000	
Research & Sponsored Programs	116,390	20,000	20,000	156,390	
Residential Board Meal Program Surplus Res	1,055,528	60,928	(22,602)	1,093,854	
Venture Capital/Real Estate Reserve	477,007		21,451	498,458	6,000,000
Other	4,679			4,679	
LOANS:					
Loan to College of ENV for modular building shop	243,226	(25,244)	(26,570)	191,412	
Alternative Investments - Innovation Village Infrastructure Ph I			(300,000)	(300,000)	
Total Uses	65,303,759	1,023,739	182,748	66,510,246	
Available for Working Capital	3,131,845	253,672	1,641,568	5,027,085	
Net Working Capital - Note 2	3,131,845	3,385,517	5,027,085	5,027,085	
Minimal Two Months Working Capital Reserve Required	4,890,825	5,237,156	5,536,289	5,536,289	

Note 1 - Forecast and Proposed Budget includes funding of \$1.0 million each year; the Post Retirement Med Benefit is not considered a Use of Cash

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

CAL POLY POMONA FOUNDATION, INC.

PROPOSED BUDGET

SUMMARY STATEMENT OF ACTIVITY

FISCAL YEAR

REVENUE

EXPENSES

NET SURPLUS/(DEFICIT)

	Revised Budget	Current Forecast	Proposed Budget	Revised Budget	Current Forecast	Proposed Budget	Revised Budget	Current Forecast	Proposed Budget
	2011-2012	2011-2012	2012-2013	2011-2012	2011-2012	2012-2013	2011-2012	2011-2012	2012-2013
GENERAL ACTIVITIES:									
ADMINISTRATION	3,594,347	3,614,683	3,869,369	4,778,002	4,487,844	4,689,704	(1,183,655)	(873,161)	(820,335)
REAL ESTATE	2,897,636	2,874,037	2,801,494	2,503,560	2,396,152	2,495,506	394,076	477,885	305,988
INVESTMENTS	587,854	85,466	632,828	21,871	22,393	22,289	565,983	63,073	610,539
TOTAL GENERAL ACTIVITIES	7,079,837	6,574,186	7,303,691	7,303,433	6,906,389	7,207,499	(223,596)	(332,203)	96,192
ENTERPRISE ACTIVITIES:									
Bookstore									
BRONCO BOOKSTORE	10,947,439	10,715,065	10,241,960	10,590,960	10,395,139	9,934,926	356,479	319,926	307,034
Total Bookstore	10,947,439	10,715,065	10,241,960	10,590,960	10,395,139	9,934,926	356,479	319,926	307,034
Dining Services									
FOUNDATION MAINTENANCE	0	0	0	2	0	2	(2)	0	(2)
FRESH ESCAPES	97,750	97,500	94,593	78,883	95,809	92,023	18,867	1,691	2,570
CARL'S JR.	393,497	445,153	458,423	305,394	360,929	360,634	88,103	84,224	97,789
PONY EXPRESS - CCMP	526,824	555,423	540,050	407,757	435,498	430,107	119,067	119,925	109,943
PONY EXPRESS - CLA	166,081	187,427	188,385	144,192	159,864	162,973	21,889	27,563	25,412
CTTI CAFÉ	0	45,186	152,400	0	58,356	149,264	0	(13,170)	3,136
PONY EXPRESS - STUDENT UNION	274,500	400,000	399,000	256,378	357,806	354,681	18,122	42,194	44,319
PONY EXPRESS - ENV	54,460	53,600	54,460	47,247	49,094	50,116	7,213	4,506	4,344
STARBUCKS COFFEE	712,390	873,449	871,200	673,421	786,571	787,796	38,969	86,878	83,404
PANDA EXPRESS	115,200	124,000	127,700	11,166	11,710	12,228	104,034	112,290	115,472
KIKKA SUSHI	70,100	85,000	81,200	35,685	42,297	37,995	34,415	42,703	43,205
LOS OLIVOS	5,068,013	4,985,126	4,422,498	4,541,349	4,198,239	4,050,525	526,664	786,887	371,973
VISTA CAFÉ	1,024,666	1,200,282	1,222,038	985,663	1,130,490	1,199,105	39,003	69,792	22,933
VISTA DINER	877,794	915,000	900,388	846,782	915,422	853,289	31,012	(422)	47,099
VENDING	143,496	149,500	125,400	107,159	105,468	103,414	36,337	44,032	21,986
SUBWAY EXPRESS	42,440	38,998	0	50,430	55,441	0	(7,990)	(16,443)	0
FRESH MEX	0	0	289,606	0	0	266,263	0	0	23,343
SUBWAY	675,805	791,855	758,003	557,247	616,246	625,790	118,558	175,609	132,213
ROUND TABLE	320,306	417,000	394,300	263,298	308,246	301,208	57,008	108,754	93,092
DINING ADMINISTRATION	6,000	(20,000)	0	819,709	827,092	860,984	(813,709)	(847,092)	(860,984)
EINSTEIN'S BAGELS	0	0	543,079	0	0	516,246	0	0	26,833
PONY EXPRESS AT CBA	0	0	702,185	0	0	655,057	0	0	47,128
FRESHENS/PURA VIDA	122,100	204,000	198,500	127,785	174,750	176,500	(5,685)	29,250	22,000
TACO BELL	260,955	274,615	289,606	209,816	220,828	230,192	51,139	53,787	59,414
GENEVA CAFÉ	149,400	0	0	149,133	0	0	267	0	0
BRONCO BUCKS CARD OFFICE	139,996	139,996	137,996	148,947	130,060	136,063	(8,951)	9,936	1,933
BSC & CAMPUS CENTER/OVERHEAD	0	0	0	0	0	0	0	0	0
SCE LOBBY SHOP	85,404	84,404	85,955	71,598	72,213	72,800	13,806	12,191	13,155
KW - CATERING/CONF. FOODS	1,672,961	1,610,021	1,811,267	1,794,652	1,774,767	1,846,112	(121,691)	(164,746)	(34,845)
Total Dining Services	13,000,138	13,657,535	14,848,232	12,633,693	12,887,196	14,331,367	366,445	770,339	516,865

CAL POLY POMONA FOUNDATION, INC.

PROPOSED BUDGET

SUMMARY STATEMENT OF ACTIVITY

FISCAL YEAR

REVENUE

Revised Budget	Current Forecast	Proposed Budget
2011-2012	2011-2012	2012-2013

EXPENSES

Revised Budget	Current Forecast	Proposed Budget
2011-2012	2011-2012	2012-2013

NET SURPLUS/(DEFICIT)

Revised Budget	Current Forecast	Proposed Budget
2011-2012	2011-2012	2012-2013

K.W. Conference Ctr. & Lodge	1,356,691	1,364,230	1,431,126	1,443,246	1,363,456	1,405,760	(86,555)	774	25,366
University Village	7,602,822	7,835,136	8,126,675	6,740,239	6,541,959	6,978,241	862,583	1,293,177	1,148,434
TOTAL ENTERPRISE ACTIVITIES	32,907,090	33,571,966	34,647,993	31,408,138	31,187,750	32,650,294	1,498,952	2,384,216	1,997,699
TOTAL GENERAL & ENTERPRISE ACTIVITIES	39,986,927	40,146,152	41,951,684	38,711,571	38,094,139	39,857,793	1,275,356	2,052,013	2,093,891

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

REVENUE

EXPENSES

NET SURPLUS/(DEFICIT)

	Revised Budget 2011-2012	Current Forecast 2011-2012	Proposed Budget 2012-2013	Revised Budget 2011-2012	Current Forecast 2011-2012	Proposed Budget 2012-2013	Revised Budget 2011-2012	Current Forecast 2011-2012	Proposed Budget 2012-2013
DESIGNATED GIFTS - University	0	0	0	1,477,508	1,468,968	1,173,096	(1,477,508)	(1,468,968)	(1,173,096)
SURPLUS (DEFICIT) AFTER DESIGNATED GIFTS	39,986,927	40,146,152	41,951,684	40,189,079	39,563,107	41,030,889	(202,152)	583,045	920,795
SUPPLEMENTAL PROGRAMS									
RESEARCH OFFICE	1,500,000	1,600,000	1,600,000	1,454,844	1,554,848	1,554,844	45,156	45,152	45,156
AGRICULTURE UNITS	2,539,441	2,902,129	3,129,118	2,547,939	2,787,331	3,025,086	(8,498)	114,798	104,032
CONTINUING EDUCATION	2,529,199	2,804,331	2,965,070	2,131,097	2,397,317	2,513,394	398,102	407,014	451,676
UNRESTRICTED CAMPUS PROGRAMS	930,343	1,017,699	1,017,696	930,343	1,017,700	1,017,696	0	(1)	0
TOTAL SUPPLEMENTAL	7,498,983	8,324,159	8,711,884	7,064,223	7,757,196	8,111,020	434,760	566,963	600,864
TOTAL SURPLUS (DEFICIT) before 1% allocation	47,485,910	48,470,311	50,663,568	47,253,302	47,320,303	49,141,909	232,608	1,150,008	1,521,659
Residential Life Trust Room & Board 1% allocation							(48,375)	(49,851)	(44,225)
TOTAL SURPLUS (DEFICIT)							184,233	1,100,157	1,477,434

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

	DEPRECIATION & AMORTIZATION			Carryover Revised Budget 2011-2012	CAPITAL REQUESTS			NET CASH GENERATED		
	Revised Budget	Current Forecast	Proposed Budget		Current Forecast	Prior Years	Proposed Budget	Revised Budget	Current Forecast	Proposed Budget
	2011-2012	2011-2012	2012-2013		2011-2012	2011-2012	Carryover	2012-2013	2011-2012	2011-2012
GENERAL ACTIVITIES:										
ADMINISTRATION	148,642	150,695	158,544	148,000	113,000	35,000	270,000	(1,183,013)	(835,466)	(966,791)
REAL ESTATE	849,817	903,387	888,123	488,750	488,750		40,000	755,143	892,522	1,154,111
INVESTMENTS	0	0	0					565,983	63,073	610,539
TOTAL GENERAL ACTIVITIES	998,459	1,054,082	1,046,667	636,750	601,750	35,000	310,000	138,113	120,129	797,859
ENTERPRISE ACTIVITIES:										
Bookstore										
BRONCO BOOKSTORE	131,400	134,646	136,176				25,000	487,879	454,572	418,210
Total Bookstore	131,400	134,646	136,176	0	0	0	25,000	487,879	454,572	418,210
Dining Services										
FOUNDATION MAINTENANCE	3,600	3,600	3,600					3,598	3,600	3,598
FRESH ESCAPES	4,452	4,500	4,452					23,319	6,191	7,022
CARL'S JR.	18,132	18,993	18,132	29,600	29,600			76,635	73,617	115,921
PONY EXPRESS - CCMP	4,788	5,400	4,212					123,855	125,325	114,155
PONY EXPRESS - CLA	3,936	4,000	3,936					25,825	31,563	29,348
CTTI CAFÉ	0	0	10,200				25,000	0	(13,170)	(11,664)
PONY EXPRESS - STUDENT UNION	25,368	25,368	25,368					43,490	67,562	69,687
PONY EXPRESS - ENV	396	400	1,380				5,000	7,609	4,906	724
STARBUCKS COFFEE	51,612	44,000	41,796	43,000	43,000			47,581	87,878	125,200
PANDA EXPRESS	372	370	372					104,406	112,660	115,844
KIKKA SUSHI	21,672	22,452	21,672					56,087	65,155	64,877
LOS OLIVOS	103,140	104,330	100,968	377,000	377,000		85,000	252,804	514,217	387,941
VISTA CAFE	7,200	2,400	4,020				16,000	46,203	72,192	10,953
VISTA DINER	7,800	7,800	9,000					38,812	7,378	56,099
VENDING	3,168	3,168	3,168					39,505	47,200	25,154
SUBWAY EXPRESS	22,452	22,000	0					14,462	5,557	0
FRESH MEX	0	0	42,672				300,000	0	0	(233,985)
SUBWAY	30,948	28,452	28,452	10,000	10,000			139,506	194,061	160,665
ROUND TABLE	8,940	7,380	7,380					65,948	116,134	100,472
DINING ADMINISTRATION	102,048	88,118	105,948	131,160	131,160		30,000	(842,821)	(890,134)	(785,036)
EINSTEIN'S BAGELS	0	0	17,700	730,000	637,900	92,100	50,000	(730,000)	(637,900)	(97,567)
PONY EXPRESS AT CBA	0	0	35,420				100,000	0	0	(17,452)
FRESHENS/PURA VIDA	27,600	26,500	26,820					21,915	55,750	48,820
TACO BELL	13,726	13,370	13,726					64,865	67,157	73,140
GENEVA CAFÉ	28,524	0	0	50,000	50,000			(21,209)	(50,000)	0
BRONCO BUCKS CARD OFFICE	0	0	0					(8,951)	9,936	1,933
BSC & CAMPUS CENTER/OVERHEAD	0	0	0					0	0	0
SCE LOBBY SHOP	3,504	2,280	2,280					17,310	14,471	15,435
KW - CATERING/CONF. FOODS	21,252	32,927	36,965	35,000	17,500	17,500	132,000	(135,439)	(149,319)	(147,380)
Total Dining Services	514,630	467,808	569,639	1,405,760	1,296,160	109,600	743,000	(524,685)	(58,013)	233,904
K.W. Conference Ctr. & Lodge	112,860	106,000	64,800	225,000	248,200		187,000	(198,695)	(141,426)	(96,834)
University Village	1,825,068	1,756,004	1,912,344	546,000	694,427	20,000	553,000	2,141,651	2,354,754	2,487,778
TOTAL ENTERPRISE ACTIVITIES	2,583,958	2,464,458	2,682,959	2,176,760	2,238,787	129,600	1,508,000	1,906,150	2,609,887	3,043,058
TOTAL GENERAL & ENTERPRISE ACTIVITIES	3,582,417	3,518,540	3,729,626	2,813,510	2,840,537	164,600	1,818,000	2,044,263	2,730,016	3,840,917

CAL POLY POMONA FOUNDATION, INC. PROPOSED BUDGET SUMMARY STATEMENT OF ACTIVITY FISCAL YEAR	DEPRECIATION & AMORTIZATION			Carryover	CAPITAL REQUESTS			NET CASH GENERATED		
	Revised	Current	Proposed	Revised	Current	Prior	Proposed	Revised	Current	Proposed
	Budget	Forecast	Budget	Budget	Forecast	Years	Budget	Budget	Forecast	Budget
	2011-2012	2011-2012	2012-2013	2011-2012	2011-2012	Carryover	2012-2013	2011-2012	2011-2012	2012-2013
DESIGNATED GIFTS - University	0	0	0	0	0	0	0	(1,477,508)	(1,468,968)	(1,173,096)
SURPLUS (DEFICIT) AFTER DESIGNATED GIFTS	3,582,417	3,518,540	3,729,626	2,813,510	2,840,537	164,600	1,818,000	566,755	1,261,048	2,667,821
SUPPLEMENTAL PROGRAMS										
RESEARCH OFFICE	0	0	0					45,156	45,152	45,156
AGRICULTURE UNITS	31,458	23,800	38,163	214,650	46,950	167,700	125,000	(191,690)	91,648	(150,505)
CONTINUING EDUCATION	15,698	17,751	19,006				10,000	413,800	424,765	460,682
UNRESTRICTED CAMPUS PROGRAMS	0	0	0	410,854	410,854			(410,854)	(410,855)	0
TOTAL SUPPLEMENTAL	47,156	41,551	57,169	625,504	457,804	167,700	135,000	(143,588)	150,710	355,333
TOTAL SURPLUS (DEFICIT) before 1% allocation	3,629,573	3,560,091	3,786,795	3,439,014	3,298,341	332,300	1,953,000	423,167	1,411,758	3,023,154
Residential Life Trust Room & Board 1% allocation								(48,375)	(49,851)	(44,225)
TOTAL SURPLUS (DEFICIT)	3,629,573	3,560,091	3,786,795	3,439,014	3,298,341	332,300	1,953,000	374,792	1,361,907	2,978,929

Debt Service Coverage
(Fiscal Year Ended June 30)

Description	Revised 2011-12	Forecast 2011-12	Proposed Budget 2012-13
Change in unrestricted net assets	\$ 184,233	\$ 1,100,157	\$ 1,477,434
Add Back:			
Transfer of Fixed Assets to University	-	-	-
University Designated Expenses	1,477,508	1,468,968	1,173,096
Surplus (Deficit) before Designated Expenses - see Note	\$ 1,661,741	\$ 2,569,125	\$ 2,650,530
Add Back:			
Depreciation and amortization	3,629,573	3,560,091	3,786,795
Interest (see detail below)	1,435,663	1,435,663	1,403,350
Available for Debt Service	\$ 6,726,977	\$ 7,564,879	\$ 7,840,675
Maximum Annual Debt Service *			
2000 Series Bonds	197,705	197,705	
2005 Series Bonds	1,830,625	1,830,625	1,830,625
2007 Series Bonds	332,750	332,750	332,750
Total Debt Service	\$ 2,361,080	\$ 2,361,080	\$ 2,163,375
Total Debt Service before Designated Expenses - see Note	2.85	3.20	3.62
Total Debt Service after Designated Expenses	2.22	2.58	3.08
Note: The CSU requires for additional bond issuance the Foundation demonstrate a debt service coverage ratio of 1.25 for both the proposed project and Foundation's debt program.			
* Maximum annual debt service is reported as the total amount of scheduled debt service during the year in which the debt service is scheduled to be highest during the life of the Bonds			
Interest Detail			
2000 Series Bonds - Interest	5,288	5,288	-
2005 Series Bonds - Interest	1,276,208	1,276,208	1,256,250
2007 Series Bonds - Interest	154,167	154,167	147,100
Total Interest Expense	\$ 1,435,663	\$ 1,435,663	\$ 1,403,350

CAPITAL BUDGETS

**CAL POLY POMONA FOUNDATION, INC.
2012-13 PROPOSED CAPITAL BUDGET**

	Prior Years Remaining	Proposed Detail 2012-13	Proposed Total 2012-13	
Enterprise Activities				
Foundation Housing				
				interior painting Phase III (\$155000), Study lounge construction (\$51000), Tech center/lab (\$10000), Starrez software update (\$27000), Starrez computer servers (\$60000), Wi-Fi installation/equipment (\$225000), Carbon monoxide detectors (\$10000), Network Switch Upgrade- To add additional ports for wireless/office equipment and to increase network bandwidth for the new wireless and Starrez system upgrades (\$15000)
	20,000	553,000		
			553,000	
Bronco Bookstore				
				Consultant for Master plan update (\$25000)
	-	25,000	25,000	
Dining Services				
				Dining Workstation 4 register upgrades- The last of the Micros registers running on Windows XP, which are no longer supported by Microsoft. Lack of security patch support has left the devices increasingly vulnerable to cybe attack
		20,000		
		10,000		Ceiling repairs at CCMP Panda side dining room
		5,000		Tables and chairs for patio with umbrellas
		300,000		Installation of Fresh Mex concept at BSC to replace Subway Express
		25,000		Tables and chairs (\$8000), Display cooler and mill work (\$12000), Electrical work (\$5000)
		85,000		Remodel and mill work for lobby (\$25000), Upgrade to service area- new paint, lighting, and minor mill work (\$25000), Video monitors for menus/nutrition kiosks (\$5000), Tables and chairs for dining area new lighting (\$30000)
		16,000		Exterior freezer
	17,500	132,000		Replace buffet line (\$5000), Dining room electrical and plumbing work (\$15000), Portable tables/chairs for KHP & KW (\$20000), Refer trucks for KW (\$70000), Paint dining rooms (\$12000), Electrical work for buffet lines (\$10000)
	92,100	50,000		Additional funding to complete tenant improvements
		100,000		Additional funding to complete tenant improvements, Addition of a self check out POS system
			743,000	
Kellogg West Conference Center & Lodge				
				Front desk/lobby/main floor refurbishment, painting and wallpaper (\$40000), main conference center refurbishment, painting, and wallpaper (\$85000), Main conference center public area furniture replacement (\$15000), Conference center meeting room signage upgrade (\$5000), Hillside and Woodview hallways (4 floors) carpet replacement (\$35000), Kellogg West server upgrade- the current computer hardware running the Kellogg West HVAC services is at the end of life and needs to be upgraded (\$7000)
		187,000		
			187,000	
Facilities				
				No capital budget requested
	-			
			-	

**CAL POLY POMONA FOUNDATION, INC.
2012-13 PROPOSED CAPITAL BUDGET**

		Prior Years Remaining	Proposed Detail 2012-13	Proposed Total 2012-13	
Real Estate Activities					
	CTTI Buildings		40,000		Landscape improvements behind Bldg. 220B (\$10000), Courtyard furniture (\$6000), CTTi lounge furniture (\$3000), HVAC energy management system (Honeywell) (\$21000)
	Total Real Estate Activities			40,000	
College of Ag					
	Spadra/Westwind Ranch	90,000	70,000		Hay Barn Repairs/Concrete at Spadra Ranch (\$40000), Well #3 Repairs and rehab at Westwind Ranch (\$30000)
	Pine Tree Ranch	77,700			Repairs and improvements to ranch house
	Farm Store		55,000		Multi deck merchandiser-Deli (\$25000), Re-location of Farm Store entrance (\$30000)
				125,000	
College of Science					
	Chemistry Agilent Project		10,000	10,000	Computer Equipment
Administration					
	Human Resources	20,000	40,000		KRONOS Employment Services- Expansion of services and upgrade version 6.1 to 6.2
	Accounting		10,000		A/P area remodel/consultant designer
	Management Info Systems	15,000			WAVE document workflow
	Management Info Systems		35,000		Generator- For Building 55 computer room to provide constant power during campus outages
	Management Info Systems		15,000		Mobile Device Security Management Software- To provide file access and security for personal mobile devices connecting to Foundation data sources
	Management Info Systems		30,000		Disk to Disk Back-up solution- For enterprise backup and recover as well as disaster recovery capability
	Management Info Systems		15,000		VM System Enhancements- Additional memory, upgraded fiber card and disk capacity
	Management Info Systems		75,000		Financial System Business Process Review- Consulting time and development work to improve workflow. Work will also build out of test system for following year's upgrade from IFAS 7.72 to 10.2
	Management Info Systems	-	50,000		Endowment Module for IFAS- To provide more efficient processing of donations and endowments
	Total Administration			270,000	
Prior Years and Proposed Capital Budget		332,300		1,953,000	
Total Prior Years and Proposed Capital Budget				2,285,300	

Note - the proposed capital budget assumes funding from the operations of the unit and no funding from the reserves, except for Los Olivos.

ASSET PROTECTION MANAGEMENT

Asset Protection Management

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

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

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

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

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

The Foundation will review each operating unit using a list of potential risk areas that has been developed over time, see attached worksheets for further details.

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

Action Step

Management Information Systems/Finance Accounting and Administration

1. Mitigating the risk of network security breaches. Corrective action includes use of monitoring software, log management, pro-active scanning and improvements to physical security of equipment.

2. Business continuity risk management. Corrective action includes hardware and software redundancy in mission critical computer systems, pro-active facilities maintenance in the areas of electrical, cooling, water and fire suppression systems and general disaster recovery protocols.

3. Examining feasibility of alternative risk management by transferring the risk (through contractual transfer of risk and commercial insurance) or risk retention (through higher deductible and establishing a funded insurance reserve). This task is done by the following:

3a. Reviewing the contracts, insurance requirements, and hold harmless agreements or indemnification clauses to transfer legal and financial responsibility of loss to other parties.

3b. Annual review of Foundation insurance programs/coverages, property and liability schedules, and Insurance reserve for proper funding.

Bookstore

Physical Safety and Security

1 Fire, life, safety, intrusion systems, smoke detector systems maintained and tested

all fire and alarm system that were inspected were up to date. Completed tests with the Police department to ensure fire and safety alarms were communicating correctly.

2 Safety devices in place and maintained. Received inspection and posted permit for air tank in the HVAC room.

Data Security

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

Dining Services

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

Areas that we are working on based on the risk management assessment :

Los Olivos: Improvement in employee locker security, building perimeter, building egress, video system, safe combo, authorized drivers, management training of proper hiring, insuring that current insurance and indemnification language are in all new contracts, data security procedures are in place and staff evaluations are done on a timely basis.

BSC: Repair of equipment in catering room, alarm system, improve billing paperwork, repair equipment in Poly Fresh. All of the above has been address and resolved.

CCMP, C-Stores & Starbuck's: Provide employee training of E Phone, Pull Stations, Video system, Fire extinguisher training for staff, facilities repairs, staff training by Employment Services,

KW Food and Beverage: Improve employee locker security, provide staff training for safety protection equipment, repair safety locks on walk-ins, improve security of safe combo, staff training of check and credit card acceptance per FDN policies. Install Micros register to replace credit card machines, tips procedure and inventory controls. Improve credit card processing at Kellogg House Pomona.

Kellogg West Conference Center and Lodge

1.Suggestion to install video security cameras - No plans to install such at this time for financial reasons

2.Update of KW Emergency Procedures and manuals - Completed December 2009 and updated annually or as needed.

3. New cash handling procedures for deposits - New procedures have already been put into place under the direction of Sue Chiazza and Jeanette Paredez.

4. Separation of duties with KW Director - Completed with KW Accountant placing orders and Director reviewing/approving.

5.Reduce amount of KW logo inventory - Ongoing through continued sales to guests. No other actions will be taken as inventory is completed monthly, items are strictly controlled and secured and there is no problem at all with "loss".

6. KW to work with Sr. Acct. to minimize the risk of a lost check and to ensure that incoming checks are credited to correct events - No procedural change at this time and actually no problems either.

7. Change safe combinations and keep a record of who has access and knowledge of combination - Completed December, 2009. Record of who has access and safe combination now in sealed envelope in Foundation safe.

Real Estate

Real Estate Department in the past has solely been focused on for sale housing and ground lease real estate at Innovation Village. As the Department has expanded to

include oversight of marketing and managing CTTi, management of buildings 66 and 97, and other ad-hoc assignments, we have begun looking at Asset Protection and Risk Management of these facilities.

Agricultural Units

One of our greatest risk areas for asset protection and the public centers around the Farm Store and associated festivals and events. To this point in time at the Store assumptions of protection and risk have been made and an organized effort to understand these risks must be understood by management. It is also misunderstood where State liability (eg - slip and fall accident of a customer) versus Foundation liability would begin and end. I am sure this matter should also be visited for the Arabian Horse unit as well due to numerous public visits and Sunday Horse Shows.

What totally confuses the matter is when an event like Pumpkin Festival or Rod and Tractor Show is held and unit becomes responsible for a supplemental policy, sometimes at a cost of over \$6,000, even though many are still customers of the Store at an event. This is coordinated by a State employee (Valerie Eberle) yet paid for with Foundation funds.

An additional policy was added to the Store this year for merchandise and inventory, but the details have not been forwarded. Does this include earthquake, a cooler or freezer breakdown, or Cal Poly produced product? What is the deductible on the policy and does it have enough coverage to carry the \$50,000 in inventory? Would this policy also extend to the Meats Lab and Fruit and Crops units, which also store a surplus inventory of meat and produce for the Store and Farmers Market operations.

Another area of concern is the potential for a customer getting sick from one of our products. We need to document a HAACP program this year for juice, and associated fruit and vegetables we harvest directly from our operations and sell both at the Farm Store and Farmers Markets (which I am assuming is an extension of the Store).

Please see the business plans that were developed for further details.

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

Risk Management Review Check List		N/A	Adequate	Needs Improvement	Type Threats	Improvement Assignments	Accomplish By Date
	Foundation Fixed Assets over \$5,000 (portable) is audited by Foundation Accounting every two years (See Fixed Asset Policy).						
5	Valuable paperwork protected, tracked and accounted for Original documents that would generate a billing are controlled						
6	Accountability: separation of duties						
7	Safe type, access, combo changes Safe type is adequate, TL (tool resistant) rated or fire safe? Management controls access and changes combination when employees leave or no longer have a need based on job duties. Manager keeps record of when combination was last changed and who has access to the combination/key(s). See Foundation Procedures "CR - 370 Cash Receipts", item 370-8 on the web site.						
8	Timely processing, deposit, billing, etc. See Foundation Procedures "CR - 370 Cash Receipts", item 370-3 Timely Deposits on the web site.						
9	Check & card acceptance See Foundation Procedures "CR - 370 Cash Receipts", item 370-9 Check Acceptance Procedures on the web site.						
10	Limit exposure, access, transportation of valuables See Foundation Procedures "CR - 370 Cash Receipts", item 370-1 Section C5 on the web site.						
11	Reconciliations made to original docs.						
	COMMENTS:						
D. Vehicle Safety							
1	Drivers authorized Foundation employees must be authorized in advance by Foundation Admin to drive Foundation vehicles. See CSURMA Policy 1-AORMA						
2	Vehicles safe, maintained, seat belts in place.						
3	Registration, insurance info. Centralized handling Foundation car registration in administration office. Also, updating Foundation vehicles list, obtain insurance for new vehicles and reporting the sale of the cars to Insurance Co. is done by Administration office.						
4	Management controls use of vehicles and keys Compliance with Foundation Policy and if the Foundation or unit Policy is adhered to?						
	COMMENTS:						
E. Liability Risks							
1	Screening, hiring employees Background check for employees handling cash prior to employment. DMV check for employees driving Foundation Vehicles.						
2	Proper wage, salary, OT, etc. Compliance with Human Resources Policies						

Risk Management Review Check List			N/A	Adequate	Needs Improvement	Type Threats	Improvement Assignments	Accomplish By Date
3	Trips, falls, clutter hazards	Compliance with government and industry regulations.						
4	Food sanitation	Compliance with Health Department requirements.						
5	Alcohol served	Compliance with Campus alcohol Policy, alcohol secured						
6	Sexual harassment	Staff is aware that management must be informed and investigate any alledged sexual harassment						
7	Employees trained on discrimination	Provide periodic training by Human Resources to supervisors						
8	Minimize litigation and legal	Employees trained in different areas (interviewing, hiring, discipline, termination, sexual harassment, etc) can minimize litigation and liabilities.						
9	Reviewing Foundation Contracts - (Indemnification Clause, Insurance Clause)	Standard indemnification clauses and Insurance requirement for agreement are posted in Foundation Website						
		COMMENTS:						
F. Data Security								
1	Social Security Numbers not recorded							
2	Credit card numbers are not recorded without protection							
3	Data bases protected	At present, the staff have access to those data bases (i.e. accounting module) that related to their job function. Back ups performed.						
4	Operating system and access to server	The server kept in a secure room with access limited to authorized to people need to have access to it.						
5	Unique log-ins practiced, enforced	Mandatory periodic change of password on critical systems. Passwords are not shared.						
		COMMENTS:						
G. Best Practices in Place								
1	Mandatory vacations							

DESIGNATED GIFTS



**CAL POLY POMONA FOUNDATION, INC.
PROPOSED GIFTS BUDGET
FISCAL YEAR 2012-2013**

DESIGNATED GIFTS

	<u>Revised 2011-2012</u>	<u>Forecast 2011-2012</u>	<u>Proposed 2012-2013</u>
Designated Gifts to the University *	\$ 1,459,107	\$1,455,742	\$ 1,156,475
Faculty/Staff Café	<u>18,401</u>	<u>13,226</u>	<u>16,621</u>
Designated Gifts	\$ 1,477,508	\$1,468,968	\$ 1,173,096

* Revised 2011-2012 Designated budgets include Designated Foundation Program Interest of \$93,621 approved at the September 2011 Board of Directors meeting.

Public Relations 190060	Object	Amount
Administrative Fund for Students	7245	\$5,000
Advertisements	7015	\$1,000
Books and Subscriptions	7025	\$800
Donations	7070	\$25,000
Dues and Memberships	7075	\$750
Equipment Purchases	7105	\$3,500
Employee Development	7090	\$1,200
Furniture Purchases	7125	\$2,000
Meals and Refreshments, including alcoholic beverages (This includes receptions, luncheons and dinners for both internal and external constituencies – excluding Fall Conference and Commencement)	7185/7186	\$55,000
Commencement Expenses	7185/7186	\$2,500
Fall Conference Expenses	7185	\$2,750
Petty Cash	1030	\$200
Plants	7172	\$1,200
Postage/Printing/Copying	7225/7230	\$2,500
Prizes/Awards	7281	\$500
Public Relations Fund for the Chancellor	7245	\$15,000
Public Relations (gifts/flowers/gift packs)	7245	\$40,000
Rental of Rooms	7258	\$1,500
Rose Float Expenses (game tickets/parking/float gift)	7245	\$5,500
Staff Council		\$15,000

Public Relations 190060		Object	Amount
Student Outreach			\$5,000
Telephone		7345	\$100
Travel Fund for Students		7355	\$5,000
Travel (In-State and Out-of-State)		7355/56/57	\$16,750
Supplies and Services (office and kitchen)		7324/26/28	\$21,500
Services, other (carpet cleaning/vector control)		7291	\$8,500
Other University events supported by the President's Office (Academic Senate Retreats/AHIMSA)		7245	\$10,000
<i>Subtotal</i>			\$247,750
Additional Designated Gifts Request			
Athletics		19330R	\$55,000
<i>Subtotal</i>			\$302,750
Center for Technology Transfer		460400	\$150,000
<i>Subtotal</i>			\$452,750
Vice Presidents - Public Relations:			
Provost and Vice President for Academic Affairs		192960	\$70,000
Vice President for Student Affairs		192830	\$20,000
Vice President for Administrative Affairs		192840	\$3,334
Chief Information Officer for I&IT		193000	\$3,333
Vice President for Advancement		192820	\$3,333
<i>Subtotal</i>			\$100,000
Grand Total			\$552,750.00



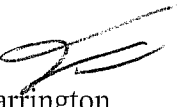
Memorandum

DATE: March 16, 2012

TO: J. Michael Ortiz
President

Edwin A. Barnes
Vice President for Administrative Affairs

Paul Storey
Executive Director, Cal Poly Pomona Foundation

FROM: 
Scott Warrington
Vice President for University Advancement

SUBJECT: 2012-13 University Advancement Grant Request

The success enjoyed by University Advancement in raising resources for the university is a direct reflection of its partnership with the Cal Poly Pomona Foundation. Attached please find the Division's proposal for 2012-13 funding support.

This proposal is designed to maintain the university's momentum during the next phase of the comprehensive campaign. University Advancement, together with the Cal Poly Pomona Foundation, must play an integral role in preparing for the increased philanthropic support that is greatly needed for our students, faculty, colleges, and programs. In an extensive effort to meet the challenges that lay ahead with the comprehensive campaign and the university identity initiative, along with maximizing our resources in an admittedly difficult budgetary climate, this year's request total is **\$419,475**. This represents a 19 percent overall increase (\$66,475) from 2011-12.

The increase in annual support and the investment in the campaign will continue to advance Cal Poly Pomona's preparation for the comprehensive campaign, university identity initiatives and continue to meet or CSU, university, alumni, donor, and constituent expectations.

Thank you for your continued partnership and consideration of this proposal. If you have any questions, please do not hesitate to contact me.

Executive Summary

The past four years have been a series of milestones for Cal Poly Pomona and University Advancement. Record gifts and recognitions have validated the ongoing support by the Cal Poly Pomona Foundation. Its support and investment in the Division of University Advancement (UAD) has paid extraordinary dividends, including countless award-winning publications that celebrate our success stories, the ability to connect to prospective donors across the country, and unique events that recognize our best donors while creating new ones in the process. Through the continued relationship with the Foundation, Cal Poly Pomona remains on track to reach its \$150 million campaign goal.

California economic downturn has impacted every aspect of campus life, including elevating the costs associated with our ability to connect with alumni, friends and potential donors. The 2012-13 grant request reflects an increase to ensure that we stay on track to meet the university's goal. The primary focus of UAD's annual grant request continues to be:

- **Donor cultivation and outreach.** UAD has made remarkable gains with new potential donors thanks to its ability to travel. Development and communication professionals will be required to get out and engage alumni and friends on short notice. This funding source has given the all concerned the flexibility they need to build and strengthen relationships towards major gifts.
- **Publications.** Cal Poly Pomona publications, produced by the Office of Public Affairs, are frequently recognized among the best in the country. This outreach effort has had documented and direct relationships on the acquisition of new gifts. Our pool of active alumni addresses grows incrementally every year, as does the rising costs of postage. Keeping that pipeline open to an ever expanding audience has proven to be a conduit for major gifts and enhanced relationships.
- **Campaign and infrastructure support.** Few issues could derail the success of the campaign and the university's ongoing development and communication efforts quicker than ineffective and inaccurate data. It is the lifeblood of the organization and must be maintained constantly. The division must direct resources to support stronger donor and alumni data. Lead cultivation efforts by the President, UAD leadership and key volunteers will build the foundation of lead gifts.

Conclusion:

This proposal is a reinvestment in Cal Poly Pomona. Heading into the final year of the campaign, the university cannot afford to lose its momentum. As the expectations and requirements for additional funds increase exponentially, UAD must be prepared to deliver on those expectations. This proposal reflects these challenges and recognizes the commitment that the Cal Poly Pomona Foundation has historically provided; a partnership that has paid tremendous dividends for our faculty, staff and students.

UNIVERSITY ADVANCEMENT GIFT REQUEST TO THE CAL POLY POMONA FOUNDATION, INC.		Proposed	
		2011-12	2012-13
Outreach, Cultivation, Development and Stewardship			
Prospective donor cultivation/solicitation, donor relations and donor stewardship (Note: includes funding for Vice President, AVP, Dir Planned Giving, 3 Major Gift Officers, 6 Development Directors)		100,000	100,000
Alumni leadership retreat, focus groups		4,000	4,000
Alumni development support		15,500	15,500
On campus in-reach events (Professor for a Day, Distinguished Alumni)		11,000	11,000
Legislative staff outreach and information on university priorities		5,000	5,000
Donor recognition items, plaques, awards		3,500	10,000
Consultant Fees (planned giving, foundations, general development)		20,000	40,000
Estate and Planned Giving marketing workshops, seminars		0	9,000
Student Annual Fund caller wages		10,000	10,000
Subtotal		169,000	204,500
Internal and External Communications			
PolyTrends (2 issues annual) publication and mailing		50,000	54,875
Panorama (2 issues annual to alumni and donor database) publication/ mailing		90,000	94,000
Electronic Newsletters: poly@lumni (emailed 9X/year to alumni) and polyfriends (emailed 4X/year to parents)		3,500	4,000
President's Annual Report and Donor Honor Roll, publication and mailing		11,000	12,600
Travel for story interviews for various publications		0	2,000
Editorial Support		0	9,000
Publication award application fees		2,500	2,500
Subtotal		157,000	178,975
Advancement Infrastructure and Capacity-Building			
Divisional retreat, quarterly meetings for strategic planning of goals and objectives		1,000	5,000
Data Research and/Marketing Pieces to cultivate non-donor alumni		15,000	20,000
Subtotal		16,000	25,000
University-Wide Events			
Participation in on-campus events/programs		11,000	11,000
Subtotal		11,000	11,000
TOTAL		353,000	419,475
Historical Summary of Foundation Support Grants to University Advancement:			
2011-12 Grant Support	\$353,000		
2010-11 Grant Support	\$343,000		
*2009-10 Grant Support	\$363,000		
*2008-09 Grant Support	\$464,500		
*2007-08 Grant Support	\$382,500		
*2006-07 Grant Support	\$358,500		
*2005-06 Grant Support	\$306,000		
*2004-05 Grant Support	\$295,500		
*2003-04 Grant Support	\$332,820		
*2002-03 Grant Support	\$304,900		
*2001-02 Grant Support	\$306,000		



April 19, 2012

Associate Vice President for Research

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

Via: J. Michael Ortiz, President, California State Polytechnic University, Pomona

Via: Marten denBoer, Provost, California State Polytechnic University, Pomona

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

Subject: 2012-2013 CPP Foundation Designated Gift Request

J. Michael Ortiz
Marten denBoer
Frank W. Ewers

Attached please find a proposal from the Office of Research for continuation of a previously-funded program designed to increase grant and contract activity, and strengthen the training of teacher-scholars. The Provost’s Teacher Scholar program provides summer stipends to support professional development of junior tenure-track faculty and takes a realistic, long-term view of attitudes and behaviors that are required to establish and maintain a scholarly career.

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

Since the program began in 2006-07, a total of 67 Cal Poly faculty have participated in the program. Three subsequently left so a total of 64 current faculty have been in the program with the following being a summary of their distribution:

Cohort	women	men	Total
1	11	11	22
2	3	8	11
3	5	7	12
4	7	4	11
5	6	5	11
Total	32	35	67

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

College	Assoc.	Asst.	Grand Total
Agriculture		1	1
BUS	1	1	2
CEIS	1	6	7
CLASS	2	18	20
Collins		3	3
Engineering	5	4	9
ENV	1	2	3
Science	5	17	22
Total	15	52	67

The eleven members of the fifth cohort will be joined by ten more who just been selected to comprise the sixth cohort. The new applicants will start working on their CDAs in Spring of 2012. The stipends that will be provided to the fourth and fifth cohorts for the summer of 2012 will be funded by the Designated Gift approved by the Foundation last year.

The funds requested for the 2012-13 fiscal year (\$110,000) will be used to provide the 10 members of the seventh cohort with stipends of \$5,000 and the 10 continuing members of the sixth cohort with stipends of \$6,000 during the summer of 2013. We are able to do this because the funds will be paid as stipends in late June, 2013, just before the end of the fiscal year.

The following is a brief summary of the grants submitted and funded by participants in the first four cohorts:

First Cohort: Of the 22 original participants, 20 are still at CPP, fourteen submitted a total of 48 applications for a total of \$13.5M in funding. These applications led to nine faculty having 11 funded projects for \$3.04M.

Second Cohort: Of the 11 original participants, 10 are still at CPP, seven submitted a total of 18 applications for a total \$5.5M. Three people had a total of three projects funded for \$289,000.

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

Fourth Cohort: Of the 11 participants, five people submitted a total of six projects for \$1,686,644. Three were not funded and we anticipate they will resubmit. One project was funded from the National Institutes of Health for \$511,716. An additional project was funded by the Agricultural

Research Initiative for \$75,000. Thus the total was \$586,716, with a grant still pending and other proposals in preparation.

Fifth Cohort: Of the 11 participants, four people have so far submitted a total of five projects for \$350,654. Two of them are still pending, two were not funded, and one was funded for \$55,620 for one year. The two projects that were not funded will be resubmitted within the next month. The funded project from Ironwood Consulting Inc., on the use of desert plants to monitor water tables, is expected to lead to multiple years of future funding.

Overall: 64 of 67 original participants are still here (only the 64 still at CPP are included in the following summary):

- 28 people have submitted no applications for external funding to date
- 36 people have submitted a total of 93 applications for \$24.3M yielding
29 awards to 18 people for \$4.233M

The program has cost \$660,000 thus far (including funds provided by the previous Designated Gifts plus the Provost, Deans and ADVANCE grant) there has been over a six-fold return on investment. This is slightly higher than the five-fold ROI estimated in Dr. Hoyt's original proposal for a designated gift that was submitted in March 2006. This does not include the full effects of successful career launches brought on by the program, since many faculty will continue to submit successful proposals for many years after they have completed their Provost's Teacher Scholar participation.

A more detailed summary of applications for external funding from the three most recent cohorts can be found in the attached summary.

Recent Provost Teacher Scholar Proposal Submissions

Cohort of 2011

Proposal Submissions July 1, 2011 - March 2012

Last Name	First Name	College	Date Submitted	Title	Sponsor	Amount Requested	Status
Bobich	Edward	SCI	10/5/2011	Physiological and Phenological Research for the Desert Dry Wash Woodland Monitoring and Reporting Plan	Ironwood Consulting, Inc.	\$ 40,622	Awarded
Cheng	Wen	EGR	10/5/2011	FY 2012 National Summer Transportation Institute Program	U.S. Department of Transportation	\$ 55,620	Not Funded
			10/24/2011	Development of Safety Performance Functions for California	California Department of Transportation	\$ 144,412	Not Funded
Haghi	Mehrdad	EGR					
Hargis	Jill	CLASS					
Lappin	Kristopher	SCI					
Lawrence	Emille	SCI					
Myers	Jun	BUS					
Palomo	Monica	EGR	12/6/2011	Assessment of Public Awareness and Perception and Water Education	Metropolitan Water District of Southern CA	\$ 10,000	Pending
Small	Alex	SCI	11/2/2011	Superresolution Imaging for Tracking Antifungal Nanoparticles in Live Fungal Cells	Research Corporation	\$ 100,000	Pending
Tucker	Ericka	CLASS					
Zhang	Jian	HRM					

Cohort of 2010

Proposal Submissions July 1, 2010 - March 2012

Last Name	First Name	College	Date Submitted	Title	Sponsor	Amount Requested	Status
Gilli-Elewy	Hend	CEIS					
Hoang	Thienhuong	CEIS					
Jung	Jae Min	BUS					
Kang	Hyun Gu	CLASS	5/19/2011	Distractions, Falls, and Stochastic Delay Differential Models of Postural Control	National Institutes of Health	\$ 435,000	Not Funded
Kim	James J.	CLASS					
Li	Weimin	ENV	9/15/2010	A Proposal for NSF International Planning Visit/Workshop	National Science Foundation	\$ 19,965	Not Funded
Mickey	Georgia	CLASS					
Sadaghiani	Homeyra	SCI	1/7/2011	Increasing the Number and Quality of High School Physics Teachers Graduating from Cal Poly Pomona	Physics Teacher Education Coalition	\$ 298,261	Not Funded
			2/29/2012	Science Model Academy for Reflective Teaching - SMART	National Science Foundation	\$ 346,702	Pending
Singh	Neha	COLLINS					
Voss	Andrew	SCI	5/18/2011	Mechanism and Function of a Novel Purinergic Signaling Cascade in Skeletal Muscle	National Institutes of Health	\$ 511,716	Awarded
Zhao	Yuanxiang	SCI	12/22/2010	Pesticides Toxicity with Human Adult Stem Cells	Agricultural Research Initiative	\$ 75,000	Awarded

Cohort of 2009

Proposal Submissions July 1, 2009 - March 2012

Last Name	First Name	College	Date Submitted	Title	Sponsor	Amount Requested	Status
Ahn	Ruth	CEIS					
Dickson	Kent	CLASS					
Fuqua	Juliana	CLASS					
Hall	Dewey W.	CLASS					
Hoeling	Barbara	SCI	2/9/2010	Building Computer-Interfaced Physics Experiments in the High School Classroom	National Science Foundation	\$ 988,781	Not Funded
			5/26/2011	A Model for Transforming Upper Division STEM Lecture Courses: Experimental Projects Plus Online Modules	National Science Foundation	\$ 250,000	Pending
Kitch	William	ENG					
Lange	Carsten	CLASS	3/23/2010	GIS Based Online Real Estate Information System	John Randolph and Dora Haynes Foundation	\$ 59,395	Not Funded
Li	Mingheng	ENG	8/13/2009	Enhancing Reforming by Oxygen Carrier and Adsorption	Intelligent Energy	\$ 25,000	Awarded
			11/24/2009	Enhancing Reforming by Oxygen Carrier and Adsorption	Intelligent Energy	\$ 60,000	Awarded
			9/10/2010	Engineering H2 Generation by Adsorption Enhanced Reforming for Fuel Cells	National Science Foundation	\$ 299,990	Not Funded
			2/16/2011	Engineering H2 Generation by Adsorption Enhanced for Fuel Cells	National Science Foundation	\$ 263,799	Not Funded
			9/1/2011	Engineering Adsorption Enhanced Pulsing Feed Reforming	National Science Foundation	\$ 263,799	Not Funded
Liu	Sean X.	SCI	11/19/2009	RUI: Development of New Catalysts for Asymmetric Hydrogenation Based on Copper, Chiral N-containing Ligands	National Science Foundation	\$ 199,705	Not Funded
			11/18/2010	RUI: Development of New Catalysts for asymmetric Hydrogenation Based on Copper, Chiral N-containing Ligands	National Science Foundation	\$ 177,065	Not Funded
			8/16/2011	Study of Methods of Determination of Various Electrolytes	Elytessolutions LLC	\$ 10,082	Awarded
Mogul	Rakesh	SCI	4/28/2010	NASA Greenward Bound: Research Experiences for Undergraduates and Teachers	NASA	\$ 848,312	Pending
Mulley	Susan	ENV	12/17/2009	The Escondido Creek Greenway Vision Plan	City of Escondido	\$ 56,825	Awarded
			4/16/2010	Marks Ranch Vision Plan	Big Sur Land Trust	\$ 59,951	Awarded
			11/5/2010	South Bay Waterfront Park Vision Plan	Southern California Coastal Conservancy	\$ 49,990	Awarded
			6/15/2011	Green Alleys	Trust for Public Land	\$ 75,801	Pending
Narayan	Anjana	CLASS					

Provost's Teacher Scholar Award Program as of March 2012

cohort	applications made				funded			
	people	apps	\$ mill		people	apps	\$ mil	
1	14	48	13.50		9	11	3.04	
2	7	18	5.50		3	3	0.29	
3	6	16	3.70		3	12	0.26	
4	5	6	1.69		2	2	0.59	
5	4	5	0.35		1	1	0.06	
Totals	36	93	24.74		18	29	4.23	

OPERATING BUDGETS
GENERAL ACTIVITIES

ADMINISTRATION

ADMINISTRATION

CONSOLIDATED BUDGET COMPARISON SUMMARY
FOR PROPOSED BUDGET YEAR 12-13
CURRENT FISCAL YEAR 11-12

ACCT. ACCOUNT TITLE	CURRENT YEAR		PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
	APPROVED BUDGET	CURRENT YEAR FORECAST		
=====				
REVENUE				
ADMINISTRATIVE FEES	3,574,045	3,606,008	3,867,742	261,734
OTHER	0	5,900	0	(5,900)
SALES	<u>20,302</u>	<u>2,775</u>	<u>1,627</u>	<u>(1,148)</u>
TOTAL REVENUE	3,594,347	3,614,683	3,869,369	254,686
EXPENDITURES-CONTROLLABLE				
UTILITIES	39,720	40,200	44,740	4,540
INSURANCE	120	150	120	(30)
REPAIRS & MAINTENANCE	166,264	223,543	190,660	(32,883)
MEALS & REFRESHMENTS	8,913	8,540	8,668	128
POSTAGE & FREIGHT	14,880	12,645	13,944	1,299
ADVERTISING	65,718	73,326	67,189	(6,137)
RENT/COMMISSIONS	1,320	300	1,200	900
SERVICES	188,298	263,688	219,064	(44,624)
SUPPLIES	123,788	115,000	117,144	2,144
TELEPHONE	32,580	35,233	43,056	7,823
TRAVEL	15,671	12,856	16,920	4,064
OTHER	<u>86,457</u>	<u>82,017</u>	<u>80,998</u>	<u>(1,019)</u>
TOTAL EXPENDITURES-CONTROLLABLE	743,729	867,498	803,703	(63,795)
EXPENDITURES NON-CONTROLLABLE				
ADMINISTRATIVE FEES	0	540	635	95
DEPRECIATION	148,642	150,695	158,544	7,849
INSURANCE	74,496	47,000	48,000	1,000
INTEREST EXPENSE	1,440	1,000	1,440	440
RENT/COMMISSIONS	13,380	10,300	10,710	410
BANK CARD FEES	0	60	60	0
OTHER	<u>75,945</u>	<u>74,795</u>	<u>77,656</u>	<u>2,861</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	313,903	284,390	297,045	12,655
LABOR COSTS				
SALARIES & WAGES	2,264,908	2,083,879	2,274,180	190,301
EMPLOYEE BENEFITS	<u>1,455,462</u>	<u>1,252,077</u>	<u>1,314,776</u>	<u>62,699</u>
TOTAL LABOR COSTS	<u>3,720,370</u>	<u>3,335,956</u>	<u>3,588,956</u>	<u>253,000</u>
TOTAL EXPENSES	<u>4,778,002</u>	<u>4,487,844</u>	<u>4,689,704</u>	<u>201,860</u>
NET INCOME	(1,183,655)	(873,161)	(820,335)	52,826
	=====	=====	=====	=====

CAL POLY POMONA FOUNDATION, INC.

ADMINISTRATION FEE SUMMARY

<i>FISCAL YEAR</i>	Current Approved Budget 2011-2012	Forecast Budget 2011-2012	Proposed Budget 2012-2013	Variance
<u>REAL ESTATE:</u>				
TOTAL REAL ESTATE ADMIN FEE	126,363	143,550	141,019	-2,531
<u>ENTERPRISES:</u>				
Bookstore	664,662	655,676	620,543	-35,133
Dining Services	833,831	878,226	954,464	76,238
K.W. Conference Ctr. & Lodge	88,186	91,850	93,023	1,173
University Village	494,186	467,437	528,234	60,797
TOTAL ENTERPRISES ADMIN FEE	2,080,865	2,093,189	2,196,264	103,075
<u>FUND 5, 8 10, UET, & RESEARCH:</u>				
U.E.T.	45,922	206,618	375,071	168,453
Research Office	675,001	607,500	607,500	0
Fund 3 - Admin Philanthropic Grants	105,750	105,750	74,250	-31,500
Fund 5 - Agriculture	102,017	109,364	125,166	15,802
Fund 8 - Campus Programs	315,857	202,382	202,380	-2
Fund 10 - CEU	110,268	125,655	132,472	6,817
TOTAL 3, 5, 8, 10, UET, & RESEARCH ADMIN FEE	1,354,815	1,357,269	1,516,839	159,570
TOTAL FOUNDATION ADMIN FEE	3,562,043	3,594,008	3,854,122	260,114

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

105,610	105,610	105,610	-
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Cal Poly Pomona Foundation
 Cost Allocation Analysis
 For the fiscal year ended June 30, 2011

Fund	2010-11 Computer Transactions	% Accounting	2010-11 Acctg & MIS Actual Allocation	Adjustments For Time	Adjusted 2010-11 Acctg & MIS Actual Allocation	Administrative %	2010-11 Administration Actual Allocation	Human Resources %	2010-11 Human Resources Actual Allocation	2010-11 Actual Total Allocation	2010-11 Foundation Prg. 75% Total Allocation	2010-11 Amount Charged	Overage (Shortage) Variance Amount	Variance %
General	34,983	10.37%	223,557		223,557	10.37%	12,197	1.00%	6,166	241,921		-	(241,921)	-100.00%
Real Estate	11,158	3.31%	71,305		71,305	3.31%	12,197	1.00%	-	83,502		123,196	39,694	47.54%
Grants and Contracts	36,638	10.86%	234,133	59,703	293,836	13.62%	280,539	50.00%	308,324	882,699		711,802	(170,897)	-19.36%
Designated	4,576	1.36%	29,243		29,243	1.36%	-		-	29,243		2,363	(26,880)	-91.92%
Enterprise	144,780	42.90%	925,210	(34,003)	891,207	41.32%	756,235	35.00%	215,827	1,863,269		2,114,605	251,336	13.49%
Agriculture	18,851	5.59%	120,466	(3,400)	117,066	5.43%	36,592	3.00%	18,499	172,158		100,139	(72,019)	-41.83%
Endowment	9,583	2.84%	61,240	20,000	81,240	3.77%	36,592	3.00%	-	117,832		46,768	(71,064)	-60.31%
Programs/Scholarships	70,704	20.95%	451,831	(41,600)	410,231	19.02%	42,691	3.50%	12,333	465,254	348,941	467,792	118,851	25.55%
Continuing Education	6,203	1.84%	39,640	(700)	38,940	1.81%	42,691	9.00%	55,498	137,129		127,316	(9,813)	-7.16%
Total	337,476	100%	2,156,625	-	2,156,625	100.00%	1,219,734	100.00%	616,648	3,993,007	348,941	3,693,981	(182,712)	-4.576%

Fund	2010-11 Allocated Actual Cost per Transaction	2010-11 Amount Charged per Transaction	Variance
General/Innovation Village	6.92	-	0%
Rental Buildings	7.48	11.04	148%
Grants	24.09	19.43	81%
Designated	6.39	0.52	8%
Enterprise	12.87	14.61	113%
Agriculture	9.13	5.31	58%
Endowment	12.30	4.88	40%
Foundation	6.58	6.62	101%
Continuing Education	22.11	20.52	93%
Avg. per Trans.	11.99	9.21	77%

Amount Distributed	Average Balance Quarterly			Foundation Prgs Scholarships			Total Withheld		
	Foundation Prgs Scholarships	Yield Returned	Yield Withheld	Foundation Prgs Scholarships	Scholarships	Yield Withheld	Foundation Prgs Scholarships	Scholarships	Total Withheld
Sept	29,668.00	3,175.00	0.15500%	19,140,645.16	2,048,387.10	0.12500%	23,925.81	2,560.48	26,486.29
Dec	26,232.00	2,697.00	0.14000%	18,737,142.86	1,926,428.57	0.12500%	23,421.43	2,408.04	25,829.46
Mar	18,816.00	1,894.00	0.09750%	19,298,461.54	1,942,564.10	0.12500%	24,123.08	2,428.21	26,551.28
June	18,905.00	2,068.00	0.09500%	19,900,000.00	2,176,842.11	0.12500%	24,875.00	2,721.05	27,596.05
	93,621.00	9,834.00					96,345.31	10,117.78	106,463.09

CAL POLY POMONA FOUNDATION, INC.

ADMINISTRATION

2012-13

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2012

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Proposed Fiscal Year Budget

A

ADMINISTRATION_EXECUTIVE

CONSOLIDATED BUDGET COMPARISON SUMMARY
FOR PROPOSED BUDGET YEAR 12-13
CURRENT FISCAL YEAR 11-12

ACCT. ACCOUNT TITLE	CURRENT YEAR		PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
	APPROVED BUDGET	CURRENT YEAR FORECAST		

REVENUE				
ADMINISTRATIVE FEES	3,562,045	3,594,008	3,854,122	260,114
OTHER	0	900	0	(900)
SALES	<u>19,002</u>	<u>1,225</u>	<u>327</u>	<u>(898)</u>
TOTAL REVENUE	3,581,047	3,596,133	3,854,449	258,316
EXPENDITURES-CONTROLLABLE				
UTILITIES	39,720	40,200	44,740	4,540
REPAIRS & MAINTENANCE	19,060	22,300	31,360	9,060
MEALS & REFRESHMENTS	4,800	6,000	6,000	0
POSTAGE & FREIGHT	350	125	260	135
ADVERTISING	22,912	31,000	30,640	(360)
RENT/COMMISSIONS	1,200	300	1,200	900
SERVICES	41,138	38,300	46,616	8,316
SUPPLIES	25,335	20,620	30,035	9,415
TELEPHONE	27,600	29,000	36,000	7,000
TRAVEL	5,875	2,500	6,050	3,550
OTHER	<u>25,432</u>	<u>23,300</u>	<u>25,460</u>	<u>2,160</u>
TOTAL EXPENDITURES-CONTROLLABLE	213,422	213,645	258,361	44,716
EXPENDITURES NON-CONTROLLABLE				
DEPRECIATION	9,600	6,000	8,400	2,400
INSURANCE	48,000	47,000	48,000	1,000
INTEREST EXPENSE	1,440	1,000	1,440	440
RENT/COMMISSIONS	3,000	2,800	3,000	200
OTHER	<u>2,330</u>	<u>2,200</u>	<u>2,330</u>	<u>130</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	64,370	59,000	63,170	4,170
LABOR COSTS				
SALARIES & WAGES	308,880	282,000	317,064	35,064
EMPLOYEE BENEFITS	<u>136,926</u>	<u>127,845</u>	<u>121,380</u>	<u>(6,465)</u>
TOTAL LABOR COSTS	<u>445,806</u>	<u>409,845</u>	<u>438,444</u>	<u>28,599</u>
TOTAL EXPENSES	<u>723,598</u>	<u>682,490</u>	<u>759,975</u>	<u>77,485</u>
NET INCOME	2,857,449	2,913,643	3,094,474	180,831
	=====	=====	=====	=====

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

Forecasted Revenue is anticipated to be approximately \$3,869,360 million, primarily from administrative fees from operations for support. These fees helps to support a wide range of necessary corporate functions under the leadership of the Executive Director. Administration is accountable for ensuring that support services are delivered and held accountable. Administration managed expenditures closely and using less kWh for building electricity due to lighting retrofit 2 years ago; bubbler sprinkler heads using less ccfs of water, and scanning instead of printing resulting in lower expenditures for paper, toner and equipment repair.

Explanation of Proposed Fiscal Year Budget:

Foundation Administration will continue to make donations to campus clubs and staff activities as in years past; budget cuts leave them relying on the Foundation now more than ever. Building 55 improvements have been completed (except for exterior painting anticipated to happen in August 2013), and no new capital projects for the building are planned for the upcoming fiscal year; the building will require continual maintenance due to its age. Depreciation will go up due to Document Library Project expense and KW Auditorium Smart Room improvements for Foundation training.

Changes in Programs and Services for Proposed Fiscal Year:

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

Explanation of Proposed Fiscal Year Capital Requests:

Possible remodel of A/P area to achieve maximum efficiency of space.

Changes in Staffing:

None

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

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

- Aging facilities (maintenance and replacement)
- Revenue shrinkage (products and services changing)
- PCI and protecting data concerns (customer and internal)
- Constraints on the ability to reward employees
- Social Media strategies for marketing and communications
- Health care costs and Retirement costs
- Expanding compliance and risk issues and their costs
- Succession Management Planning

Major Projects and Business Goals for Proposed Fiscal Year

D

Action Steps	Person Responsible	Due Date
*Improve paperwork reduction and the use of electronic documents, forms and workflow.	All Foundation Areas	June 2013
* Provide start-up support for the new Technology Transfer and Commercialization Center	Employment Services	July 2012
*Provide information and support to assist Advancement's implementation of Raiser's Edge Software .	Admin. and Financial Services	July -2012
*Innovation Village: marketing, and options for remaining land. Phase V agreement established.	Admin. & Real Estate	June 2013
*Provide BOD training as related to CSU & non-profit laws and regulations via AOA training program	Admin.	August 2012
*Long-term plan-Kellogg West Conf. Ctr. & Lodge for financial and facility substantiality. Review costs		
for renovation, additional rooms and inclusion of Collins curriculum.	Admin. & Kellogg West	June 2013
*Increase specialized training for managers including online performance management.	Employment Services	June 2013
*Dining Services - max innovation and talent to create customer tailored dining environments that		
support the university. Implementation of the updated 2012 Dining Services Master Plan	Dining Services	June 2013
*Bronco Bookstore-provide savings to students thru an aggressive rental program and the		
implemtation of the new CSU digital text media program.	Bronco Bookstore	June 2013
* Univ Village-maintain high occupancy, financial performance, competitive rates and facility maintenance		
that meets customer needs and expectations. Explore options for non-traditional student housing.	University Village	June 2013
Public Relations campaign-Foundation Gives back to the University	Admin & Marketing	June 2013
*Support Cal Poly Pomona's commitment to sponsored research and fund raising by providing resources		
and services tailored to assist the campus meets its performance goals.	Admin. and Financial Services	June 2013
*GASB vs FASB Accounting Standards	Admin. and Financial Services	July 2012
*Climate Neutral, Reduction of Greenhouse Gases - Investigate and implement ways for the Foundation		
to be climate neutral and reduce greenhouse gases in all operations. Be a role model for other to follow.	All	June 2013
*Presidential Order-The Foundation will use the Presidential Order to initiate opportunities to provide more		
services to the campus community and market the advantages in "reinvesting in ourselves".	Marketing et. al	June 2013

Mission/Vision Statement

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

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

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

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

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

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

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

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

Strengths and Challenges

Strengths

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

Challenges

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

Employee Survey

(Surveys were conducted at the unit level)



Customer Survey

(Surveys were conducted at the unit level)

Keys to Success

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

Corporate Culture

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

Business Controls and Vital Factors

H

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

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

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

Asset Protection/Risk Management

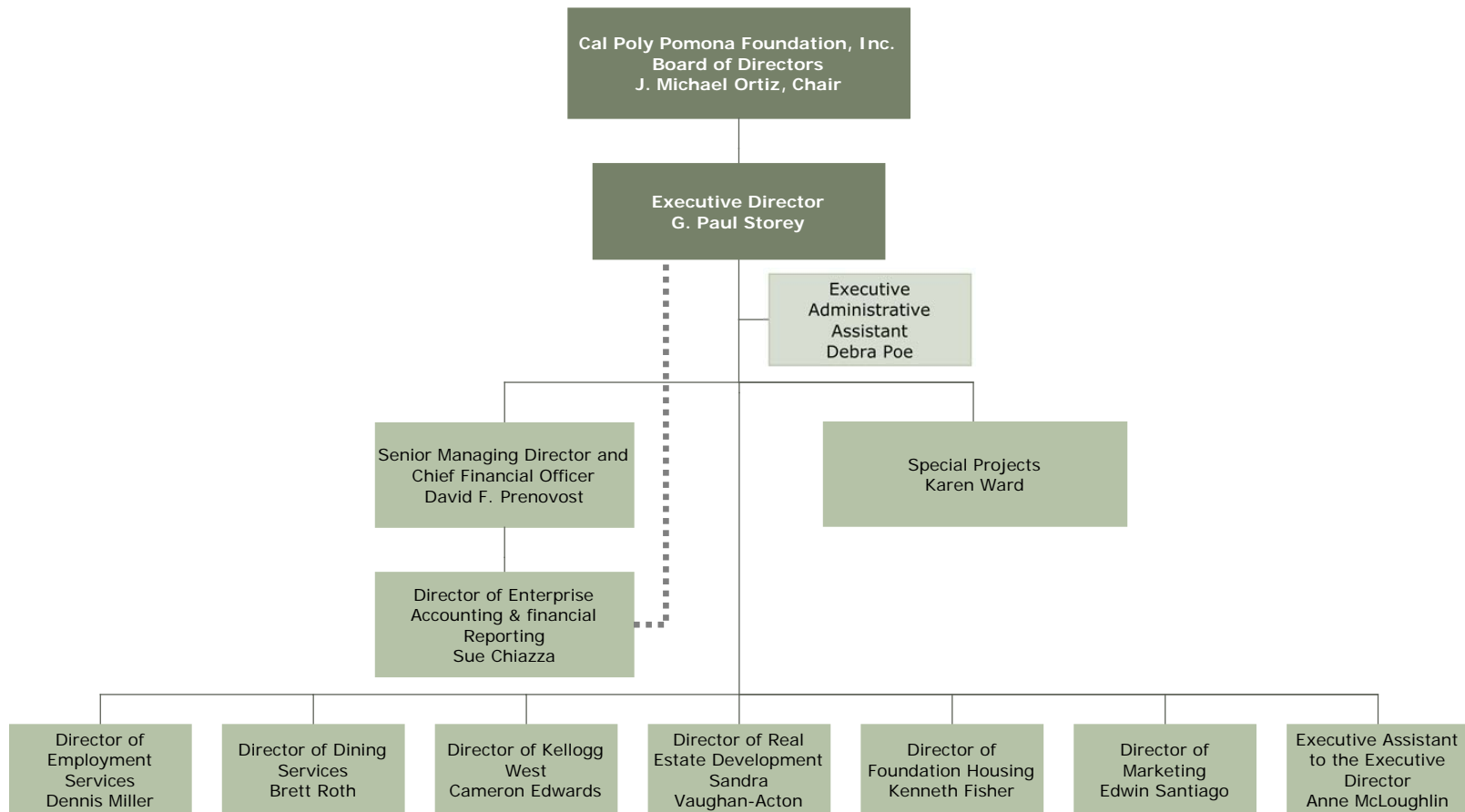
The Foundation has long practiced a conservative approach to risk management and has transferred risk of identifiable hazards to insurers through purchase of comprehensive insurance coverage. This approach and the practices to implement it are integrated into Foundation operations.

Organization Chart



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

EXECUTIVE MANAGEMENT TEAM



April 2012

CAL POLY POMONA FOUNDATION, INC.

FINANCIAL SERVICES AND MIS

2012-2013

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2012

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Proposed Fiscal Year Budget

A

FINANCIAL_SERVICES

CONSOLIDATED BUDGET COMPARISON SUMMARY
FOR PROPOSED BUDGET YEAR 12-13
CURRENT FISCAL YEAR 11-12

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
=====				
REVENUE				
SALES	<u>800</u>	<u>800</u>	<u>800</u>	<u>0</u>
TOTAL REVENUE	800	800	800	0
EXPENDITURES-CONTROLLABLE				
REPAIRS & MAINTENANCE	142,004	197,183	153,100	(44,083)
MEALS & REFRESHMENTS	2,688	1,530	1,543	13
POSTAGE & FREIGHT	13,656	12,200	12,810	610
ADVERTISING	3,132	3,054	3,079	25
SERVICES	107,404	189,638	119,408	(70,230)
SUPPLIES	44,972	41,360	27,154	(14,206)
TELEPHONE	2,100	3,625	5,256	1,631
TRAVEL	2,796	2,945	2,100	(845)
OTHER	<u>4,536</u>	<u>4,514</u>	<u>4,688</u>	<u>174</u>
TOTAL EXPENDITURES-CONTROLLABLE	323,288	456,049	329,138	(126,911)
EXPENDITURES NON-CONTROLLABLE				
DEPRECIATION	133,546	137,653	144,048	6,395
RENT/COMMISSIONS	8,700	7,500	7,710	210
BANK CARD FEES	0	60	60	0
OTHER	<u>73,615</u>	<u>72,595</u>	<u>75,326</u>	<u>2,731</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	215,861	217,808	227,144	9,336
LABOR COSTS				
SALARIES & WAGES	1,217,288	1,112,439	1,244,196	131,757
EMPLOYEE BENEFITS	<u>526,551</u>	<u>403,076</u>	<u>450,389</u>	<u>47,313</u>
TOTAL LABOR COSTS	<u>1,743,839</u>	<u>1,515,515</u>	<u>1,694,585</u>	<u>179,070</u>
TOTAL EXPENSES	<u>2,282,988</u>	<u>2,189,372</u>	<u>2,250,867</u>	<u>61,495</u>
NET INCOME	(2,282,188)	(2,188,572)	(2,250,067)	(61,495)
	=====	=====	=====	=====

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

190010:

Equipment Purchases-IT (7104): In fiscal year 2011-2012, new computer monitors and an IPAD were purchased in Financial Services.

190030:

Services/Consultant (7286), Maintenance/software (7175): In fiscal year 2011-2012, goals were met to update enterprise-wide desktop computers, upgrade the financial system from UNIX to SQL database, expand the VM System, and updated the tape backup hardware for better disaster recovery in Foundation IT. Operational budgets are forecast to be exceeded due to higher contracting costs caused by staff turnover and higher software maintenance costs from project delays in the financial system upgrade.

Explanation of Proposed Fiscal Year Budget:

190010:

Conference (7035): In FY 12/13, additional conferences relating to Accounts Payable issues including 1099 reporting and sales tax have been budgeted.

190030:

Computer w/Harddisk (7104), Maintenance/IT Equipment (7177), Services/Consultant (7286), Maintenance/software (7175): Expenses associated with the desktop computer upgrades and financial system database migration will drop through the conclusion of these projects. Fluctuations related to current labor changes are expected to stabilize in the coming fiscal year leading to reduced search and contracting costs.

Changes in Programs and Services for Proposed Fiscal Year:

190010: The Foundation will be extending the capabilities of the web-based Bi-Tech 7i accounting system continuing to promote Bi-Tech 7i accounting system and encourage end users to eliminate shadow systems by providing additional reports. We are also going to have Sungard review our accounting software setup and processes for increased efficiencies and improved functionality.

190030: Enhancements will be made to the VM system to increase performance, disk-to-disk backup and mobile device software will be implemented to improve recovery and accessibility of Foundation systems.

Explanation of Proposed Fiscal Year Capital Requests:

190030: Mobile Device Security Management Software - Is needed to provide file access and security for personal mobile devices connecting to Foundation data sources.

Kronos System Updates - are needed to improve biometrics and expand services through upgrade from version 6.1 to 6.3

Disk to Disk Back-up solution - Is needed for faster and longer enterprise backup and recover.

VM System Enhancements - Will provide additional CPU, memory, and system compatibility.

POS/PCI System Review - Consulting time and development work is needed to improve POS technical support and PCI compliance. The rapid growth of POS systems and their dispersions across all operations is driving a need for better I.T. integration, uniform maintenance, PCI compliance and monitoring to optimize performance.

Financial System Business Process Review - Consulting time and development work is needed to improve workflow and staff efficiency. Work will also allow build out of a test system for a 2012-2013 upgrade from IFAS 7.7.2 to 10.2.

Endowment Module for IFAS - Will improve staff efficient in the processing of donations and endowments.

Changes in Staffing:

None

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

190010: Improve financial and information systems. Continue to support increased activity in sponsored project proposals and Kellogg Legacy projects; Support University Advancements capital campaign; Continue long term risk management program for cost savings and risk mitigation; Year (2013-2015) Wireless expansion, Workflow Tools; Software Update Automation. Server Software Upgrades (Windows server 2008); SANS Hardware/Server Virtualization, Emergency generator, Phone System Upgrade; Years (2015-2016) Implement Paperless Filing System, Facilities Expansion

190030: Over the next three years we will be performing further system consolidation, increasing office automation with workflow tools, increasing server virtualization, extending the Bi-Tech financial system capability, improving disaster recovery, and extending wireless capability. Beyond 4 years we will be moving toward IPV6 networking, encrypted databases, office automation, universal inbox, VOIP phones, increased external application hosting, and expanded or moved facilities.

Mission/Vision Statement

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

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

Strengths and Challenges

Strengths

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

Challenges

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

Employee Survey

This year's survey included the same 10 questions as the previous years and 16 out of the 16 employees responded to the survey. On a scale of 0 to 4, 4 being totally agree, 3 being agree, 2 being disagree, 1 being totally disagree, and 0 being don't know, there were a total of 37 responses who totally agree, 79 responses who agree, 23 responses who disagree, 11 responses who totally disagree and 0 responses who didn't know.

Financial Services received an overall score for 11-12 of 2.71 versus 2.90 in 10-11, 2.95 in 09-10, 3.00 in 08-09, 3.13 in 07-08, 2.71 in 06-07, 3.46 in 05-06, and 3.21 in 04-05.

For 2011-12, the following totally agree or agree:

- 88% believe their supervisor considers them to be an important factor to their department's success;
- 69% feel they are treated with fairness, respect and equality as a whole;
- 56% feel other departments or employees react quickly to meet the needs of the other employees/departments;
- 69% feel there is a high level of trust between employees and direct supervisors;
- 75% feel there is a good level of trust between employees and upper management;
- 63% feel goals are communicated to all employee levels;
- 56% feel teamwork and communication within Foundation Financial Services is good;
- 25% feel their salary plus benefits is appropriate for the requirement of their position;
- 50% Foundation management is interested in their future and does all it can to develop their skills; and
- 88% enjoy working for Foundation Financial Services;

Customer Survey

There were 23 responses where we have used the same scale as the employee survey from 0 to 4. We received an overall score of 3.17 in 11-12 versus 2.98 in 10-11, 3.25 in 09-10, 3.13 in 08-09 year, 2.52 in 07-08 year, 3.37 in 06-07, 3.30 in 05-06 year, and 3.28 in 04-05 year. There were a total of 125 responses who totally agree, 170 responses who agree, 50 responses who disagree, 11 responses who totally disagree and 25 responses who didn't know.

The following totally agree or agree:

- 74%--employees are courteous, helpful, knowledgeable and service oriented;
- 61%--faced with new projects or demands, Financial Services reacts quickly to meet the needs of the customer;
- 83%--produces a consistently superior level of accuracy in all of the work we perform;
- 74%--consistently completes assignments on time;
- 91%--incorporates current technology in servicing our customers;
- 87%--organized, professional organization that conducts transactions in a business-like manner;
- 96%--the services provided is an asset to the University;
- 78%--forms are easy to understand and use;
- 78%--the staff is always efficient when answering their questions;
- 65%--computer information is current and accessible;
- 57%--computer systems are fast, reliable and efficient;
- 77%--MIS staff respond to service requests in a timely manner;

Foundation Financial Services Procedures are comprehensible:

- 61%--Wells Fargo Purchasing Card
- 91%--Disbursement Voucher Form
- 77%--Travel Form
- 86%--Deposit
- 82%--Purchasing

Keys to Success

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

Corporate Culture

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

Business Controls and Vital Factors

H

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

Asset Protection/Risk Management

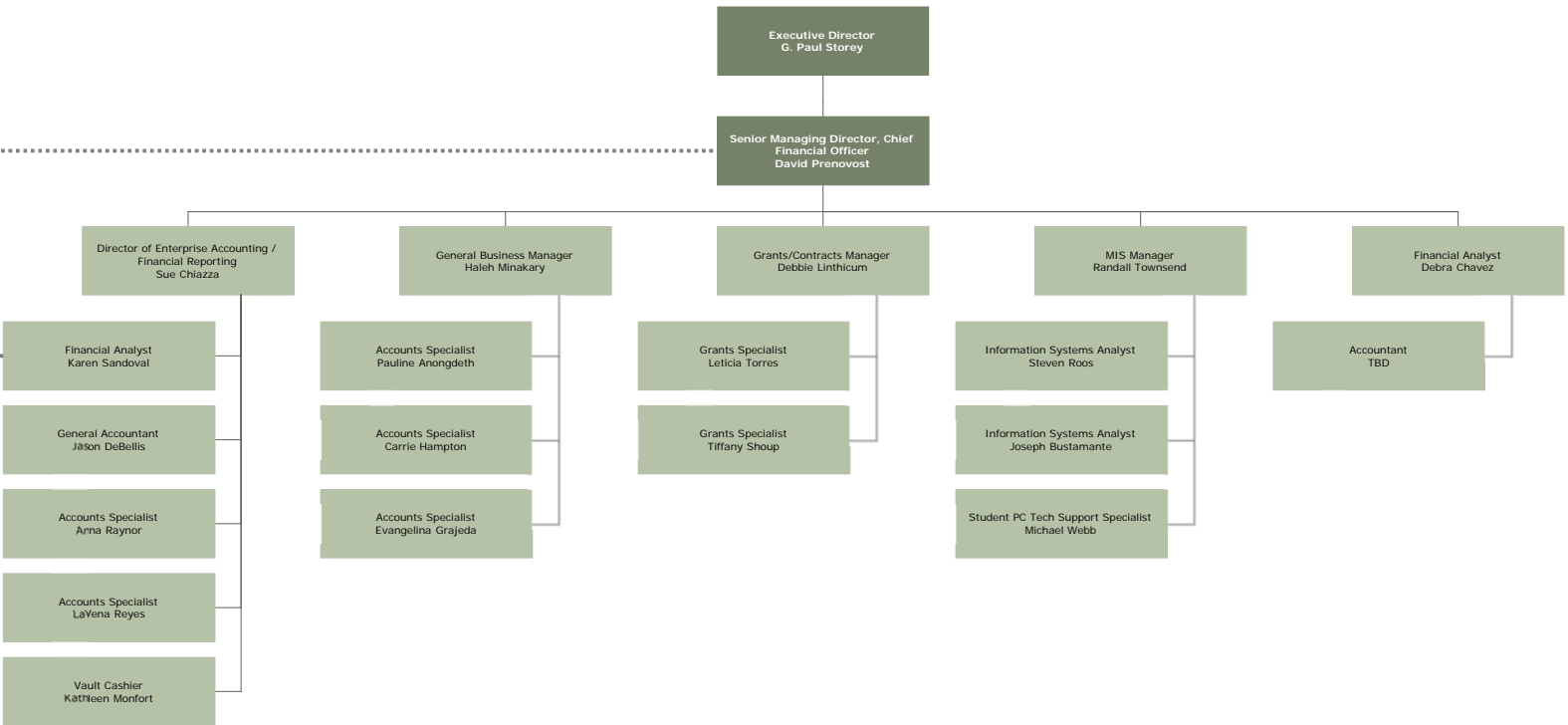
1. Mitigating the risk of network security breaches. Corrective action includes use of monitoring software, log management, pro-active scanning and improvements to physical security of equipment.
2. Business continuity risk management. Corrective action includes hardware and software redundancy in mission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

Organization Chart



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

FINANCIAL SERVICES / MANAGEMENT INFORMATION SYSTEMS



CAL POLY POMONA FOUNDATION, INC.

EMPLOYMENT SERVICES

2012 - 2013

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2012

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Proposed Fiscal Year Budget

A

EMPLOYMENT_SERVICES

CONSOLIDATED BUDGET COMPARISON SUMMARY
FOR PROPOSED BUDGET YEAR 12-13
CURRENT FISCAL YEAR 11-12

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
=====				
EXPENDITURES-CONTROLLABLE				
INSURANCE	120	150	120	(30)
REPAIRS & MAINTENANCE	1,500	300	300	0
MEALS & REFRESHMENTS	1,200	800	900	100
POSTAGE & FREIGHT	120	120	120	0
ADVERTISING	624	600	1,620	1,020
RENT/COMMISSIONS	120	0	0	0
SERVICES	37,356	35,500	49,200	13,700
SUPPLIES	6,996	10,000	6,000	(4,000)
TELEPHONE	960	1,600	1,200	(400)
TRAVEL	900	3,200	900	(2,300)
OTHER	<u>55,764</u>	<u>53,528</u>	<u>50,100</u>	<u>(3,428)</u>
TOTAL EXPENDITURES-CONTROLLABLE	105,660	105,798	110,460	4,662
EXPENDITURES NON-CONTROLLABLE				
INSURANCE	<u>26,496</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	26,496	0	0	0
LABOR COSTS				
SALARIES & WAGES	351,320	312,000	298,116	(13,884)
EMPLOYEE BENEFITS	<u>176,136</u>	<u>131,234</u>	<u>100,386</u>	<u>(30,848)</u>
TOTAL LABOR COSTS	<u>527,456</u>	<u>443,234</u>	<u>398,502</u>	<u>(44,732)</u>
TOTAL EXPENSES	<u>659,612</u>	<u>549,032</u>	<u>508,962</u>	<u>(40,070)</u>
NET INCOME	(659,612)	(549,032)	(508,962)	40,070
	=====	=====	=====	=====

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

The 2011 - 2012 budget year was similar to the prior fiscal year where the main focus remained on refining functionality in Kronos and standardizing procedures. Both of these activities are designed to improve work-flow efficiencies and to help assure compliance in all areas of employment.

Employment Services also integrated self-insured options for its healthcare benefits, a decision that will assist in the stabilization of the overall cost of healthcare for Foundation employees and retirees in the coming years.

We expect to end the fiscal year under budget by about 5%.

Explanation of Proposed Fiscal Year Budget:

There will be minor budget fluctuations in the upcoming budget year compared with the current year. This will be due to rolling out the training and development program for supervisory employees.

Changes in Programs and Services for Proposed Fiscal Year:

Although planned for 2011, in July of 2012 we will implement the Kronos Performance Management module, which allows for complete automation of the workflow associated with completing and submitting performance evaluations. Individual meetings between managers and their employees will continue to occur regarding performance management.

Our supervisory training and development program will be implemented.

We have replaced our fully insured health insurance plan for Blue Shield's PPO/HMO, and dental and vision benefits, with a partially self-insured plan with stop-loss insurance. The level of benefits provided in our self-insured plan are slightly richer overall while the premium structure is more beneficial to employees and retirees when compared with the former fully insured Blue Shield plan.

Explanation of Proposed Fiscal Year Capital Requests:

Kronos Version Upgrade. While initially a version upgrade was planned for 2011, the decision was made to skip a year and complete the upgrade during 2012. The Kronos platform provides the organization with the tools for process automation in many of the employment based processes such as recruitment and selection, hiring, performance management, and self-service for employees. The overall benefits associated with purchasing the Kronos platform have been well documented for Foundation.

Changes in Staffing:

In 2011 we had one long term key employee retire - Sharon Stuewe. Although Sharon's title was "Associate Director of Employment Services" she filled the role of Payroll Manager within her position duties. However, the payroll processes have experienced many improvements and efficiencies over the past several years, and at this juncture, we do not plan to replace that position. Instead, we will redistribute the essential tasks of that role among the existing employees.

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

During the near term there will be minor changes. The unknown outcomes associated with our state budget directly impact Foundation and all its employees and long term planning is becoming less important compared with 5 years ago. During the next 2-3 years Employment Services will focus on employee development both within its department and for Foundation supervisory employees, and will continue to fine tune its processes to ensure they meet the needs of employees and managers, while remaining efficient and cost effective for Foundation. Creating the infrastructure to provide training and development for the next generation of supervisory employees is possibly our most critical long term objective.

Looking ahead the next 4 - 7 years, the economy should continue on its slow recovery path which should not directly impact Employment Services any more or less than during the past 5 years. Additionally, Health Care Reform will continue to evolve and have some impact on how Foundation designs and delivers its health care programs. Finally, we expect a material loss of talent (Foundation wide) during the next 2 to 5 years in key positions. Comprehensive and systemic plans should be developed to mitigate the expected loss of talent, which will be difficult given the economic state of the economy.

Mission/Vision Statement

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

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

The Core Values of the Employment Services Department include:

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

Strengths and Challenges

Strengths

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

Challenges

- 1. Evolving the skills of all employees in Employment Services toward becoming more strategic as a services provider.
- 2. Retention and morale issues for all employees (organization-wide) continues to be at the forefront of many issues which is due to the impact of the state budget on Foundation employees. Additionally, the increased frequency of employee complaints - which is generally anticipated in a down economy, will continue to place a burden on Employment Services which is difficult to forecast. The challenge for Employment Services is how to best assist units toward working through these issues in a fiscal environment where long term solutions to address these issues continue to be sparse.

Employee Survey

Survey not completed this year.



Customer Survey

Survey not completed this year.

Business Controls and Vital Factors

H

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

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

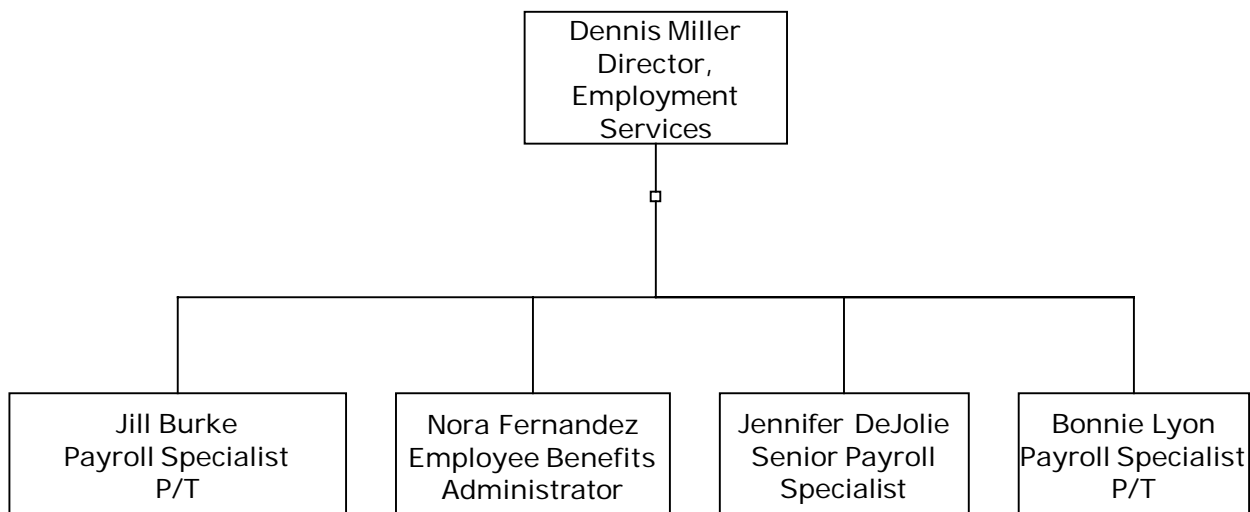
Timely and thorough collaboration / communications with unit Directors on matters of importance applicable to their units.

Continue to improve all employment processes.

Asset Protection/Risk Management

Organization Chart

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



April 2012

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

During the next 1 - 6 years, employee retention in key positions - mainly at mid and senior level positions, will continue to be a situation in a state of flux due mainly to stagnant compensation within Foundation over the last 4 years. Some of our talented and marketable employees will migrate to other educational institutions or to the private sector. While this situation is not always problematic, losing 3 or 4 key employees in a short period of time can become problematic for Foundation.

Currently, about one-third of all full time employees in our operating units are eligible to retire.

In the next 1 - 4 years, some employees will be recruited away with the prospect of higher wages, and most often, these employees will be at or near the mid-level of their career. Many employees, perhaps up to 75% of those currently eligible to retire, will do so at some point during the next 10 years. Combined, both of these situations will result in an exodus of corporate knowledge, senior level leadership, and proven business experience at both mid and senior levels.

However, as these two variables impact Foundation and employees leave Foundation, this will create an unusually high number of "upward mobility" opportunities for others, and we anticipate a certain percentage of our junior employees and even mid level employees filling supervisory roles to benefit from the management development program, and thus have the tools necessary to be competitive for internal promotional opportunities when positions become available.

Continued -No Continuations

CAL POLY POMONA FOUNDATION, INC.

MARKETING

2012-13

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2012

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Proposed Fiscal Year Budget

A

MARKETING

CONSOLIDATED BUDGET COMPARISON SUMMARY
FOR PROPOSED BUDGET YEAR 12-13
CURRENT FISCAL YEAR 11-12

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
REVENUE				
OTHER	0	5,000	0	(5,000)
SALES	<u>500</u>	<u>750</u>	<u>500</u>	<u>(250)</u>
TOTAL REVENUE	500	5,750	500	(5,250)
EXPENDITURES-CONTROLLABLE				
REPAIRS & MAINTENANCE	3,700	3,690	5,900	2,210
MEALS & REFRESHMENTS	150	150	150	0
POSTAGE & FREIGHT	250	100	250	150
ADVERTISING	38,350	37,937	31,150	(6,787)
SERVICES	450	0	2,090	2,090
SUPPLIES	45,385	42,360	52,155	9,795
TRAVEL	2,900	2,771	5,720	2,949
OTHER	<u>375</u>	<u>325</u>	<u>400</u>	<u>75</u>
TOTAL EXPENDITURES-CONTROLLABLE	91,560	87,333	97,815	10,482
EXPENDITURES NON-CONTROLLABLE				
ADMINISTRATIVE FEES	0	0	23	23
DEPRECIATION	<u>5,496</u>	<u>5,500</u>	<u>4,596</u>	<u>(904)</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	5,496	5,500	4,619	(881)
LABOR COSTS				
SALARIES & WAGES	237,948	223,886	254,112	30,226
EMPLOYEE BENEFITS	<u>117,110</u>	<u>83,943</u>	<u>99,726</u>	<u>15,783</u>
TOTAL LABOR COSTS	<u>355,058</u>	<u>307,829</u>	<u>353,838</u>	<u>46,009</u>
TOTAL EXPENSES	<u>452,114</u>	<u>400,662</u>	<u>456,272</u>	<u>55,610</u>
NET INCOME	(451,614)	(394,912)	(455,772)	(60,860)
	=====	=====	=====	=====

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

Marketing expects to meet the 95% of our goals in our business plan for the 11-12 fiscal year.

Despite the increase of the project requests we received this year and the staff changes (Marketing Assistant and hiring a temporary consultant Eric Criswell) we should be within our budget or arrive 10% below budget.

We are within budget in most line items. With the increased use of Social Media, e-mail marketing and our web presence, we will should be able to reduce our costs of ink and paper. We saved a lot of money in supplies. We used the cost savings to boost our Social Media campaign.

In fiscal year 2011-12, we received \$2500 in donations/sponsorship for Hotdog Caper.

Explanation of Proposed Fiscal Year Budget:

The only fluctuation should be under Staff Salaries. Laura Orozco's position was replaced by Eric Criswell, a part time, temporary position with NO benefits. So we should see a decrease in staff benefit costs and salaries for the rest of the fiscal year.

I am hoping that we don't use up the entire budget allotted for the Biennial Report ... which will represent \$4000 in savings.

Explanation of Proposed Fiscal Year Capital Requests:

We are not making any capital requests this budget year.

Changes in Staffing:

We plan on making Lily Ly and Darren Isomoto full time (at 40 hours). They are currently working for 32 hours each. We will also hire an entry level Marketing position to replace the Marketing Manager position.

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

1. Promote BroncoChannel.com
2. Increase use of Social Media (Facebook/Twitter/YouTube) to increase awareness to the campus community.
3. Continue our public relations campaign regarding how Foundation gives back to the campus
4. Reach 40% occupancy rate for University Village during Summer '12 and 100% remainder of the year
5. Increase bookstore ONLINE sales by 20% and computer sales by 30%
6. Increase BroncoGear sales by 20% and Gift Card sales by 30%
7. Increase occupancy and conference sales at KW Hotel by 20%
8. Increase event bookings at KHP by 30%
9. Continue to increase email marketing database
10. Continue efforts to increase awareness of Foundation services to Innovation Village tenants
11. Win more awards for Foundation
12. Increase overall website hits from 600,000 hits per year to 750,000

Major Projects and Business Goals for Proposed Fiscal Year

D

Action Steps	Person Responsible	Due Date
Hot Dog Caper	Edwin/Eric	Sept
Summer Orientations	Eric/Lily/Darren	July/Aug
Update Advertising Book	Edwin	December
Computer and technology sales at Bookstore	Alex	Ongoing
Redesign Bookstore website and e commerce site	Alex	January
Update faulty/staff/student email database	Alex	Oct
Priest Scholarship and Pepsi Scholarship 2012 Marketing	Eric	Oct
NACUFS Dining Customer Service Survey	Darren/Alex	Oct
KW Re-branding	Edwin/Alex	July
Budget Meals campaign	Edwin	August
Campus Map	Edwin	Sept
Increase use of Social Media	Edwin/Alex/Darren/Lily	Dec
360 Degree Virtual Tour - Dining Services	Alex	April
360 Degree Virtual Tour - Kellogg West	Alex	July
360 Degree Virtual Tour - Bronco Bookstore	Alex	Dec
Winter Buyback	Edwin	Dec
Spring Buyback	Edwin	March
Summer Buyback	Edwin	June
Campus Catering campaign	Alex/Edwin	Ongoing
Village website redesign	Alex	Feb
Accessibility Act website conformation	Alex	ongoing
Keep It On Campus	Edwin/Laura/Alex	Nov
Increase awareness of green practices	Edwin/Laura	Dec
Engineering Open House	Eric/Darren/Lily	Feb
KW Bridal Fair	Eric/Alex	April
Back-end application for employees to upload files to Foundation website	Alex	April
New openings of Dining venues	Darren/Lily/Eric	ongoing
Wellness Fair/HealthFest	Lily/Darren	Oct
Rebranding Foundation	Edwin	Dec
Bronco Bookstore Web Redesign	Alex	July
Village CA Selection	Alex	Jan
SCE/Innovation Village partnerships and promos	Edwin/Eric	Aug
Village Relicensing	Alex	July

Mission/Vision Statement

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

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

Strengths and Challenges

Strengths

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

Challenges

1. University's strict posting policy
2. Enrollment numbers down
3. Recession/Cuts to CSU
4. Limited budget of clients
5. Lack of planning from clients
6. Unit's resistance to change
7. Unit's resistance to spend on marketing promos

Employee Survey

An employee survey was not conducted



Customer Survey

Marketing Customer Survey was not conducted

Keys to Success

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

Corporate Culture

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

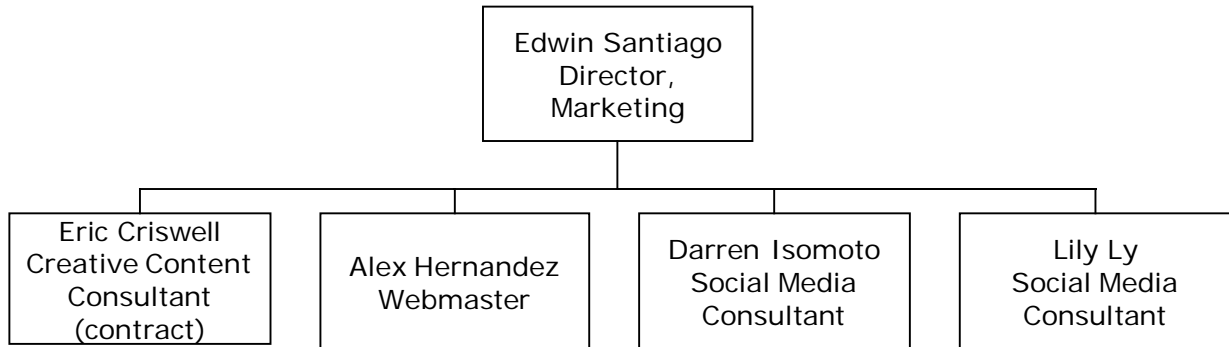
Business Controls and Vital Factors

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

Asset Protection/Risk Management

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



April 2012

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

4 to 10 years and beyond:

1. Enter CACS, NACUFS and Loyal Horton competitions and win more awards
2. Increase use of new forms of media in order to market to students on campus
3. Standardize branding for all websites
4. Maintain bookstore's market share in the face of evolving technology by increasing online sales and digital book sales
5. Continue mutually beneficial partnerships, i.e. ASI, Athletics, Innovation Village, etc. and partnerships/sponsorships with outside retail (i.e. AT & T sponsorship of Hot Dog Caper to defray costs)
6. Use social media/web/internet/e-mail more efficiently for all marketing campaigns
7. Double the size of e-mail database system
8. Support the President's Climate Commitment by reducing print collateral
9. A continuous Foundation image campaign
10. Develop branding standards for all units
11. Develop BroncoChannel.com
12. Build relationship with University departments such as Alumni Affairs, ASI, Orientation, Student Organizations, etc

Continued -No Continuations

CAL POLY POMONA FOUNDATION, INC.

REAL ESTATE

2012-2013

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2012

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Proposed Fiscal Year Budget

A

REAL_ESTATE_ADMINISTRATION

CONSOLIDATED BUDGET COMPARISON SUMMARY
FOR PROPOSED BUDGET YEAR 12-13
CURRENT FISCAL YEAR 11-12

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
=====				
REVENUE				
ADMINISTRATIVE FEES	<u>12,000</u>	<u>12,000</u>	<u>13,620</u>	<u>1,620</u>
TOTAL REVENUE	12,000	12,000	13,620	1,620
EXPENDITURES-CONTROLLABLE				
REPAIRS & MAINTENANCE	0	70	0	(70)
MEALS & REFRESHMENTS	75	60	75	15
POSTAGE & FREIGHT	504	100	504	404
ADVERTISING	700	735	700	(35)
SERVICES	1,950	250	1,750	1,500
SUPPLIES	1,100	660	1,800	1,140
TELEPHONE	1,920	1,008	600	(408)
TRAVEL	3,200	1,440	2,150	710
OTHER	<u>350</u>	<u>350</u>	<u>350</u>	<u>0</u>
TOTAL EXPENDITURES-CONTROLLABLE	9,799	4,673	7,929	3,256
EXPENDITURES NON-CONTROLLABLE				
ADMINISTRATIVE FEES	0	540	612	72
DEPRECIATION	0	1,542	1,500	(42)
RENT/COMMISSIONS	<u>1,680</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	1,680	2,082	2,112	30
LABOR COSTS				
SALARIES & WAGES	149,472	153,554	160,692	7,138
EMPLOYEE BENEFITS	<u>61,965</u>	<u>51,466</u>	<u>63,171</u>	<u>11,705</u>
TOTAL LABOR COSTS	<u>211,437</u>	<u>205,020</u>	<u>223,863</u>	<u>18,843</u>
TOTAL EXPENSES	<u>222,916</u>	<u>211,775</u>	<u>233,904</u>	<u>22,129</u>
NET INCOME	(210,916)	(199,775)	(220,284)	(20,509)
	=====	=====	=====	=====

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

The economic downturn continues to take a toll on Southern California real estate, however, we are seeing signs of stabilization in the residential housing markets. The stabilization may be short lived, however, as there remains a shadow market of homes ready to be foreclosed by lenders.

In the current fiscal year we continued to shift our affordable housing focus from 100% sale program to approximately 20% of the units being rented under long term leases. As a result, our revenue is projected to be higher than anticipated and our expenses lower as we will have less costs associated with the sale of the assets.

On the commercial real estate side (Innovation Village) the project is progressing right on schedule with only minor exceptions. We anticipated SCE would be complete with construction of the Phase IV building and occupied by August 2011 and that did not occur until mid September 2011, thus impacting the date their rent increase kicks in.

Expenses for the most part are steady with some exception in Innovation Village Common Area maintenance due to unanticipated tree losses due to the infestations and poor installation of some of the trees along Valley Blvd.

Explanation of Proposed Fiscal Year Budget:

All Real Estate operations are anticipated to operate in 2012-13 at similar levels experienced in 2012-13. We continue to purchase homes in the Fair Oaks Walk project with losses due to the buy-back option, however, we believe the market has reached its bottom and has stabilized. We do not believe there will be any additional erosion to our pricing at Fair Oaks Walk, thus we are anticipating the same level of loss next year on those homes sold back under the buy back program. Some of the home owners will reach their final year of option term in the next year and we are offering an extension to those who wish to remain in their homes to avoid forcing sales where homeowners are happy and willing to remain.

With the uncertainty in the University's budget issues, we do not anticipate a similar number of new hires as we experienced last year, which will give us a small pool of new buyers resulting from faculty recruiting. We believe the level of demand will be soft and similar to the level experienced in 2011-12. Interest rates will be another influencing factor, however, and we do anticipate that rates will begin to increase, thus pushing some of our buyers out of the market as their income levels are not what they will need to be to qualify for home loans. In addition, the mortgage industry continues to change and we our buyers are now required to come up with 5% down vs. the 2% accepted along with our silent second for the past several years. Finally, many of our buyers carry large debt ratios and have difficulty qualifying for loans in the current lending environment.

Changes in Programs and Services for Proposed Fiscal Year:

C

We do not anticipate any major changes in programs or services in the real estate department for the coming fiscal year.

Explanation of Proposed Fiscal Year Capital Requests:

Capital requests focus primarily at Innovation Village. The Center for Training, Technology and Incubation is the primary area we expect to spend capital funds. It is likely we will need to add tenant improvements for the last remaining suites available for lease in addition to painting the exterior of the project, which it has needed for the last few years.

Changes in Staffing:

None anticipated, however, two of the three staff members are currently on voluntary furlough, which could change.

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

ADMINISTRATION: Real Estate Administration is anticipated to operate consistent with its current operations over the next 3 years and beyond. It is unlikely that any staffing will be changed as it is unlikely that the level of services provided by the Department will change unless there is a demand for an increase in faculty/staff housing, which is unlikely for many years.

HOUSING: The residential real estate environment will require several more years to reach full stabilization and many economists predict we will not see the levels of increase we experienced in the mid 90's ever again. As such, affordable housing is much more prevalent in the marketplace today at levels our faculty and staff can now afford. It is possible that the University will desire more work force housing closer to the campus to support the President's climate commitment, however.

Mission/Vision Statement

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

Strengths and Challenges

Strengths

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

Challenges

- More demands on our time due to an ever changing real estate market and internal administrative/management changes.
- Required to take on new projects (for example donated ranch property) which require additional time and resources
- Real Estate market that is still challenging and a lending environment that continues to create obstacles
- A shrinking market for faculty/staff housing due to reduction of personnel both on campus and throughout the education system.
- Lack of system support in accounting for a reliable data base for real estate department.

Employee Survey



Customer Survey

Business Controls and Vital Factors

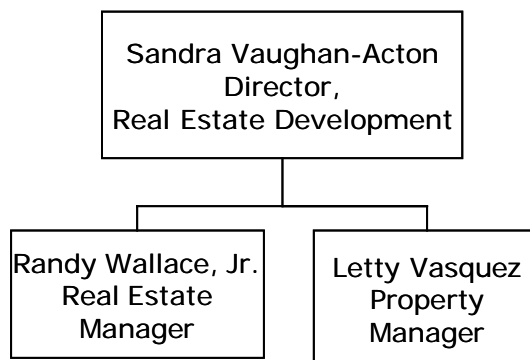
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- Business Plan
- 30 day goals
- Capital and operating budgets
- Board of Director input
- Monthly P&L reports and management review
- Periodic updates to budget forecast
- Bi-weekly one on one meetings with Executive Director
- Bi-weekly department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

Asset Protection/Risk Management

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

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



April 2012

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

INNOVATION VILLAGE: On the commercial real estate side at Innovation Village, we continue to market the remaining acreage for development and discussions continue with Southern California Edison to commit to a 3rd building to house up to 1,200 employees along with a parking structure. It is possible they could commit to the building by 4th quarter of the next fiscal year, however, much depends on their rate increase pending with the PUC which hasn't been going well. In addition, we are seeing signs that the market will improve and demand will exist for another build-to-suit on the remaining land as the commercial market slowly improves over the next few years. It is likely that Innovation Village will reach 100% occupancy within the projected 10 year period.

Continued -No Continuations

OPERATING BUDGETS
GENERAL ACTIVITIES
∞∞∞
POST RETIREMENT
MEDICAL BENEFITS

POST_RETIREMENT_MEDICAL_BENEFITS

CONSOLIDATED BUDGET COMPARISON SUMMARY
 FOR PROPOSED BUDGET YEAR 12-13
 CURRENT FISCAL YEAR 11-12

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
=====				
LABOR COSTS				
EMPLOYEE BENEFITS	<u>436,774</u>	<u>454,513</u>	<u>479,724</u>	<u>25,211</u>
TOTAL LABOR COSTS	<u>436,774</u>	<u>454,513</u>	<u>479,724</u>	<u>25,211</u>
TOTAL EXPENSES	<u>436,774</u>	<u>454,513</u>	<u>479,724</u>	<u>25,211</u>
NET INCOME	(436,774)	(454,513)	(479,724)	(25,211)
	=====	=====	=====	=====

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

Post Retiree Medical Benefits

Overview of Current Fiscal Year:

The purpose of this project is to accumulate the post retirement medical benefit obligation (FAS 106 superceded by FAS 158) and pay the Foundation's obligation for the retiree's premium. We are forecasting the Foundation's obligation of the retiree's premium to be \$454,513 using the Foundation Cap and excluding the implicit subsidy based upon the actuarial report dated July 1, 2011. In addition, the report includes a forecast to accrue \$993,742 and we hope to achieve this by charging 13% of salaries for full time benefited employees and funded \$1.0 mil to the VEBA Trust in October 2011.

Explanation of Proposed Fiscal Year Budget:

We are budgeting the Foundation's obligation of the retiree's premium to be \$479,725 using the Foundation Cap and excluding the implicit subsidy based upon the actuarial report dated July 1, 2011. In addition, we are budgeting to accrue \$951,644 based upon the roll forward analysis of the July 2011 actuarial report and we hope to achieve this by charging 13% of salaries for full time benefited employees and funded \$1.0 mil to the VEBA Trust in October 2012.

OPERATING BUDGETS
GENERAL ACTIVITIES
∞∞∞
REAL ESTATE DEVELOPMENT

CAL POLY POMONA FOUNDATION, INC.

REAL ESTATE DEVELOPMENT

2012-2013

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2012

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Proposed Fiscal Year Budget

A

REAL ESTATE

CONSOLIDATED BUDGET COMPARISON SUMMARY

ACCT. ACCOUNT TITLE	2011-2012 APPROVED BUDGET	2011-2012 CURRENT YEAR FORECAST	2012-2013 PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
REVENUE				
INTEREST INCOME	74,160	74,686	74,160	-526
OTHER	139,747	62,701	81,371	18,670
SALES - see Note 1	2,683,729	2,736,650	2,645,963	(90,687)
TOTAL REVENUE	2,897,636	2,874,037	2,801,494	(72,543)
TOTAL COST OF GOODS SOLD	49,980	33,785	49,980	16,195
GROSS MARGIN	2,847,656	2,840,252	2,751,514	(88,738)
EXPENDITURES-CONTROLLABLE				
UTILITIES	310,957	282,542	296,502	13,960
AGR/RE Fees	50,004	47,304	50,004	2,700
REPAIRS & MAINTENANCE	116,494	116,718	134,789	18,071
MEALS & REFRESHMENTS	200	249	200	-49
POSTAGE & FREIGHT	145	80	120	40
ADVERTISING	6,546	4,528	6,550	2,022
RENT/COMMISSIONS	12,000	9,000	9,000	0
SERVICES	240,890	263,718	277,982	14,264
SUPPLIES	18,300	25,157	22,220	-2,937
TELEPHONE	6,240	14,247	9,600	-4,647
TRAVEL	1,830	1,275	1,950	675
OTHER CONTROLLABLE	77,310	81,465	95,950	14,485
TOTAL CONTROLLABLE	840,916	846,283	904,867	58,584
EXPENDITURES NON-CONTROLLABLE				
ADMINISTRATIVE FEES	126,363	143,010	140,384	(2,626)
DEPRECIATION	849,817	903,387	888,123	(15,264)
INSURANCE	37,956	39,066	43,932	4,866
INTEREST EXPENSE	196,110	170,178	174,588	4,410
OTHER NON-CONTROLLABLE	177,840	58,235	80,680	22,445
TOTAL NON-CONTROLLABLE	1,388,086	1,313,876	1,327,707	13,831
LABOR COSTS				
SALARIES & WAGES	153,168	142,836	152,112	9,276
EMPLOYEE BENEFITS	71,410	59,372	60,840	1,468
TOTAL LABOR COSTS	224,578	202,208	212,952	10,744
TOTAL EXPENSES	2,453,580	2,362,367	2,445,526	83,159
NET INCOME	394,076	477,885	305,988	(171,897)

Business Plan Narrative - Divisional(Schedule B)

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Customer Survey

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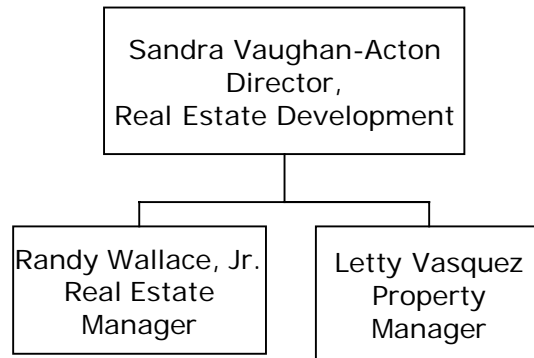
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CAL POLY POMONA FOUNDATION, INC. "Quality Service Supporting Quality Education" Real Estate



April 2011

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

INNOVATION VILLAGE: On the commercial real estate side at Innovation Village, we continue to market the remaining acreage for development and discussions continue with Southern California Edison to commit to a 3rd building to house up to 1,200 employees along with a parking structure. It is possible they could commit to the building by 4th quarter of the next fiscal year, however, much depends on their rate increase pending with the PUC which hasn't been going well. In addition, we are seeing signs that the market will improve and demand will exist for another build-to-suit on the remaining land as the commercial market slowly improves over the next few years. It is likely that Innovation Village will reach 100% occupancy within the projected 10 year period.

Continued -No Continuations

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

DESCRIPTION	Actual YTD		2010-11	2010-11	Actual YTD	2011-12	2011-12	2012-13
	03/31/11	2010-11 Actual	Forecast	Approved Budget				
REAL ESTATE DEVELOPMENT								
220080 Center for Training Technology & Incubation	(48,019)	(157,283)	(188,603)	(341,455)	(697)	(41,288)	(36,215)	(140,204)
220010 Innovation Village - see Note 1	360,406	929,459	425,402	357,530	359,126	428,332	443,447	418,789
220050 Innovation Village/American Red Cross		(1,357)			(3,586)	-	-	-
220052 Innovation Village/Tramel Crow		(30)			(1,910)	-	-	-
220070 Innovation Village Common Areas	(52,032)	1	(1)	229	(53,727)	-	1	6
459540 Spadra Solar Farm					-	-	-	-
Total Real Estate Development	260,355	770,790	236,798	16,304	299,206	387,044	407,233	278,591
RENTAL Buildings								
200660 Building # 66 - Classrooms & Offices	119,595	111,007	128,638	115,253	79,022	93,630	118,601	110,359
190970 Building # 97 - Offices	124,209	129,450	115,869	124,457	90,711	116,018	112,998	113,316
200220 CTTi Building # 220A - College of ENV Studio	(73,696)	(97,553)	(93,154)	(96,132)	(79,231)	(93,154)	(96,199)	(96,199)
190330 Downtown Pomona Building	-				(275)	-	-	-
Total Rental Buildings	170,108	142,904	151,353	143,578	90,227	116,494	135,400	127,476
FACULTY/STAFF HOUSING								
Fund 11 Faculty/Staff Housing	(5,913)	(155,382)	(106,308)	(226,512)	(19,469)	(25,653)	(148,557)	(100,079)
Total Faculty/Staff Housing	(5,913)	(155,382)	(106,308)	(226,512)	(19,469)	(25,653)	(148,557)	(100,079)
GRAND TOTAL REAL ESTATE	424,550	758,312	281,843	(66,630)	369,964	477,885	394,076	305,988

OPERATING BUDGETS
GENERAL ACTIVITIES
∞∞∞
INVESTMENTS

INVESTMENTS

CONSOLIDATED BUDGET COMPARISON SUMMARY
 FOR PROPOSED BUDGET YEAR 12-13
 CURRENT FISCAL YEAR 11-12

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
=====				
REVENUE				
INTEREST INCOME	<u>587,854</u>	<u>85,466</u>	<u>632,828</u>	<u>547,362</u>
TOTAL REVENUE	587,854	85,466	632,828	547,362
EXPENDITURES NON-CONTROLLABLE				
OTHER	<u>21,871</u>	<u>22,393</u>	<u>22,289</u>	<u>(104)</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	<u>21,871</u>	<u>22,393</u>	<u>22,289</u>	<u>(104)</u>
TOTAL EXPENSES	<u>21,871</u>	<u>22,393</u>	<u>22,289</u>	<u>(104)</u>
NET INCOME	565,983	63,073	610,539	547,466
	=====	=====	=====	=====

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

INVESTMENTS

Overview of Current Fiscal Year:

As we continue to recover from the current recession we are forecasting investments to generate a net surplus of \$63,073. The equity investments are forecasting a deficit of \$36,535 and fixed income securities are forecasting a net gain of \$99,608 using the following assumptions: We have forecasted the equity investment loss starting from the year-to-date loss of \$93,292 through January 2012 using a modest 3% return by investing \$1.0 million in February and \$500,000 thereafter to the end of the fiscal year to the multi-strategy equity fund. In addition there will be capital calls to the private equity portfolios and returns on those investments that were not budgeted. We forecasted the fixed income portfolio to generate a net surplus based upon Bondlogistix total portfolio adjusted weighted average yield forecast of 0.74% and allowing the fixed income portfolio to continue to age. We forecasted gross interest earnings of \$246,010 from the ENV Studio Loan, Innovation Village Infrastructure investment, fixed income portfolio, LAIF and Sweep account. We forecasted quarterly interest distributions to the scholarship and program accounts of \$86,595. We used year to date realized losses of \$37,414 as the forecast. Based upon the sensitivity analysis prepared by Bondlogistix we assumed no interest rate increases.

Explanation of Proposed Fiscal Year Budget:

The proposed budget for investments will generating a surplus of \$610,534. The equity/real estate portfolio is budgeted to generate a surplus of \$478,431 using an annualized return of 6% from investing approximately \$3.5 million (\$500,000 per month) due to the projected improvements in the equity markets. The fixed income portfolio is budgeted to generate a surplus of \$132,103 based upon gross interest earnings of \$193,201 less quarterly interest distributions of \$38,809 to the scholarship and programs. Bondlogistix total portfolio adjusted weighted average yield forecast starting at 0.72% decreasing to 0.62% at June 2013 and moving the portfolio back to the Merrill Lynch 1 to 3 year Treasury/Agency Index, thus increasing the sensitivity of the portfolio with the assumption that projected interest rates will not increase by June 2013 and investing \$3.0 (\$500,000 per month) starting in January 2013. We assumed no increase in interest rates; based upon the comments of the Federal Reserve Chairman thus rebalancing the portfolio to the Merrill Lynch 1-3 year treasury/agency index.

Changes in Programs and Services for Proposed Fiscal Year:

We will continue to monitor the short, mid and long term stratification of the campus program accounts on a to be determined basis to adjust the target asset allocation of the portfolio

Explanation of Proposed Fiscal Year Capital Requests:

None

Changes in Staffing:

None

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

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

ENDOWMENTS

CONSOLIDATED BUDGET COMPARISON SUMMARY
FOR PROPOSED BUDGET YEAR 12-13
CURRENT FISCAL YEAR 11-12

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
REVENUE				
ADMINISTRATIVE FEES	-	259,581	-	(259,581)
INTEREST INCOME	5,287,289	586,804	3,982,982	3,396,178
OTHER	5,060,000	1,732,283	1,060,000	(672,283)
TOTAL REVENUE	<u>10,347,289</u>	<u>2,578,668</u>	<u>5,042,982</u>	<u>2,464,314</u>
EXPENDITURES-CONTROLLABLE				
SERVICES	-	69,737	-	(69,737)
OTHER	2,500,000	2,671,224	2,932,236	261,012
TOTAL EXPENDITURES-CONTROLLABLE	<u>2,500,000</u>	<u>2,740,961</u>	<u>2,932,236</u>	<u>191,275</u>
EXPENDITURES NON-CONTROLLABLE				
ADMINISTRATIVE FEES	633,975	303,184	425,071	121,887
OTHER	296,910	178,223	236,923	58,700
TOTAL EXPENDITURES NON-CONTROLLABLE	<u>930,885</u>	<u>481,407</u>	<u>661,994</u>	<u>180,587</u>
TOTAL EXPENSES	<u>3,430,885</u>	<u>3,222,368</u>	<u>3,594,230</u>	<u>371,862</u>
NET INCOME	<u>6,916,404</u>	<u>(643,700)</u>	<u>1,448,752</u>	<u>2,092,452</u>

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

Endowment Activities

Overview of Current Fiscal Year:

The forecast is projected to generate a deficit mainly due to the variance in budgeted to actual earnings and donations. As you may recall, the endowments were transferred to the Foundation on February 1, 2012 from the UET due to the wind up and dissolution of the UET effective January 31, 2012. Accordingly the forecast includes the seven months of UET activity which we used to develop and project the endowment donation and investment activity for the fiscal year. Working with Andrew Price, investment advisor with Graystone Consulting a division of Morgan Stanley Smith Barney, we have forecasted an annual return of 4% excluding dividends and interest. Dividends and interest are forecasted to return 1.3% and 5.2% respectively. Total investment fees are forecasted to be 0.38 basis points (10 basis points to Graystone Consulting and the balance to third party account managers). There are two internal fees charged per Policy # 133, a 5% fee on all donations and 0.75% fee for administration.

Explanation of Proposed Fiscal Year Budget:

The proposed budget generates a surplus of \$1.4 million and assumes the endowment value is \$58.7 million at June 2012 and is proposed to increase to \$68.2 million at June 2013. Again working with Andrew Price we have proposed an annual return of 4% excluding dividends and interest. Dividends and interest are forecasted to return 1.4% and 0.6% respectively. Donations are projected to be \$1.0 million per Scott Warrington, Vice President Division of Advancement and the pledge payments are projected to be \$8.1 million including the Kellogg Foundation pledge. We anticipate a 5% or \$2.9 million endowment earnings distribution in October 2012.

Changes in Programs and Services for Proposed Fiscal Year:

No changes are anticipated

Explanation of Proposed Fiscal Year Capital Requests:

We have requested a capital budget of \$50,000 for the purchase and implementation of an endowment software module that will interface with the portfolio and the financial accounting and reporting system.

Changes in Staffing:

No changes are anticipated

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

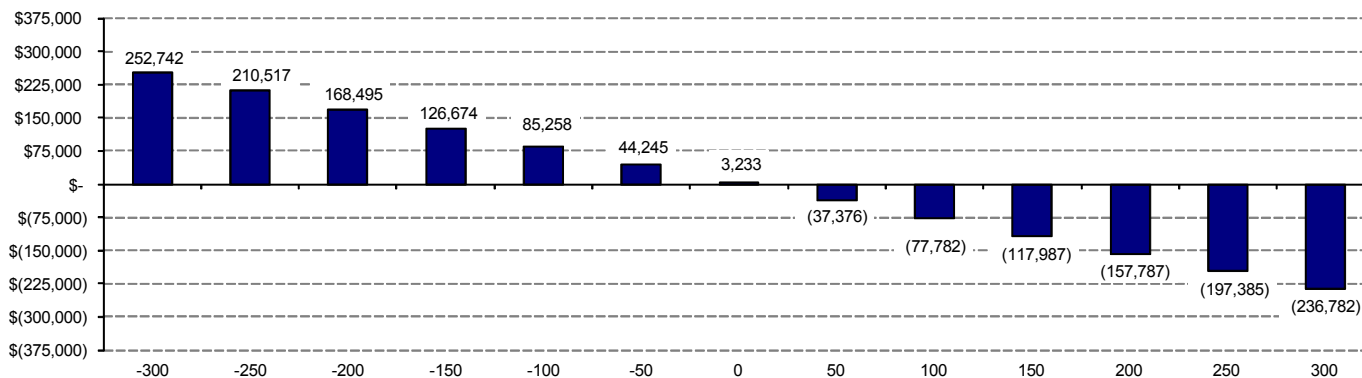
It is anticipated that \$1 million each year will be received in donations to the endowment based on past trends and existing pledges for the next 3 years and the 4 to 10 years beyond. Recorded and known pledges at this time are predominately all planned gifts including bequests which makes it difficult to predict at what point in time they will be received by the Foundation. There are no known long range items expected at this time.

Cal Poly Pomona Foundation

Portfolio Sensitivity Analysis (Horizon Date : 6/30/2012)

Yield Change (Basis Points)	Return Summary			Average Life	Effective Duration	Principal Value 6/30/2012	Principal Value Change from 1/31/2012
	Total	Income	Price				
-300	1.31%	0.05%	1.25%	0.41	0.42	20,455,949	252,742
-250	1.10%	0.05%	1.04%	0.41	0.42	20,413,725	210,517
-200	0.89%	0.05%	0.83%	0.41	0.41	20,371,702	168,495
-150	0.68%	0.06%	0.63%	0.41	0.41	20,329,881	126,674
-100	0.48%	0.06%	0.42%	0.41	0.41	20,288,465	85,258
-50	0.27%	0.06%	0.22%	0.41	0.41	20,247,452	44,245
0	0.08%	0.06%	0.02%	0.41	0.41	20,206,440	3,233
50	-0.09%	0.09%	-0.19%	0.41	0.40	20,165,831	(37,376)
100	-0.26%	0.12%	-0.39%	0.41	0.40	20,125,425	(77,782)
150	-0.43%	0.15%	-0.58%	0.41	0.40	20,085,220	(117,987)
200	-0.60%	0.18%	-0.78%	0.41	0.40	20,045,420	(157,787)
250	-0.77%	0.21%	-0.98%	0.41	0.40	20,005,822	(197,385)
300	-0.93%	0.24%	-1.17%	0.40	0.40	19,966,426	(236,782)

Principal Value Change



KEY ASSUMPTIONS:

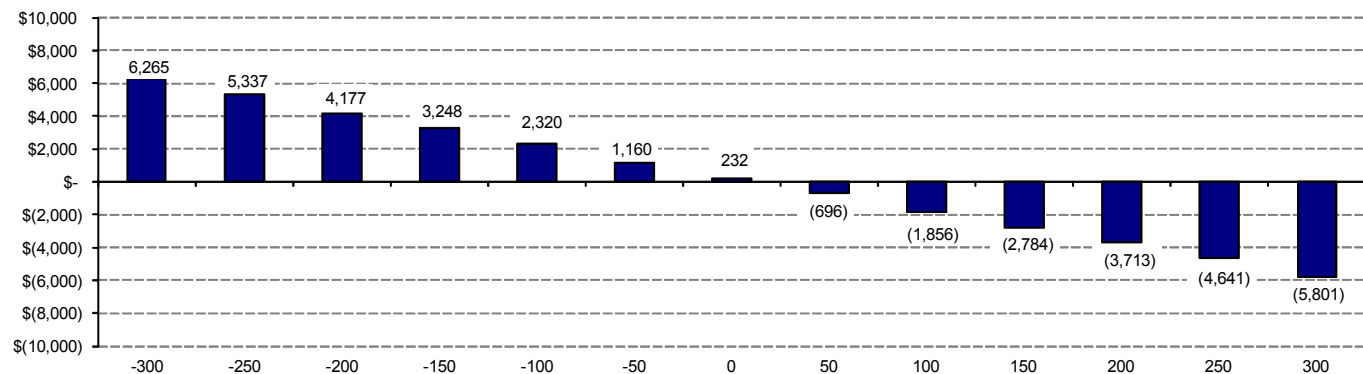
1. Assumes a parallel shift in rates.
2. Portfolio is aged to the horizon date.
3. Portfolio cash flows are reinvested at a weighted average yield of 0.08%.
4. Total Return presented on a periodic basis.

Cal Poly Pomona Foundation

Portfolio Sensitivity Analysis (Horizon Date : 6/30/2013)

Yield Change (Basis Points)	Return Summary			Average Life	Effective Duration	Principal Value 6/30/2013	Principal Value Change from 1/31/2012
	Total	Income	Price				
-300	0.16%	0.13%	0.03%	0.01	0.01	23,209,472	6,265
-250	0.15%	0.13%	0.02%	0.01	0.01	23,208,544	5,337
-200	0.15%	0.13%	0.02%	0.01	0.01	23,207,384	4,177
-150	0.15%	0.13%	0.01%	0.01	0.01	23,206,456	3,248
-100	0.14%	0.13%	0.01%	0.01	0.01	23,205,528	2,320
-50	0.14%	0.13%	0.01%	0.01	0.01	23,204,367	1,160
0	0.19%	0.19%	0.00%	0.01	0.01	23,203,439	232
50	0.52%	0.52%	0.00%	0.01	0.01	23,202,511	(696)
100	0.85%	0.86%	-0.01%	0.01	0.01	23,201,351	(1,856)
150	1.19%	1.20%	-0.01%	0.01	0.01	23,200,423	(2,784)
200	1.52%	1.54%	-0.02%	0.01	0.01	23,199,495	(3,713)
250	1.86%	1.88%	-0.02%	0.01	0.01	23,198,567	(4,641)
300	2.19%	2.22%	-0.03%	0.01	0.01	23,197,406	(5,801)

Principal Value Change



KEY ASSUMPTIONS:

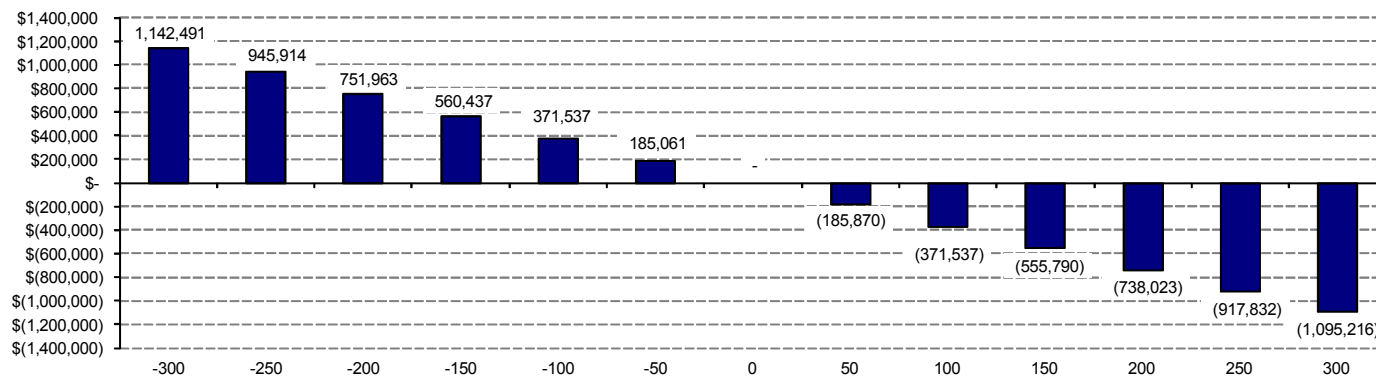
1. Assumes a parallel shift in rates.
2. Portfolio is aged to the horizon date.
3. Portfolio cash flows are reinvested at a weighted average yield of 0.08%.
4. Total Return presented on a periodic basis.
5. Principal value is inclusive of planned withdrawals and deposits.

Cal Poly Pomona Foundation

Portfolio Sensitivity Analysis (Horizon Date : 6/30/2012)

Yield Change (Basis Points)	Return Summary			Average Life	Effective Duration	Principal Value 6/30/2012	Principal Value Change from 1/31/2012
	Total	Income	Price				
-300	5.76%	0.10%	5.66%	N/A	1.85	21,345,699	1,142,491
-250	4.78%	0.10%	4.68%	N/A	1.85	21,149,121	945,914
-200	3.83%	0.10%	3.72%	N/A	1.84	20,955,171	751,963
-150	2.88%	0.10%	2.77%	N/A	1.83	20,763,644	560,437
-100	1.95%	0.11%	1.84%	N/A	1.83	20,574,744	371,537
-50	1.02%	0.11%	0.92%	N/A	1.83	20,388,269	185,061
0	0.11%	0.11%	0.00%	1.88	1.84	20,203,207	-
50	-0.81%	0.11%	-0.92%	N/A	1.85	20,017,338	(185,870)
100	-1.73%	0.11%	-1.84%	N/A	1.86	19,831,670	(371,537)
150	-2.64%	0.11%	-2.75%	N/A	1.86	19,647,417	(555,790)
200	-3.54%	0.11%	-3.65%	N/A	1.86	19,465,184	(738,023)
250	-4.43%	0.12%	-4.54%	N/A	1.85	19,285,375	(917,832)
300	-5.30%	0.12%	-5.42%	N/A	1.85	19,107,991	(1,095,216)

Principal Value Change



KEY ASSUMPTIONS:

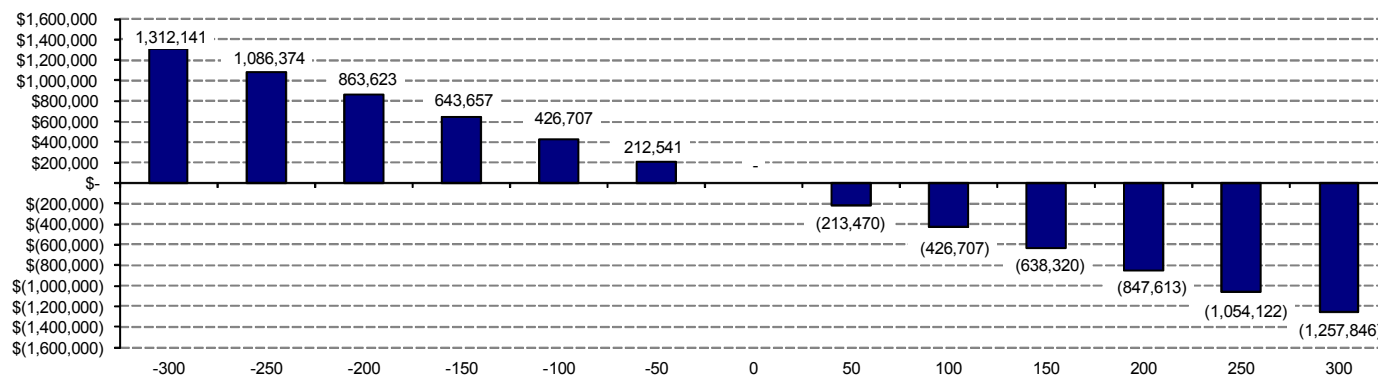
1. Assumes a parallel shift in rates.
2. Portfolio is not aged to the horizon date.
3. Portfolio cash flows are reinvested at a weighted average yield of 0.08%.
4. Total Return presented on a periodic basis.

Cal Poly Pomona Foundation

Portfolio Sensitivity Analysis (Horizon Date : 6/30/2013)

Yield Change (Basis Points)	Return Summary			Average Life	Effective Duration	Principal Value 6/30/2013	Principal Value Change from 1/31/2012
	Total	Income	Price				
-300	5.99%	0.33%	5.66%	N/A	1.85	24,515,349	1,312,141
-250	5.02%	0.34%	4.68%	N/A	1.85	24,289,581	1,086,374
-200	4.07%	0.34%	3.72%	N/A	1.84	24,066,831	863,623
-150	3.12%	0.35%	2.77%	N/A	1.83	23,846,864	643,657
-100	2.19%	0.35%	1.84%	N/A	1.83	23,629,914	426,707
-50	1.27%	0.36%	0.92%	N/A	1.83	23,415,749	212,541
0	0.37%	0.37%	0.00%	1.88	1.84	23,203,207	-
50	-0.52%	0.40%	-0.92%	N/A	1.85	22,989,738	(213,470)
100	-1.41%	0.43%	-1.84%	N/A	1.86	22,776,500	(426,707)
150	-2.29%	0.46%	-2.75%	N/A	1.86	22,564,887	(638,320)
200	-3.16%	0.49%	-3.65%	N/A	1.86	22,355,594	(847,613)
250	-4.02%	0.52%	-4.54%	N/A	1.85	22,149,085	(1,054,122)
300	-4.87%	0.56%	-5.42%	N/A	1.85	21,945,361	(1,257,846)

Principal Value Change

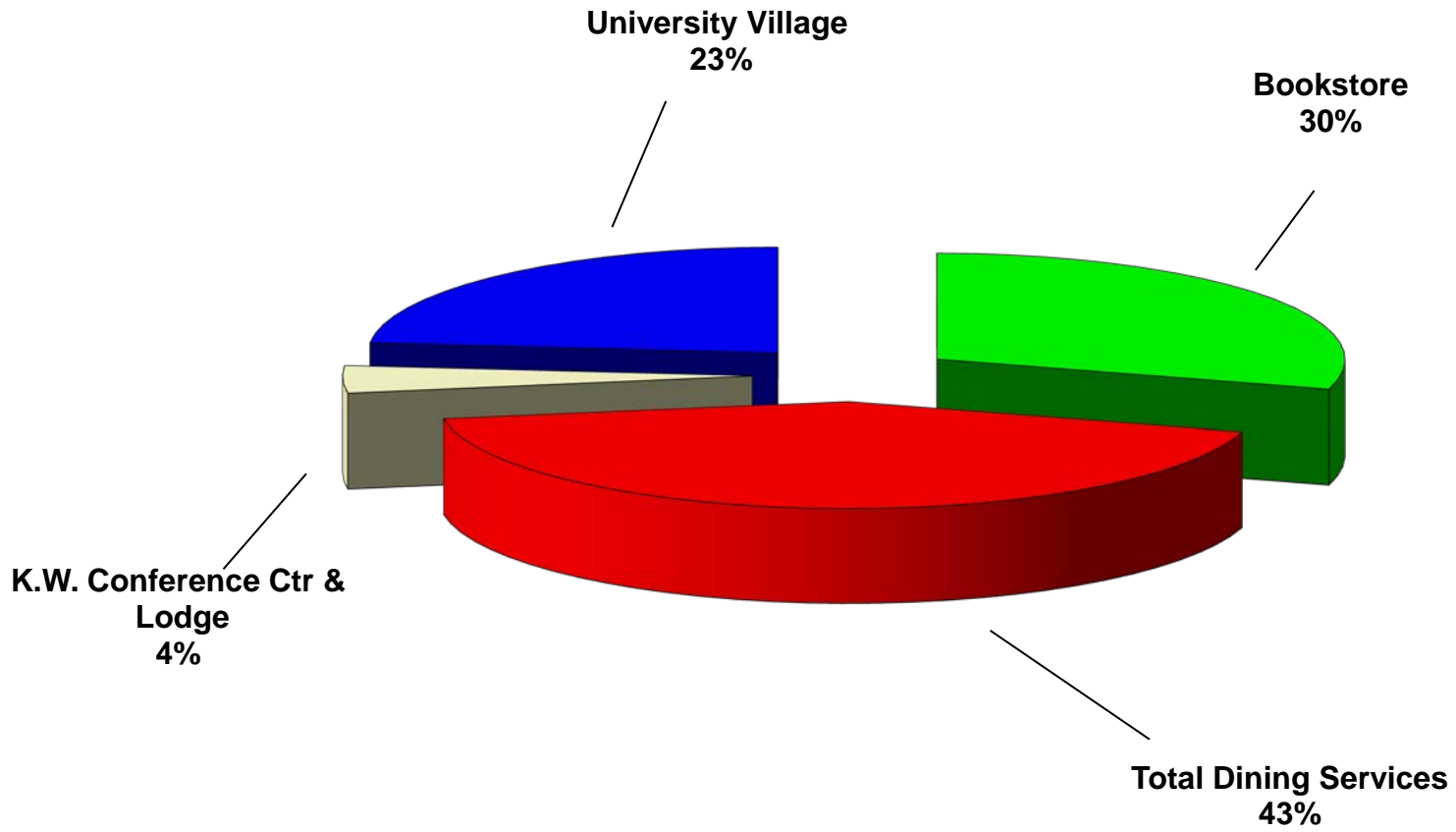


KEY ASSUMPTIONS:

1. Assumes a parallel shift in rates.
2. Portfolio is not aged to the horizon date.
3. Portfolio cash flows are reinvested at a weighted average yield of 0.08%.
4. Total Return presented on a periodic basis.
5. Principal value is inclusive of planned withdrawals and deposits.

OPERATING BUDGETS ENTERPRISES

Enterprise Proposed Budget Revenues



ENTERPRISES

CONSOLIDATED BUDGET COMPARISON SUMMARY
FOR PROPOSED BUDGET YEAR 12-13
CURRENT FISCAL YEAR 11-12

ACCT. ACCOUNT TITLE =====	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
REVENUE				
OTHER	491,757	534,357	528,800	(5,557)
SALES	32,415,333	33,037,609	34,119,193	1,081,584
TOTAL REVENUE	<u>32,907,090</u>	<u>33,571,966</u>	<u>34,647,993</u>	<u>1,076,027</u>
COST OF GOODS SOLD				
SALES	-	-	66,339	66,339
COST OF GOODS SOLD	12,450,819	12,670,101	12,746,209	76,108
TOTAL COST OF GOODS SOLD	<u>12,450,819</u>	<u>12,670,101</u>	<u>12,812,548</u>	<u>142,447</u>
GROSS MARGIN	20,456,271	20,901,865	21,835,445	933,580
EXPENDITURES-CONTROLLABLE				
UTILITIES	1,226,149	1,060,756	1,221,071	160,315
AGR/RE Fees	-	2,800	-	(2,800)
INSURANCE	43	1,728	1,764	36
REPAIRS & MAINTENANCE	502,688	574,446	580,038	5,592
MEALS & REFRESHMENTS	5,487	9,163	8,572	(591)
POSTAGE & FREIGHT	43,748	38,367	54,559	16,192
ADVERTISING	43,350	47,471	64,455	16,984
RENT/COMMISSIONS	319,629	360,550	404,264	43,714
SERVICES	448,744	515,356	503,041	(12,315)
SUPPLIES	543,154	612,292	675,734	63,442
TELEPHONE	311,269	317,998	314,540	(3,458)
TRAVEL	11,583	18,157	22,474	4,317
LAUNDRY	143,588	143,364	148,954	5,590
OTHER	172,702	148,551	148,072	(6,105)
TOTAL EXPENDITURES-CONTROLLABLE	<u>3,772,134</u>	<u>3,850,999</u>	<u>4,147,538</u>	<u>290,913</u>
EXPENDITURES NON-CONTROLLABLE				
ADMINISTRATIVE FEES	2,080,865	2,093,189	2,196,264	103,075
DEPRECIATION	2,583,958	2,464,458	2,682,959	218,501
INSURANCE	174,438	186,064	195,693	9,629
INTEREST EXPENSE	1,277,280	1,221,000	1,221,052	52
RENT/COMMISSIONS	484,043	532,039	514,671	(17,368)
BANK CARD FEES	454,220	459,751	464,936	5,185
OTHER	492,001	462,019	481,114	19,095
TOTAL EXPENDITURES NON-CONTROLLABLE	<u>7,546,805</u>	<u>7,418,520</u>	<u>7,756,689</u>	<u>338,169</u>
LABOR COSTS				
SALARIES & WAGES	5,679,942	5,565,090	6,064,158	499,068
EMPLOYEE BENEFITS	1,958,438	1,683,040	1,869,361	186,321
TOTAL LABOR COSTS	<u>7,638,380</u>	<u>7,248,130</u>	<u>7,933,519</u>	<u>685,389</u>
TOTAL EXPENSES	<u>18,957,319</u>	<u>18,517,649</u>	<u>19,837,746</u>	<u>1,314,471</u>
NET INCOME	<u>1,498,952</u>	<u>2,384,216</u>	<u>1,997,699</u>	<u>(380,891)</u>

OPERATING BUDGETS
ENTERPRISES

BOOKSTORE

CAL POLY POMONA FOUNDATION, INC.

BRONCO BOOKSTORE

2012-2013

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2012

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Proposed Fiscal Year Budget

A

BOOKSTORE

CONSOLIDATED BUDGET COMPARISON SUMMARY FOR PROPOSED BUDGET YEAR 12-13 CURRENT FISCAL YEAR 11-12

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
REVENUE				
OTHER SALES	180,500	152,357	151,000	
SALES	10,766,939	10,562,708	10,090,960	(471,748)
TOTAL REVENUE	10,947,439	10,715,065	10,241,960	(473,105)
COST OF GOODS SOLD				
COST OF GOODS SOLD	8,062,423	8,012,463	7,505,712	(506,751)
TOTAL COST OF GOODS SOLD	8,062,423	8,012,463	7,505,712	(506,751)
GROSS MARGIN	2,885,016	2,702,602	2,736,248	33,646
EXPENDITURES-CONTROLLABLE				
UTILITIES	55,710	55,402	54,630	(772)
REPAIRS & MAINTENANCE	26,880	35,171	26,880	(8,291)
MEALS & REFRESHMENTS	-	730	-	(730)
POSTAGE & FREIGHT	41,260	36,745	51,530	14,785
ADVERTISING	6,300	5,343	10,200	4,857
RENT/COMMISSIONS	7,800	8,571	14,400	5,829
SERVICES	43,192	35,462	57,900	22,438
SUPPLIES	29,500	30,386	35,800	5,414
TELEPHONE	12,600	9,729	10,800	1,071
TRAVEL	-	377	-	(377)
OTHER	12,225	11,665	12,225	560
TOTAL EXPENDITURES-CONTROLLABLE	235,467	229,581	274,365	44,784
EXPENDITURES NON-CONTROLLABLE				
ADMINISTRATIVE FEES	664,662	655,676	620,543	(35,133)
DEPRECIATION	131,400	134,646	136,176	1,530
INSURANCE	11,353	11,316	12,192	876
BANK CARD FEES	191,581	195,288	179,233	(16,055)
OTHER	240	151	240	89
TOTAL EXPENDITURES NON-CONTROLLABLE	999,236	997,077	948,384	(48,693)
LABOR COSTS				
SALARIES & WAGES	948,556	879,160	919,630	40,470
EMPLOYEE BENEFITS	345,278	276,858	286,835	9,977
TOTAL LABOR COSTS	1,293,834	1,156,018	1,206,465	50,447
TOTAL EXPENSES	2,528,537	2,382,676	2,429,214	46,538
NET INCOME	356,479	319,926	307,034	(12,892)



Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

Explanation of Proposed Fiscal Year Budget:

Changes in Programs and Services for Proposed Fiscal Year:

CSU Rent Digital program.

Explanation of Proposed Fiscal Year Capital Requests:

1. Building 66 needs its outer walls to be repainted
2. Hire a consultant to help update the Bookstore master plan. Plan was last updated more than 10 years ago.

Changes in Staffing:

No new staff

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

Operationally, the Bookstore will continue to see a shift in Course Materials away from print books towards rental programs and digital/licensed content. This will affect revenue and gross margin going forward. Expenses will need to adjust down with the change in business climate and revenue sources. From a facility standpoint, building and infrastructure maintenance will increasingly be issues as Bldg 66 ages. HVAC replacement and building paint are on the short term horizon.

Mission/Vision Statement

E

The Bronco Bookstore, of Cal Poly Pomona Foundation, Inc. will provide a complete range of bookstore products and services to support the University community in meeting their academic and individual needs in a fiscally responsible manner, with a commitment to service excellence. VISION STATEMENT Bronco Bookstore will be the most important resource supporting the Cal Poly Pomona campus community, with a commitment to quality service and strong relationships with our customers. ETHICS STATEMENT The Code of Ethics for Bronco Bookstore stipulates that all vendors and business partners must adhere to local, state or federal fair labor and safety laws and practices. The Bookstores' code prohibits the use of forced, convict, child or indentured laborers, either by a vendor or business partner or the source of their goods and services. Bronco Bookstore reserves the right to cancel orders, return merchandise, and/or terminate business dealings with vendors and business partners who violate these Ethics.

Comment on your strengths and challenges(threats). Make sure challenges are addressed in your major projects and business goals as to how you plan to deal with them.

Strengths and Challenges

Strengths

Reputation for high Customer Service Standards
Pleasing and Inviting Shopping Environment
Campus Partnerships
Product Mix Experienced & Knowledgeable Staff
Provide Requested Academic Merchandise on Time
Financially Sound
Departmental Teamwork
Efficient Service at Registers
Integrated Computer System

Inventory Management
Lean Operation

Challenges

Change in textbook technologies
State and CSU Budget/Weak Economic Conditions
Staffing Pressures-Fewer FT positions and PT/Student hours
Maintaining Margins, Market Share & Textbook Sell Through
Campus Relationships and Communications
Industry/CSU System Developments
Retirements and Mentoring
Technology/Store Security

Employee Survey

The Bookstore employee survey is scheduled for Spring, Previous results include

- 92% agreed that their work was considered crucial to the Bookstore's success
- 71% would like to know more about the goals of the Bookstore operation
- 88% agreed that they are treated with fairness, respect and equality by their supervisors and managers
- 75% agreed that there is an acceptable level of trust between employees and managers
- 67% agreed that the Bookstore promotes employment development and job satisfaction
- 75% agreed that Bookstore managers and supervisors are approachable and that their opinions and ideas are valued
- 67% agreed that teamwork is highly regarded at the Bookstore
- 80% enjoy working at Bronco Bookstore

Overall, numbers appear to be fairly consistent but the comments included with the survey indicate that communication is a continuing opportunity for improvement.

Customer Survey

The Customer Survey was administered using the format from the National Association of College Stores (NACS). The NACS sponsored surveys have been used to establish better benchmarking data. The Customer Survey and Faculty Survey were both offered online. The Survey asked respondents to give their opinions in 5 areas; Service, Textbooks, Non-Book Products, Store Attributes and a miscellaneous category.

The overall ranking in the Customer Survey was 4 (on a scale of 1 (lowest) - 5 (highest)) versus a 3.94 industry average. This is an increase from a 3.83 rating in 09-10. The Bookstore ranked ahead of industry average on most questions, with particular strength in questions related to the store's appearance and service. The potential areas for improvement related to competitive pricing, which is consistent with the industry. The lowest rated area was "convenient parking" at 2.88 out of 5.

The ranking from the Faculty Survey was a strong 3.96 compared to an industry average 3.90. Faculty identified only 2 areas for improvement, communication regarding potential course material issues as competitive pricing.

Keys to Success

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

Corporate Culture

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

Business Controls and Vital Factors

H

BUSINESS CONTROLS

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

VITAL FACTORS

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

Asset Protection/Risk Management

Physical Safety and Security

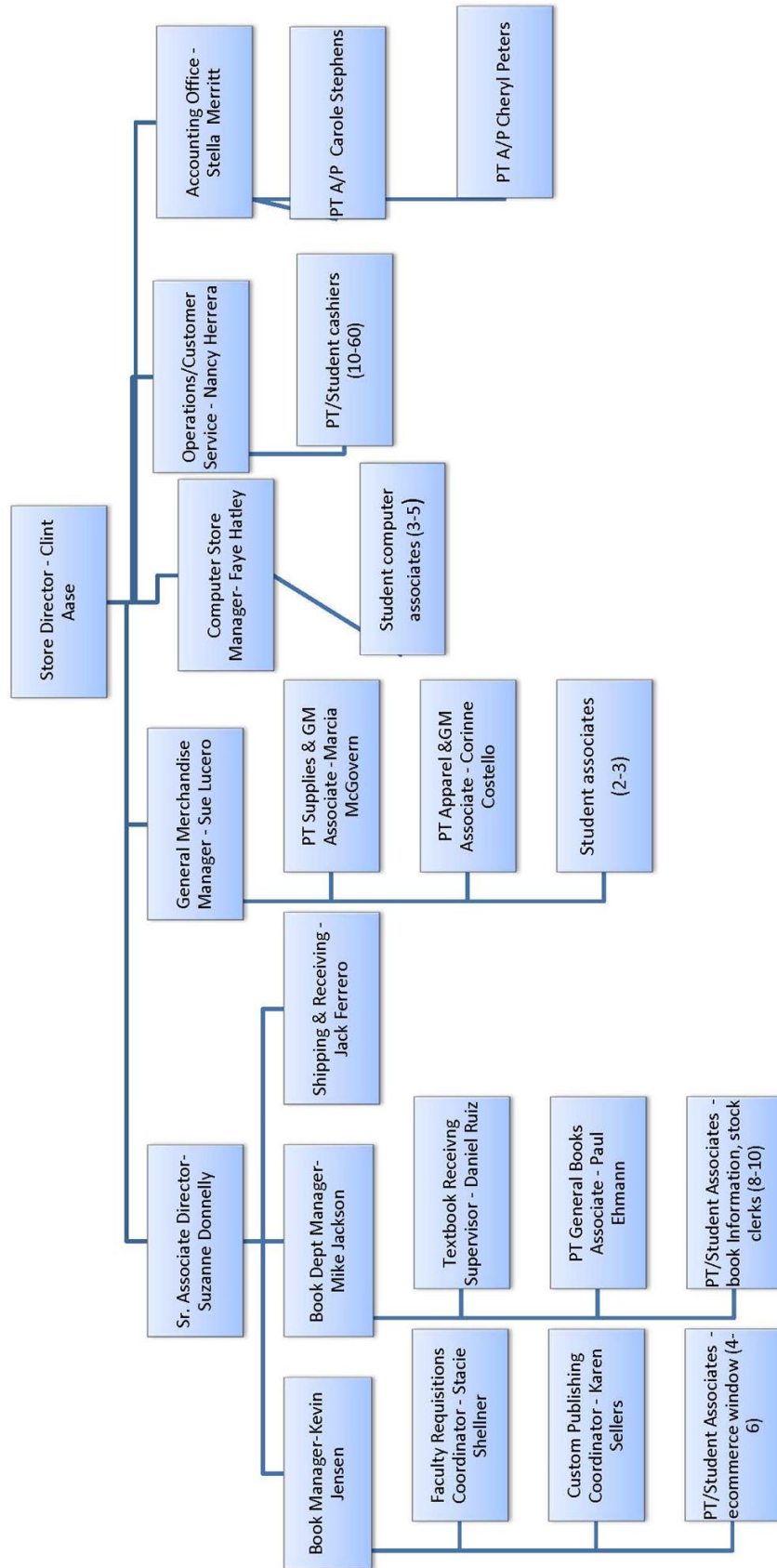
- 1 Fire, life, safety, intrusion systems, smoke detector systems maintained and tested
All fire and alarm system that were inspected were up to date. Completed tests with the Police department to ensure fire and safety alarms were communicating correctly.
- 2 Safety devices in place and maintained.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


Data Security

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

Organization Chart

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



OPERATING BUDGETS
ENTERPRISES

DINING SERVICES

CAL POLY POMONA FOUNDATION, INC.

FOUNDATION DINING SERVICES

2012-2013

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2012

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Proposed Fiscal Year Budget

A

DINING_SERVICES

CONSOLIDATED BUDGET COMPARISON SUMMARY FOR PROPOSED BUDGET YEAR 12-13 CURRENT FISCAL YEAR 11-12

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
REVENUE				
OTHER	295,800	344,000	334,300	(9,700)
SALES	<u>12,704,338</u>	<u>13,313,535</u>	<u>14,513,932</u>	<u>1,200,397</u>
TOTAL REVENUE	13,000,138	13,657,535	14,848,232	1,190,697
COST OF GOODS SOLD				
SALES	0	0	66,339	66,339
COST OF GOODS SOLD	<u>4,387,473</u>	<u>4,656,250</u>	<u>5,239,517</u>	<u>583,267</u>
TOTAL COST OF GOODS SOLD	<u>4,387,473</u>	<u>4,656,250</u>	<u>5,305,856</u>	<u>649,606</u>
GROSS MARGIN	8,612,665	9,001,285	9,542,376	541,091
EXPENDITURES-CONTROLLABLE				
UTILITIES	364,714	353,418	386,015	32,597
INSURANCE	43	28	24	(4)
REPAIRS & MAINTENANCE	104,230	110,451	109,375	(1,076)
MEALS & REFRESHMENTS	1,643	5,183	4,662	(521)
POSTAGE & FREIGHT	150	162	319	157
ADVERTISING	14,125	29,408	35,629	6,221
RENT/COMMISSIONS	301,224	343,274	382,255	38,981
SERVICES	267,529	256,886	256,996	110
SUPPLIES	427,295	464,486	523,653	59,167
TELEPHONE	36,813	25,039	29,137	4,098
TRAVEL	3,063	12,329	14,924	2,595
LAUNDRY	99,456	99,664	101,026	1,362
OTHER	<u>81,664</u>	<u>39,333</u>	<u>30,476</u>	<u>(8,857)</u>
TOTAL EXPENDITURES-CONTROLLABLE	1,701,949	1,739,661	1,874,491	134,830
EXPENDITURES NON-CONTROLLABLE				
ADMINISTRATIVE FEES	833,831	878,226	954,464	76,238
DEPRECIATION	511,030	464,208	566,039	101,831
INSURANCE	24,545	38,738	40,372	1,634
RENT/COMMISSIONS	475,643	531,539	508,071	(23,468)
BANK CARD FEES	102,203	105,683	126,667	20,984
OTHER	<u>331,705</u>	<u>314,750</u>	<u>323,887</u>	<u>9,137</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	2,278,957	2,333,144	2,519,500	186,356
LABOR COSTS				
SALARIES & WAGES	3,292,225	3,298,558	3,649,396	350,838
EMPLOYEE BENEFITS	<u>1,021,462</u>	<u>909,434</u>	<u>1,026,347</u>	<u>116,913</u>
TOTAL LABOR COSTS	<u>4,313,687</u>	<u>4,207,992</u>	<u>4,675,743</u>	<u>467,751</u>
TOTAL EXPENSES	<u>8,294,593</u>	<u>8,280,797</u>	<u>9,069,734</u>	<u>788,937</u>
NET INCOME	318,072	720,488	472,642	(247,846)

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

We have seen substantial sales growth this year and are Forecasting sales to exceed \$13.5 million. This is due in increased traffic on campus, such as the new "Bike Shop" at CCMP which has increased traffic in this building contributing to the modest sales growth at Campus Center and the Resident halls holding at 95% plus. While we have seen increases in the cost of sales, we, as a division have been able to control expenses and labor to off set this increase.

What has also assisted us in reaching our goal was the new programs introduced at Carl Jr. with there fresh Biscuit program coupled with a variety of new fresh breaded chicken items which are excellent. at Starbuck's the introduction of their new sandwich program has bolster sales to an all time high. Also, we have seen exceptional marketing efforts by our Franchise partners which has created renew focus.

One of many items that should be noted is the "New" exterior look of Campus Center Marketplace, with the new 9' Market umbrellas , enlarged patio and contemporary tables and chairs has renew traffic which translate to increased revenues.

All of this combined with a very focused team has translated in to a very successful year both programmatically but financially.

We are forecasted to contribute about 4.7% by the end of the fiscal year.

Explanation of Proposed Fiscal Year Budget:

The upcoming Fiscal year will be filled with many new and exciting challenges. We will be implementing this summer, the new menu at CTTi cafe with a Panera style flair coupled with our new Poly Fresh "Fresh to go" program featuring upscale sandwiches and salads. New 'Fresh Mex" format at Bronco Student Center. At Los Olivos we will be remodeling both the Lobby area and Serving area, adding 2 nutrition stations as well as online nutrition information and LED menu displays at each point of service. At CCMP we will be working with the CPP Bike Club to market and promote the "Bike Shop" will be adding additional exterior bike racks and refreshing the dining area. Vista and Denny's will be marketing there new LTO's including Pancake specials and adding Milk shakes to the menu. We are also gathering information on installing baffels to reduce the noise in the dining area. At the ENV cafe we will be adding new exterior Tables, Chairs and umbrellas similar to those at CCMP to refresh the look of the patio area to create a more inviting atmosphere. In Catering we will be enhancing the dining room at Kellogg West with new paint, teh addition of contempory buffet unitsand renewing the menus both for catering and the conference guests. KHP will see some new features and marketing programs including Monthly recitals, Elder Hostel tours, expanded menus.

With the opening of the new College of Business complex we will be opening Einstein's Bagel shop featuring fresh baked Bagels and Pastries, sandwich specials and wide array of signature beverages. Next door will be the new Pony Express at CBA featuring a wide assortment of packaged goods and snacks along with bottles beverages coupled with our new Poly Fresh "Fresh to Go" items

With the above new features and Venues we are projecting sales to come in at just over \$14.5 million whci will generate a contribution of 3.5% plus.

The above is predicated on Board approval for the requested enhancements and modest growth in our FTE's on campus.

Changes in Programs and Services for Proposed Fiscal Year:

Los Olivos:

- >Professional menus posted for all platforms including item identifiers, detailed nutritional information, and allergen information
- >Weekly menu is now online with nutritional information
- >Mongolian grill now produced in a Wok near Taqueria station. This is a single, restaurant-plated menu item now, where it used to be pick your toppings and have it cooked on a flat-top. We will be listening to our students and making adjustments as necessary, as this may be perceived as a take-away.
- >Grill items to be served in red restaurant baskets with menu tissue. Turkey burgers, veggie burgers, and cheeseburgers always available now, produced and served restaurant style. An LTO also produced in this area.
- >Continued

Explanation of Proposed Fiscal Year Capital Requests:

- \$20,000 Dining Workstation 4 register upgrades- The last of the Micros registers running on Windows XP, which are no longer supported by Microsoft. Lack of security patch support has left the devices increasingly vulnerable to cybe attack
- \$10,000 Ceiling repairs at CCMP Panda side dining room
- \$5,000 Tables and chairs for patio with umbrellas at ENV Cafe
- \$300,000 Installation of fresh Mex concept at BSC to replace Subway Express
- \$25,000 Tables and chairs, Display cooler and mill work, Electrical work @ Poly Fresh @ CTTi
- \$85,000 Remodel and mill work for lobby (\$25000), Upgrade to service area- new paint, lighting, and minor mill work, Video monitors for menus/nutrition kiosks, Tables and chairs for dining area new lighting.
- \$16,000 Exterior freezer @ Vista Market
- \$132,000 Replace buffet line , Dining room electrical and plumbing work , Portable tables/chairs for KHP & KW , Refer trucks for KW, Paint dining rooms, Electrical work for buffet lines
- \$50,000 Additional funding to complete tenant improvements * Einstein's Bagel Shop
- \$150,000 Additional funding to complete TI's at CBA cafe and install "self Check out" POS system

Changes in Staffing:

With the projected growth in our base operations on campus and the addition of 3 new venues on campus, we are requesting the following additions to our staff:

- Asst. Manager at Vista Market
- Supervisor/Manager at Qdoba at BSC
- Supervisor at the Convenience store at CBA
- Asst. Manager at Starbuck's
- Supervisor at KHP

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

Over the next 3 years we will see the building and Grand Opening of the Rec Center at Bronco Commons with a Jamba Juice. The design of the new Dining Commons on campus scheduled to open the fall of 2016 is already starting. The addition of Einstein's and CBA Convenience store. Not to mention the Installation of a Qdoba at BSC, the Implementation of the Freshens Crepes program at CCMP and the introduction of new menus at CTTi Cafe.

Based on the Rec Center opening and the Fitness Center moving from BSC, this could open the way for a new venue at BSC in the form of a "Campus Pub"

Beyond 2016 their will be the possibility of CCMP being replaced, Innovation Village developing multi use tenant space including retail

On the other hand there is the unknown of the State Budget and it's effects of the ability of the CSU's to meet it's educational/ academic mission and how this will affect the FTE on campus.

Mission/Vision Statement

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

Our Vision Statement:

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

Strengths and Challenges

Strengths

"A" grade maintained with the L.A. County Health Department; Variety better and enhanced; convenient locations - constantly expanding; teamwork within Dining Services (team unity); Listen to customers - try to respond as best we possibly can; fiscal responsibility; "Blended Solutions" - diversity of management, varied backgrounds and experience; relationship with and support of campus community; product quality and consistency; stability of management - support of each other; lower staff turnover; commissary development; merge of KW Catering w/LO to become Campus Catering; Presidential Order on Use of Foundation Services & Central Support Resources; new chef hired @ KW; SCE @ Innovation Village.

Challenges

Challenges

Effective marketing; economy & ongoing budget cuts; enrollment; 200+ reduction in traditional residential halls, currently above 95% occupancy ; Presidential Order on Use of Foundation Services & Central Support Resources; . Technology- POS/reporting systems; managing to the 1000 Hour Rule; development of effective training; development of ongoing in-unit training; completion of tasks in a timely fashion; react more quickly to changes in the market (cost of goods presently in dramatic escalation); update of equipment-need to do especially in Board Operations; need for video security equipment; CTTI Cafe/ (sales growth and cost containment); speed of service; cleanliness of dining rooms/areas ; meeting the dining and catering needs at Innovation Village and CTTI.

Employee Survey

This years employee survey which was completed in February. We had 130 respondents in contrast to the previous year with a 171 participants. Using a scale of 1-5 with 5 being excellent, our ratings fell slightly this year with a range between 3.48 at the high end to 2.68 on the low end. while some of this is due directly to current unrest in the economy part of this is also due to changes in management, the uncertainty of job security and the timing of the survey. With that said we have several opportunities to address as we move forward.

Top 5 areas of performance:

1. "Management supports my school work schedule." (83.9%*)
2. "I understand how my job contributes to the success of dining services on campus" (98.5%*)
3. "Quality service is provided by Dining Services employees to customers. We are proud of the food we prepare." (97%*)
4. "Management is approachable and encourages your ideas/suggestions" (92.3%*)
5. Managers/supervisors respect cultural differences in my immediate area" (95.2%*)

*Totally agree or agree

Lowest 5 areas of performance:

1. "My supervisor completed my written Job Performance review in a timely manner" (2.68)
2. "I am satisfied with the way merit increases are given." (2.72)
3. "We are recognized and congratulated for a job well done." (2.83)
4. "I feel my opinion is considered when making changes." (2.93)
5. "Communication of events opportunities, policy changes and schedules are provided on a timely basis." (2.98)

Several important things fall out of an analysis of the surveys; our employees take great pride in the job that they do, managers respect the employees and that we are not doing an adequate job of recognizing and rewarding them. The majority of respondents are student worker 70% and these results are a reflection of our lack of a structured process for evaluating and rewarding their performance. This is something we are highly aware of and in the process of developing.

Customer Survey

This years survey was focused on gather information, data and trends to assist on updating the Dining Services Master Plan. While the survey did mirror the overall trends in our industry, it also confirm much of our overall strategic goals which over all dovetailed into both national and local trends. Most importantly we had over 1200 respondent to the survey making the data gathered valid. We remain marginally above other surveyed institutions in most important areas. In overall satisfaction 33 % of the Cal Poly respondents were "very satisfied", which is slightly above the national average. we also learned that our penetration at lunch on campus is at a very high 46%. We also confirmed the need to replace Subway Express with a Chipotle type Fresh-Mex venue at Bronco Student Center.

Several interesting patterns are evident in the detailed analysis. We do consistently better than average on questions related specifically related to food, such as; freshness, quality, variety, healthy choices, etc. We do less well than average on physical attributes, such as; facility layout, location, appearance, available seating, etc. These are areas that we need to concentrate on in Foundation and University master planning as we plan for a new Dining Commons and the possibility of replacing CCMP.

Operational areas of concern that we are in the process of addressing revolved around customer service, friendliness of staff and speed of service. We we have scheduled a customer service training seminar that will be focused on our key FOH staff to concentrate on this area. Speed of service is something we have been working for the last couple of years and which has improved markedly due to innovations such as Subway, Carl's Jr., Starbuck's, and more engaged management team at Taco Bell.

There we some concerns raised about the overall catering program , specifically with accessibility of office staff and timing of deliveries to match service times.

From an organizational stand point their is the ongoing concern of catering being fiscally stable and self supporting.

Business Controls and Vital Factors

H

The primary areas of concern going into FY 12-13 will be modest sales growth, product cost and labor control, which will be critical to the divisions overall success. Mid year concerns will be the impact from changes to the state budget and its affect on enrollment.

Goals for this fiscal year are:

- 1) Continue to monitor labor on a constant basis by utilizing tools, such as staffing guides, sales per labor hour and GUIA/Scheduler 2000 or Kronos scheduling features to achieve MPLH or SPLH. Expand the use of biometrics using the new readers.
- 2) Continue to monitor product cost & adjusting purchasing patterns and pricing on a constant basis. Utilizing franchise and Sodexo systems at LO to reduce waste & costs.
- 3) Continue to train management staff on properly understanding and utilizing budget, P&L and other pertinent financial processes
- 4) Posting of "monotony breakers" for Los Olivos via website and social media
- 5) Continue to market the variety and services we have available to the campus community.
- 6) Continue to offer daily "deals" and "leaders" to increase traffic during slower day parts.
- 7) Sodexo systems program to be expanded to KW and retail units
- 8) Set weekly and monthly goals by area and unit to help management focus on what needs to be done.

Asset Protection/Risk Management

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

Areas that we are working on based on the risk management assessment :

Los Olivos: Improvement in employee locker security, building perimeter, building egress, video system, safe combo, authorized drivers, management training of proper hiring, insuring that current insurance and indemnification language are in all new contracts, data security procedures are in place and staff evaluations are done on a timely basis.

BSC: Repair of equipment in catering room, alarm system, improve billing paperwork, repair equipment in Poly Fresh, All of the above has been address and resolved.

CCMP, C-Stores & Starbuck's: Provide employee training of E Phone, Pull Stations, Video system, Fire extinguisher training for staff, facilities repairs, staff training by Employment Services,

KW Food and Beverage: Improve employee locker security, provide staff training for safety protection equipment, repair safety locks on walk-ins, improve security of safe combo, staff training of check and credit card acceptance per FDN policies. Install Micros register to replace credit card machines, tips procedure and inventory controls. Improve credit card processing at Kellogg House Pomona.

Continued -No Continuations

- Professional menus posted for all platforms including item identifiers, detailed nutritional information, and allergen information (samples attached).
- Weekly menu is now online with nutritional information
- Mongolian grill now produced in a Wok near taqueria station. This is a single, restaurant-plated menu item now, where it used to be pick your toppings and have it cooked on a flat-top. We will be listening to our students and making adjustments as necessary, as this may be perceived as a take-away.
- Grill items now served in red restaurant baskets with menu tissue. Turkey burgers, veggie burgers, and cheeseburgers always available now, produced and served restaurant style. An LTO also produced in this area (today we have pulled pork sliders). Students do miss daily chicken nuggets, we will be making some adjustments to take care of this need.
- Desserts are now menued and change at each meal, full nutritional information posted at the dessert station.
- The Taqueria, Flash-in-the-Pan, Comfort Zone, Grill, and Mongolian grill are now plated and garnished restaurant style (2-3 at a time) for our students, speeding up service and enhancing the restaurant feel. Students can still ask to customize dishes, or simply order a side item with their meal.
- Upgraded juice program to Sunkist
- Pizza now offers pepperoni, cheese, and a specialty pizza (generally a healthier flatbread style)
- Added more flavor toppers to pizza area (parmesan, oregano, and pepper flakes)
- Menuing 2 specialty salads daily with complete nutritional and allergen information
- Salad dressings are labeled with nutritional information
- Upgraded customer hand sanitizers to one that has a more pleasing aroma....
- Upgraded coffee offering, added a couple of flavors

Will discuss changes and make modifications with the help of our food focus group

Continued -No Continuations

OPERATING BUDGETS
ENTERPRISES

KELLOGG WEST
CONFERENCE CENTER & LODGE

CAL POLY POMONA FOUNDATION, INC.

Kellogg West Conference Center & Hotel Rooms, Conferences & Sales

2012 - 2013

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2012

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Proposed Fiscal Year Budget

A

KELLOGG_WEST_CONFERENCE_CENTER_AND_LODGE

CONSOLIDATED BUDGET COMPARISON SUMMARY
FOR PROPOSED BUDGET YEAR 12-13
CURRENT FISCAL YEAR 11-12

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
=====				
REVENUE				
SALES	<u>1,356,691</u>	<u>1,364,230</u>	<u>1,431,126</u>	<u>66,896</u>
TOTAL REVENUE	1,356,691	1,364,230	1,431,126	66,896
COST OF GOODS SOLD				
COST OF GOODS SOLD	<u>923</u>	<u>1,388</u>	<u>980</u>	<u>(408)</u>
TOTAL COST OF GOODS SOLD	<u>923</u>	<u>1,388</u>	<u>980</u>	<u>(408)</u>
GROSS MARGIN	1,355,768	1,362,842	1,430,146	67,304
EXPENDITURES-CONTROLLABLE				
UTILITIES	131,332	101,120	107,193	6,073
AGR/RE Fees	0	2,800	0	(2,800)
REPAIRS & MAINTENANCE	96,656	99,540	105,363	5,823
MEALS & REFRESHMENTS	794	950	960	10
POSTAGE & FREIGHT	1,588	1,300	2,290	990
ADVERTISING	18,865	10,220	14,846	4,626
RENT/COMMISSIONS	8,565	7,505	5,569	(1,936)
SERVICES	149,744	135,668	151,698	16,030
SUPPLIES	53,708	67,820	75,630	7,810
TELEPHONE	28,756	38,830	41,503	2,673
TRAVEL	3,600	1,001	1,430	429
LAUNDRY	44,092	43,300	47,228	3,928
OTHER	<u>6,823</u>	<u>10,260</u>	<u>11,581</u>	<u>1,321</u>
TOTAL EXPENDITURES-CONTROLLABLE	544,523	520,314	565,291	44,977
EXPENDITURES NON-CONTROLLABLE				
ADMINISTRATIVE FEES	88,186	91,850	93,023	1,173
DEPRECIATION	112,860	106,000	64,800	(41,200)
INSURANCE	18,000	23,010	24,329	1,319
RENT/COMMISSIONS	7,200	0	6,000	6,000
BANK CARD FEES	<u>21,436</u>	<u>19,780</u>	<u>20,036</u>	<u>256</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	247,682	240,640	208,188	(32,452)
LABOR COSTS				
SALARIES & WAGES	476,892	435,000	463,912	28,912
EMPLOYEE BENEFITS	<u>173,226</u>	<u>166,114</u>	<u>167,389</u>	<u>1,275</u>
TOTAL LABOR COSTS	<u>650,118</u>	<u>601,114</u>	<u>631,301</u>	<u>30,187</u>
TOTAL EXPENSES	<u>1,442,323</u>	<u>1,362,068</u>	<u>1,404,780</u>	<u>42,712</u>
NET INCOME	(86,555)	774	25,366	24,592
	=====	=====	=====	=====

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

Through the first eight months of the 2011-12 fiscal year Kellogg West Rooms & Conferences revenue is 9K down from prior year but \$19K over budget. YTD expenses are \$59K down from budget and \$42K down from prior year. YTD actual net income is (\$33,760) versus a budgeted net income of (\$110,373) and a prior year net income of (\$59,698). 2011-12 EOY net income is forecasted to come in as a positive versus a budgeted EOY net income of (\$84,509).

All in all, Kellogg West is having another good year despite the economy and is also continuing to not only control, but decrease expenses which shows on the bottom line.

Explanation of Proposed Fiscal Year Budget:

Kellogg West is budgeting that meeting/conference demand and revenues will continue increasing through 2012-2013 with the continued demand for affordable facilities that "look good on paper". This was especially noticeable with the return of many past clients who at one time "up-scaled" their meetings to higher priced, luxury alternatives but who are now, due to budget constraints, coming back to more affordable alternatives such as Kellogg West.

The addition of the second SCE corporate building to Innovation Village has also helped create an increase in demand for Kellogg West meeting services/facilities, with quite a few small one and two day SCE associated meetings being steadily booked and inquiry calls continuing almost daily.

Controllable Expenses as well as Labor Expenses for 2012-2013 continue to be tightly controlled and the financial "bottom line" is the focus.

In light of forecasted continued sluggish economic conditions Kellogg West will only slightly increase some areas of pricing, where costs have greatly increased, but as a whole will hold present pricing in order to continue being "affordable" and competitive in a market that has a great deal of many and newer hospitality alternatives.

Changes in Programs and Services for Proposed Fiscal Year:

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

Explanation of Proposed Fiscal Year Capital Requests:

Last years noticeable changes in guest room decor and the bathroom tub/shower replacement as well as the hugely popular improvement in the comfort of our beds has greatly and very positively impacted and improved the look and feel of our guest rooms and guest feedback. However, the 10 year old guest room carpet is showing it's age as well as "aging" our guest rooms. Replacement of the carpeting will not only enhance and update the overall look and feel of the room but also give the guest an even higher sense of cleanliness.

Changes in Staffing:

For 2012-2013 there are no changes planned in Staffing.

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

Demand for "affordable" meeting and training facilities will continue to be higher than in the recent past years due to lessons learned during this economic downturn as well a continued "tight" budgets.

With the majority of our business coming from within California and the continuing California budget conditions it is obvious that "as California goes" so also will KW revenues (-as well as all other Foundation & University revenues) go.

Other factors which will have an affect on Kellogg West's business over the next three to five years are some of the key issues that have been repeatedly discussed over the last several years. Those are the seismic upgrade, the in-progress Collins College expansion, the continued and ongoing question of a new property or a complete renovation of KW and the University Master Plan, all of which could and most likely will greatly impact Kellogg West as a whole.

Mission/Vision Statement

While this past decade has been especially difficult for Kellogg West, the past couple of years have brought surprising new opportunities as well as new ways of thinking and new ways of doing. Along with those new ways of thinking and doing, Kellogg West has begun the process of evolving into a business that makes sense financially and that will enable us to carry on our long history and valuable partnership with Cal Poly Pomona University and The Foundation.

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

Strengths and Challenges

Strengths

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

Challenges

Provided Kellogg West is able to continue marketing itself as an affordable conference and meeting facility that "looks good on paper" we are forecasting that meeting/conference demand and revenues will increase for 2012-13 and is budgeting accordingly. In order to drive the increased revenues Kellogg West will have to drive their sales and, with the addition of a new Sales Manager, we are doing just that. Kellogg West will also need to continue working as "lean" as we did during the past two fiscal years by doing more with less and doing it just as good so it shows on the bottom line. In addition to maintaining the unprecedented savings in labor of these past couple of years, Kellogg West will continue to keep controllable expenses to absolute "bare-bones" operational necessities and we are budgeting just that.

Employee Survey

F

Kellogg West Conference Center & Hotel employee satisfaction continues to be high. Due in part to Management's continued communications to and from employees. But also, employee satisfaction is high due to the present Director's daily involvement and "roll up the sleeves" work ethics in helping when help is needed. There's also Management's philosophy and practice of treating others as you would want to be treated. -We're a Team and all in this together so that's the way we work. Management has no plans to change this "team work" philosophy, attitude and work ethics.

Customer Survey

The 2011 Hotel guest room upgrades in decor, new tubs & showers and the hugely welcomed changes in bedding comfort as well as the new exterior property signage have all gone a long, long way toward providing a much more enjoyable and updated guest experience. - An experience, not only noticed by our Guests, but commented on just about every day.

Customer satisfaction with guest focus areas such as cleanliness, friendliness and courtesy continues to be very high and our overall customer satisfaction and comments (especially with service) continues to be extremely good and a source of pride for all of our employees, at all levels. 74.3% of all Guests surveyed have indicated they will likely or definitely stay at this property when they return to this area and 94.8% of all Guests surveyed have said they will likely or definitely recommend Kellogg West to a friend. 95.5% of all Guests surveyed have rated Kellogg West's hospitality as meets or exceeds expectations.

Business Controls and Vital Factors

H

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

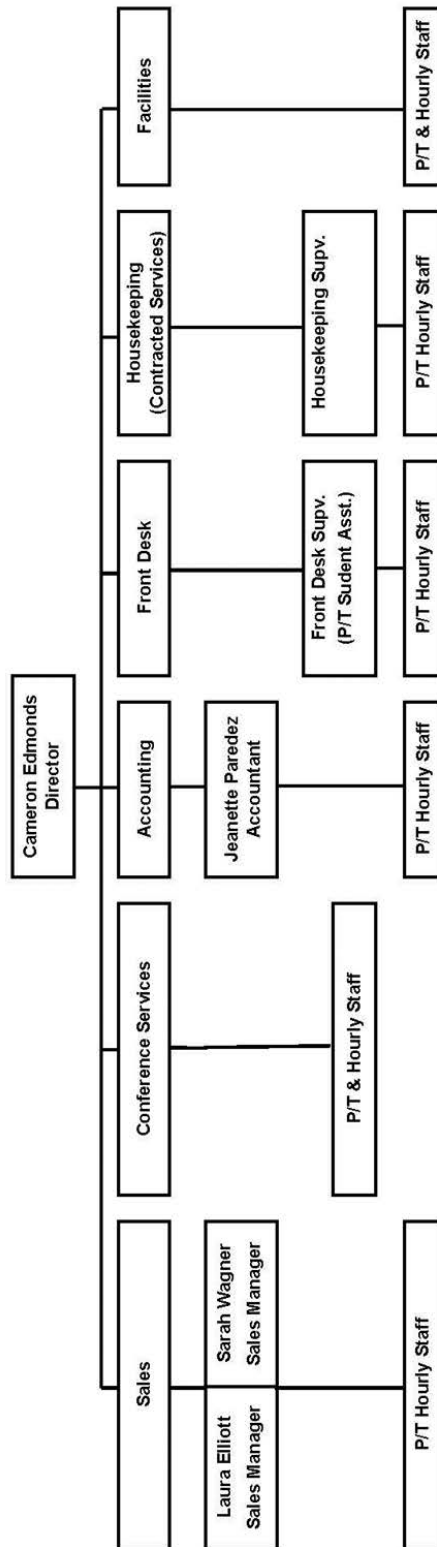
Vital factors are primarily (1) Actual Costs compared to budgets and schedules and (2) Occupancy comparisons and analysis (ADR & Rev Par)

Asset Protection/Risk Management

1. Suggestion to install video security cameras - No plans to install such at this time for financial reasons
2. Update of KW Emergency Procedures and manuals - Completed and updated annually or as needed.
3. New cash handling procedures for deposits - Completed. New procedures have already been put into place and continue under the direction of Sue Chiazza and Jeanette Paredez.
4. Separation of duties with KW Director - Completed with KW Accountant placing orders and Director reviewing/approving.
5. Reduce amount of KW logo inventory - Ongoing through continued sales to guests. No other actions will be taken as inventory is completed monthly, items are strictly controlled and secured and there is no problem at all with "loss".
6. Change safe combinations and keep a record of who has access and knowledge of combination - Completed. Record of who has access and safe combination now in sealed envelope in Foundation safe.

Organization Chart

Kellogg West Conference Center & Lodge
2012 Organizational Chart



OPERATING BUDGETS
ENTERPRISES

FOUNDATION HOUSING SERVICES

CAL POLY POMONA FOUNDATION, INC.

Foundation Housing Service

2012-2013

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2012

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Proposed Fiscal Year Budget

A

FOUNDATION_HOUSING_SERVICES

CONSOLIDATED BUDGET COMPARISON SUMMARY
FOR PROPOSED BUDGET YEAR 12-13
CURRENT FISCAL YEAR 11-12

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
=====				
REVENUE				
OTHER	43,600	38,000	43,500	5,500
SALES	<u>7,559,222</u>	<u>7,797,136</u>	<u>8,083,175</u>	<u>286,039</u>
TOTAL REVENUE	<u>7,602,822</u>	<u>7,835,136</u>	<u>8,126,675</u>	<u>291,539</u>
EXPENDITURES-CONTROLLABLE				
UTILITIES	674,393	550,816	673,233	122,417
REPAIRS & MAINTENANCE	240,422	311,284	320,780	9,496
MEALS & REFRESHMENTS	2,650	2,000	2,650	650
POSTAGE & FREIGHT	750	160	420	260
ADVERTISING	3,700	2,500	3,780	1,280
RENT/COMMISSIONS	1,800	1,000	1,800	800
SERVICES	422,836	448,590	441,984	(6,606)
SUPPLIES	24,947	42,300	34,951	(7,349)
TELEPHONE	229,200	239,000	229,200	(9,800)
TRAVEL	4,800	4,200	6,000	1,800
LAUNDRY	40	400	700	300
OTHER	<u>119,165</u>	<u>136,344</u>	<u>136,815</u>	<u>471</u>
TOTAL EXPENDITURES-CONTROLLABLE	<u>1,724,703</u>	<u>1,738,594</u>	<u>1,852,313</u>	<u>113,719</u>
EXPENDITURES NON-CONTROLLABLE				
ADMINISTRATIVE FEES	494,186	467,437	528,234	60,797
DEPRECIATION	1,825,068	1,756,004	1,912,344	156,340
INSURANCE	118,800	113,000	118,800	5,800
INTEREST EXPENSE	1,277,280	1,221,000	1,221,052	52
BANK CARD FEES	139,000	139,000	139,000	0
OTHER	<u>160,056</u>	<u>147,118</u>	<u>156,987</u>	<u>9,869</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	<u>4,014,390</u>	<u>3,843,559</u>	<u>4,076,417</u>	<u>232,858</u>
LABOR COSTS				
SALARIES & WAGES	721,615	725,372	778,550	53,178
EMPLOYEE BENEFITS	<u>279,531</u>	<u>234,434</u>	<u>270,961</u>	<u>36,527</u>
TOTAL LABOR COSTS	<u>1,001,146</u>	<u>959,806</u>	<u>1,049,511</u>	<u>89,705</u>
TOTAL EXPENSES	<u>6,740,239</u>	<u>6,541,959</u>	<u>6,978,241</u>	<u>436,282</u>
NET INCOME	862,583	1,293,177	1,148,434	(144,743)
=====	=====	=====	=====	=====

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

The current fiscal year has been surprising, challenging and gratifying. We were again "surprised" by the summer demand for housing from both students and conference groups. Summer occupancy exceeded expectations by about 5% consistently. Academic year occupancy "hovered" around 95% during the fall quarter but has dipped to around 94% during this current academic term. It has been a major challenge to recruit and retain students from Cal Poly this year. I don't believe that the new suites have had a significant impact on Village occupancy (one way or another) since UHS suite occupancy is pretty consistent with the Village. The economy and the greater enrollment of freshman students seems to be the "culprit" here. Mount SAC students added to our population numbers and also to the "richness" of our community. The use of email "blasts", campus visitations, Mt. SAC and Cal Poly electronic marquees, "word of mouth" advertising by student services staff on both campuses and a more rapid response to student inquires been effective overall. We seem to be attracting a larger number of international students each year. This is a very positive trend (all-around) that I hope it continues.

Capital funded refurbishing of Phase I has resulted in greater customer satisfaction and a significant reduction in work orders during the fall term. We believe that refurbishing one complete phase each year will ensure a higher quality standard and result in lower facility maintenance costs in the long run. This approach to facility maintenance certainly proved to be financially beneficial and a customer services "win" with Phase I.

Changes in personnel, job descriptions and terms of service brought significant success to our organization this year. Overall, this staff has been the most productive group in memory. The addition of a full time Technology Coordinator and IT assistants has resulted in more focused and responsive services being offered to both students and staff. PROGRESS!

Explanation of Proposed Fiscal Year Budget:

The 2012-2013 budget has been designed to continue the growth and development experienced over the past several years while increasing the use of "best practices" and maintaining fiscal accountability. A sense of "reality" as to what we "need to do" to maintain success and continue development of each project "unit" continues to guide the "writers" of the latest financial plan. Student occupancy "drives" the development of this budget. As a result of our overall success in employing a 95% academic year occupancy guide, we've decided to once again base our "bottom line" and revenue projections on this percentage. In light of the continued "evolution" of the summer "mission" of the University, we've maintained our expectations of summer occupancy at 30% of available bed spaces with a proposed "special" reduced "summer rate" for students living in the open buildings. This fiscal year, we propose the closing of Phase III for the summer months to allow for painting, cleaning, and general repairs. We expect full or near full occupancy during 2012-2013 however, it's important to consider changes in the University, national and international economy, enrollment and subsequent budget "cuts" etc. and allow for some "cushioning" against any sudden economic and budgetary downturns. The 2012-2013 budget is based (largely) on the end of year forecast provided for 2011-2012. We've reduced (considerably) spending in 2010-2011 and 2011-2012 without compromising the development of the facility, operations and transitional housing program. All units did well with "belt tightening" this year. We've been able to add a full-time Technology Coordinator (2011) and full-time Community Development Coordinator (2012). Both positions have already made a significant positive impact on our operation.

We believe that this is a "balanced" and focused budget capable of continuing forward movement during a time of national recovery from recession and extraordinary changes in higher education. The 2012-2013 budget is somewhat less "lean" than recent budget submissions. We've restored some funding for professional staff development and related travel. We also don't want to "lose ground" on the progress that we've made both maintaining and upgrading facilities. We're "thankful" that we can rely on years of growth and economic success during these difficult and uncertain times, we believe however that we must continue the vigorous maintenance and facility enhancement program (outlined in the 10 year cash flow plan) in order to satisfy our "customer" and prevent a greater, more long term and costly decline in residential facilities. We believe this is a "good" budget allowing for a necessary 5% increase in license fee rates in all Phases while preserving an economic "first rate" quality of life offered to our customers. Our decision to create a consistent rate for Phases II and III was a popular one with Phase III occupancy "soaring" past Phase II during 2011-2012. The completion of capital projects in Phase I (new kitchen cabinets, carpet replacement, medicine cabinets, appliances, paint etc. has modernized this area and far more popular with our students. We believe that our customers have many options and choices in relation to where they live (especially with the opening of an additional phase of the UHS suites and with numerous local apartment communities experiencing significant vacancies). We want and need for the University Village to remain the premier housing choice for area college students looking to live in a more independent and progressive environment!

Changes in Programs and Services for Proposed Fiscal Year:

Beginning 2012-2013 we plan on providing computer support services to all Village students through the development of a Village help desk located in the Recreation Center. Staffed by the Technology Coordinator and trained assistants, the Help Desk will provide customer support with service issues, diagnostics, light repair and loading of virus and other software. Students will be able to print copies on a centralized commercial printer. The Help Desk (in partnership with MIS) will centrally manage all student and office related computer hardware, and software maintenance issues, outages etc. and will run skill building work shops for all members of the community. Services will be offered on a limited basis and will gradually expand. The Residential Education Program will have a full time professional staff member dedicated to the development of student leaders, student governance, programming, sustainability initiatives, campus involvement and student advocacy. The position, entitled Community Development Coordinator, is an expansion of a graduate assistant position with the same title and takes the place of two of three graduate assistant positions in this area.

Explanation of Proposed Fiscal Year Capital Requests:

Capital projects for 2012-2013 again reflect a focus on the "practical and necessary" in order to ensure essential services and customer appeal. We continue to maintain, upgrade and "extend the life" of our "aging" facilities. Phase III will be closed for the summer for "cosmetic" and "light" structural upgrades. This work is critical in order to maintain the "appeal" of Phase III housing as well as to reduce the effects of wear and tear on the facility. 2012-2013 projects are listed below in priority order:

- *Scheduled refurbishing/painting and repair of all Phase III apartments. (155k)
- *Installation of WiFi throughout the Village. (225k)
- *Study/Computer Lounge Construction. (51k)
- *Technology Support Center. (10,000)
- *Star Rez Housing Management System Software Update. (27k)
- *Star Rez VM Servers. (60k)
- *Carbon Monoxide Detectors. (10k)

Changes in Staffing:

No changes anticipated in this area.

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

Overall, University Village facilities have been well maintained over the past 20+ years. Village facilities are structurally and cosmetically "appealing" because maintenance has been rarely deferred and capital funding for upkeep and renovation has been available. The Village Management Team believes that as the result of the aforementioned, the Village is in a "good" position to withstand the Universities' economic uncertainties and looming reduction in resources, that we must now accept. We must however, recognize that we must proceed in funding some of the "bigger ticket" issues facing this "aging" complex. We need to be looking at revising our mission to accommodate future currently under served "customers" including; domestic partners, families/veteran's, faculty/staff (short-term) ADA and international students. Purchasing a local apartment complex (to house the aforementioned) is a primary Business Plan objective for 2012-2013. The development of a technology program with support services for students and staff is also necessary as we continue to integrate new technologies into daily management and financial operations within the Village. Upgrade and use of tablet and mobile technology will encourage better communication, greater security, efficiency and better customer service. Current and future financial management computer program enhancements should enable us to evaluate the use of staffing resources dedicated to this area.

Major Projects and Business Goals for Proposed Fiscal Year

D

Action Steps	Person Responsible	Due Date
Locate and purchase off-campus community apartment complex.	Ken Leads	1/13
Redevelop/refine Foundation Housing Mission Statement and Core Values Statement.	Lisa/Ken Lead	9/12
Develop opportunities to "link" the Village to the larger campus community.	Lisa Leads	On-Going
Develop measurable objectives for conference/summer housing program.	Regina/Sherry Lead	12/12
Explore asset management options in Manager + for use in the Village.	Steve/Ken/Owen Lead	6/13
Develop IT services center (Help Desk) and IT staff position descriptions.	Owen Leads	9/1/12
Refurbish and paint Phase III.	Ken/Steve Lead	09/12
Purchase and install Star Rez Update and VM Servers	Owen Leads	12/12
Install cost effective lighting in all outdoor "dark spots".	Steve/Ken Lead	09/12
Construct quiet study lounge/computer lab in Community Center	Ken/Steve/Owen Lead	09/12
Develop Res. Ed training link-video recorded topics available on line.	Lisa/Owen Lead	12/12
Install wireless services in all residential, business and recreational areas.	Owen Leads	12/12
Attend ACUHO-I and WACUHO Conferences	Ken Leads	2012-2013
Attend Star Rez User Conference	Owen/Sherry/Regina	2012
Attend ACPA/NASPA Annual Conference	Ken/Lisa/Dave/Kyle/Dave/Owen	2013
Plan and facilitate Village staff customer service training.	Ken/Lisa	12/12
Develop outdoor/grounds recreational areas (picnic, pool, bbq.)	Ken/Steve Lead	On-Going
(With Kellogg West) Create a marketing plan and presentation format.	Ken/Regina Lead	12/12
Develop UHS/Village Staff Council (Professional and Student Staff)	Lisa Leads	6/13
Hold Quarterly Village All-Hands Meetings	Senior Managers	Quarterly
Prepare for community use-Manager Plus Enterprise Maintenance Management Software System.	Owen/Steve/Letty Lead	9/12
Research and write 2 year objectives for IT services within all Village operations.	Owen & IT Team	12/12
Update and reorganize University Village share drive.	Owen Leads	12/12
Recover all sofa units in all Phases.	Ken/Steve	6/13
Promote sustainability within all Village functions. Support/Promote sustainability garden.	Davinah/Sustainability Advisors	6/13
In partnership with UPD, continue development of emergency notification and evacuation program.	Davinah/Debi McFall Lead	6/13
Revise Res. Ed. staff titles and job descriptions reflecting organizational changes.	Ken/Lisa	9/12
Use Wellness Wheel as basis for new program model.	Davinah/Lisa Lead	9/12
Begin integration of tablet/mobile devices into all Village operations.	Owen Leads	6/13
Research and develop 5 year plan for intentional housing communities in Foundation Housing.	Dave/Ken	12/12
Organize Village student leadership groups and meet regularly.	Davinah Leads	6/13
Research and redevelop student staff hiring processes and staff training programs.	Dave/Kyle/Davinah/Lisa	12/12
Research solar options for heating pool.	Steve/Sherry Lead	12/13

Mission/Vision Statement

The University Village is a residential community created by Foundation Housing Service for Cal Poly Pomona students. The University Village support's the students' transition into adulthood through a variety of educational methods including role modeling, consistency in policy implementation, and positive student development practices. As a division of the Cal Poly Pomona Foundation, Inc., University Village will assist in its overall mission of providing the highest level of service and financial support to the University in a businesslike, professional manner while maintaining corporate fiscal integrity. University Village strives to create an environment where all residents feel physically and psychologically safe as they learn, work, and play. In addition, University Village promotes a community where each person's race, ethnic identity, age, marital status, religious affiliation, gender identity, physical disability, and sexual orientation is cause for appreciation and learning. University Village makes every effort to ensure that no student will feel victim to discrimination here at the University Village.

University Village offers valuable, clean, well-maintained, and furnished accommodations to every resident. We promote community involvement by encouraging students to immerse themselves in the harmonious environment here at the University Village. Comprehensive residential and co-curricular educational programs are provided by a skilled professional and paraprofessional staff. Through these methods, a multi-cultural residential community is nurtured and maintained.

University Village will seek mutually beneficial relationships, both internal and external to the University Community. From these relationships, we will guide and promote to our residents the ideals of leadership, ethics, exploration of personal values, and appreciation of the richness and opportunities inherent in a multi-cultural world. Through these efforts, University Village distinguishes itself as a student housing program with a unique capacity to adapt to changing times, while preserving a tradition of educational excellence.

Strengths and Challenges

Strengths

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

Challenges

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

Employee Survey

There were a total of 20 responses. The employee survey was administered to all staff (on-line) during 2011-2012.

RESULTS: Out of a possible total score for each question of 4.00:

- 3.50 understand how their job contributes to the success of the UV
- 3.20 understand policies and procedures
- 2.75 believe that management is fair, equitable and respectful
- 3.05 believe that events, opportunities, policy changes and schedules are provided in a timely manner
- 2.78 agree that job reviews are current and timely
- 3.40 understand the purpose of their job and that of their coworkers
- 3.35 believe that management is approachable and encourages ideas and suggestions for improvement
- 3.25 state that they believe that their immediate supervisor is able to resolve problems and answer questions quickly.
- 2.55 believe that management holds people accountable and enforces policies fairly
- 3.10 feel that managers/supervisors respect cultural differences
- 3.10 believe that they are recognized and commended for a job well done
- 3.15 feel that their opinions are considered when making changes
- 3.15 believe that over this past year, the "team" has made progress in improving the Village
- 3.40 agree that quality customer service is provided by Village employees to residents
- 3.20 are satisfied with the training provided on job tasks
- 3.15 enjoy coming to work each day.
- 3.00 feel secure in their jobs.
- 2.87 (understand) and are satisfied with the merit increase system.
- 3.15 believe that we offer quality housing to Village residents.

TOTAL AVERAGE SCORE FOR ALL EMPLOYEES TAKING SURVEY IS: 3.13/4.00

THE VILLAGE MANAGEMENT TEAM WILL ACTIVELY LOOK TO RAISE SCORES IN ALL AREAS PRIOR TO THE 2012. SURVEY

Customer Survey

The Residential Experience Survey (formally Quality of Life Survey) was administered (on-line) this fall quarter (2011). The survey was entirely redeveloped and retitled with new more relevant questions and was administered to all available students (1247-99% occupancy) and over 519 surveys have been returned. The following are the results of the survey:

- *Overall Satisfaction: Very High-Recommendations: Intentional (Theme) Communities, Programming, Reduce Noise, Study Facilities and Wireless.
- *Maintenance/Cleaning: Satisfied-Recommendations: Improve Communication, Apartment Entry Notification, Add Shelving in Phase III apartments, Split Response on Increasing/Decreasing Cleaning Efforts.
- *Safety: Satisfied-Recommendations: Village and Contracted Maintenance Need to Close Apt. Doors When Inside, Leave Open Valley Gate on Weekends, Balance Lighting in All Phases, Add security to prevent bike stealing.
- *Condition of Apartments:Satisfied(Especially with Phase I Revamp-Recommendations: More cleaning prior to move-in, Install Wireless Internet, Phase II- Replace Furniture.
- *IT Work Orders: Less Satisfied-Recommendations: Increase Internet Speed, Implement IT Work Order System-Improve Performance,Increase Communication and Reduce Delay in Responses, Install Wireless Internet.
- *Cleanliness of Facilities: Satisfied-Recommendations: Clean/Replace Dirty Dining Chair Fabric, Regularly Clean Laundry Room and Maintain Machines.
- *Room Assignments: Less Satisfied-Recommendations: Remove Lifestyle Questions on Application, Make it Easier to Communicate With Roommates Prior to Check-In, Implement Theme Housing, Add Additional Housing Assignment Staff.
- *Website: Less Satisfied: Recommendations: Complete Revamp is Necessary (Outdated and Difficult to Navigate), Update and Simplify.
- *Helpfulness of Staff: Very Dissatisfied With Office Staff: Recommendations: Customer Service Training Across Departmental Lines Strongly Emphasizing Village Culture and Customer Service at All Levels.
- *Satisfaction With Village Services: Satisfied: Recommendations: Quiet Study Space, Wireless Internet Service, Printer in Computer Lab, Greater Use of Available Recreation Space, More Recreational Space and Services.
- *Programs: Less Satisfied: Recommendations: More "Adult Like" Programs, Improve Advertising Overall-More Creative Less Juvenile Advertising, Get Students More Involved in Program Planning and Implementation.
- *Community Advisors: Very Satisfied: Recommendations: Increase Training on Interpersonal Skills.
- *Staff Entering Student Apartments: Satisfied: Recommendations: More Notice, Treat Apt. More Like Private Home
- *Study Space/Facilities: Dissatisfied: Recommendations: Create Quiet Study Space in Community Center-ASAP
- *Sustainability: Less Satisfied: Recommendations: More Recycling Bins Throughout The Village. Install Timers On Common Building Lighting, More SPAC projects, Establish Greater Connection to Campus Sustainability Resources.
- *Other Recommendations: Heat Pool, Exercise/Weight Room, More Game Nights, Extend Mail Room Hours.

Keys to Success

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

Corporate Culture

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

Business Controls and Vital Factors

H

BUSINESS CONTROLS

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

VITAL FACTORS

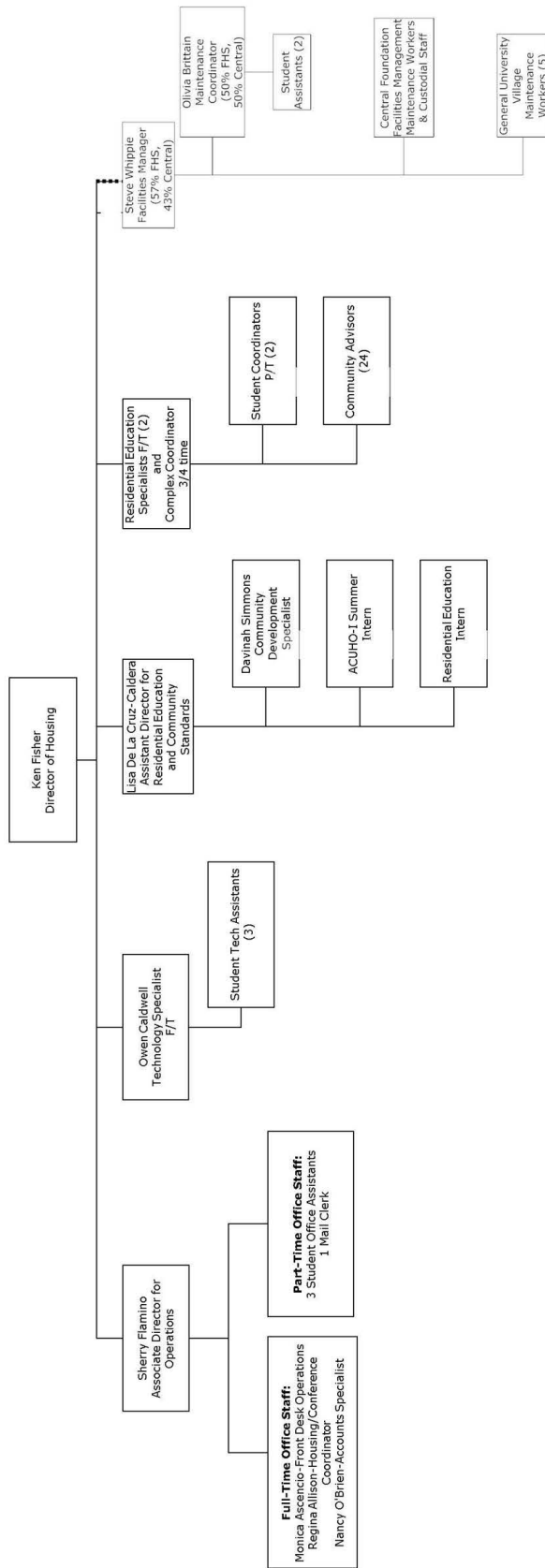
Actual to Budget Comparisons*Net P&L Compared to Budget*Occupancy-Retention and New Applicants*Consistency in Policy Implementation*Resident Accountability-Accountability to Residents (License Agreement-Student Handbook)
*Incident Follow-Up*Follow-Up to student initiated appeals and grievances

Asset Protection/Risk Management

NONE IDENTIFIED IN 2011-2012

Organization Chart

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



April 2012

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

The University Village Staff needs to evaluate the program's mission and decide on a course for the development of the transitional housing program. What populations "should" we be serving and what retrofit is necessary in order to both "welcome" these "folks" and to accommodate their individual, group and academic support needs? How do we "modernize" our "mission" and the facilities that we have to work with? What should our staffing structure look like-especially in light of emerging technological improvements in the financial operations area? How do we capitalize on our resources and maximize our short and long-term investment of both financial and human resources. How do we become even more "profitable" and efficient? What is our purpose within the Foundation and the University? What makes us different from other student apartment style housing programs and how do we gain from this?

After reviewing the Long Term Cash Plan, it becomes apparent that we have some "expensive" projects that will need to be funded over the next ten years. As I said earlier, the facilities continue to age and are becoming increasingly "dated". Phase III will be 10 years old in 2015 adding to the "aging quotient". In addition, with the emphasis on becoming more sustainable and efficient, completing some of the listed projects has an added importance and in some cases a greater sense of urgency. Projects such as the on-going replacement of kitchen appliances, water heaters and HVAC units to energy star high efficiency models is important not only from a "green" perspective but also from a financial one. We save money (in the long-term) when we replace items that use a lot of energy. Kitchen replacement in Phase 2 is important from a structural and esthetic standpoint. We simply cannot continue to repair outdated and well used press board cabinets and counters-beyond a reasonable point. Repair often makes the situation worse as these materials often disintegrate when placed under the stress associated with repair.

Beginning the 2012-2013 budget year, we'll continue to reupholster and restore current apartment furnishings instead of the traditional equipment replacement program. We'll begin to restore furniture item by item in all Phases. Hopefully, this approach will provide a more economical and less costly alternative to the traditional furniture replacement process. The Phase III exterior will need repainting in 2019-hopefully not sooner- judging by how quickly the exterior paint has already deteriorated. Carpet replacement is a constant thing. We do however, hold students financially accountable for damaging the the facilities. This helps to relieve the "stress" placed on our budget. Lastly, roof replacement is scheduled for Phases I and II and the Community Center in 2019. Recent preventative maintenance has already extended the "life" of these roofs. The Village is an awesome facility-adaptable all-around and well worth the investment!

Continued -Explanation of Proposed Fiscal Year Budget:

*We've continued to "hold the line" on license fees with a minimal 5% increase for 2012-2013.

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

*Our outsourced grounds and cleaning companies continue to enhance the quality of our facilities. The quality of their work has been consistently noticed by the students as indicated in the recent Residential Experience Survey. Calico Building Services has (and will continue serve) with us in partnership in all current and future projects and renovations.

*We're making a major investment in updating technology and related support services provided to both staff and students with the development of the Village Help Desk and Education Center led by a full-time Technology Coordinator. In addition, wireless internet connectivity will replace the limited LAN system in all locations.

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

*Skill building programs and activities planned and facilitated by the Residential Education Staff remain focused on the development of "adult" living skills and have enhanced the "value" and effectiveness of the transitional housing program. The program model has been revised for 2012-2013 based upon the inclusive, easy to understand, holistic Wellness Wheel.

*The Star Rez software/operating system has enabled us to move our operation in a technologically forward direction. Students are able to manage their financial accounts, obtain current information on all services and choose their housing assignments from the "comfort" of their rooms. Administrative accuracy, accountability and security is at an "all time high". A software upgrade with new virtual servers is anticipated in 2012-2013.

*The Facilities Unit has recently purchased a new on-line work order system with handheld communications ability. Some major cosmetic and structural renovation is planned for "aging" Phase III during summer 2012.

*Despite "financial realities" the University Village consistently meets budgetary goals and contributes financially and in other significant ways to the growth of the Foundation and the University.

OPERATING BUDGETS
ENTERPRISES

FACILITIES MANAGEMENT

CAL POLY POMONA FOUNDATION, INC.

FACILITIES MAINTENANCE

2012 - 2013

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2012

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Proposed Fiscal Year Budget

A

FACILITIES_MANAGEMENT

CONSOLIDATED BUDGET COMPARISON SUMMARY
FOR PROPOSED BUDGET YEAR 12-13
CURRENT FISCAL YEAR 11-12

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET

EXPENDITURES-CONTROLLABLE				
INSURANCE	0	1,700	1,740	40
REPAIRS & MAINTENANCE	34,500	18,000	17,640	(360)
MEALS & REFRESHMENTS	400	300	300	0
ADVERTISING	360	0	0	0
RENT/COMMISSIONS	240	200	240	40
SERVICES	(434,557)	(361,250)	(405,537)	(44,287)
SUPPLIES	7,704	7,300	5,700	(1,600)
TELEPHONE	3,900	5,400	3,900	(1,500)
TRAVEL	120	250	120	(130)
OTHER	<u>1,200</u>	<u>800</u>	<u>1,200</u>	<u>400</u>
TOTAL EXPENDITURES-CONTROLLABLE	(386,133)	(327,300)	(374,697)	(47,397)
EXPENDITURES NON-CONTROLLABLE				
DEPRECIATION	3,600	3,600	3,600	0
INSURANCE	1,740	0	0	0
RENT/COMMISSIONS	<u>1,200</u>	<u>500</u>	<u>600</u>	<u>100</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	6,540	4,100	4,200	100
LABOR COSTS				
SALARIES & WAGES	240,654	227,000	252,670	25,670
EMPLOYEE BENEFITS	<u>138,941</u>	<u>96,200</u>	<u>117,829</u>	<u>21,629</u>
TOTAL LABOR COSTS	<u>379,595</u>	<u>323,200</u>	<u>370,499</u>	<u>47,299</u>
TOTAL EXPENSES	<u>2</u>	<u>0</u>	<u>2</u>	<u>2</u>
NET INCOME	(2)	0	(2)	(2)
	=====	=====	=====	=====

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

Facilities Maintenance will end the year slightly under budget.

The implementation of the new work-order software became operational in the 4th quarter of this year and will continue to be rolled out to all areas.

Once the new work order system is operational in all areas, we expect to gain process efficiencies that will free up a certain amount of time of our maintenance workers, which they currently spend handling paperwork associated with processing work-orders. Then, our workers will spend more time actually addressing the work-orders issues instead of spending administrative time on processing work-orders.

All goals will be met and several notable projects were completed this year such as: installing a secure facility with electronic access for student bicycles at University Village, creating a garden area for students at University Village, installing about 20 concrete pads at University Village, upgrading the HVAC system at building 97, along with many other projects.

Explanation of Proposed Fiscal Year Budget:

There are no major budget variations when comparing budgets from this year (2011-2012) to next year (2012-2013).

Changes in Programs and Services for Proposed Fiscal Year:

Similar to last year, the only planned change for this year is the implementation of a new work-order system. This system, once operational, will allow for quicker response times by the workers, and timely follow-up to the person reporting the work-order since the new system is linked to the customer and work-order system via email. Additionally, the new system takes advantage of readily available technology, which will reduce our need for paper work-orders, and the manual process associated with the current work-order system.

Explanation of Proposed Fiscal Year Capital Requests:

None

Changes in Staffing:

We anticipate a small decrease in staffing this budget year.

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

Over the next 2-3 years, Facilities Maintenance will begin to take advantage of the new work-order system and new processes will likely be developed in other areas of Facilities Maintenance (i.e.: tool control, inventory control, etc.).

Evolution of the Facilities Maintenance function from its current state to a more technology based function is expected to continue for the next 2 - 3 years.

Several employees will continue to receive technical skills training and others will receive cross-training, while one or two will continue to enhance their supervisory skills through the newly added Foundation wide professional development program.

Mission/Vision Statement

Foundation Facilities Management formed in July 1998:

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

Strengths and Challenges

Strengths

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

Challenges

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

Employee Survey

None completed



Customer Survey

None completed.

Business Controls and Vital Factors

H

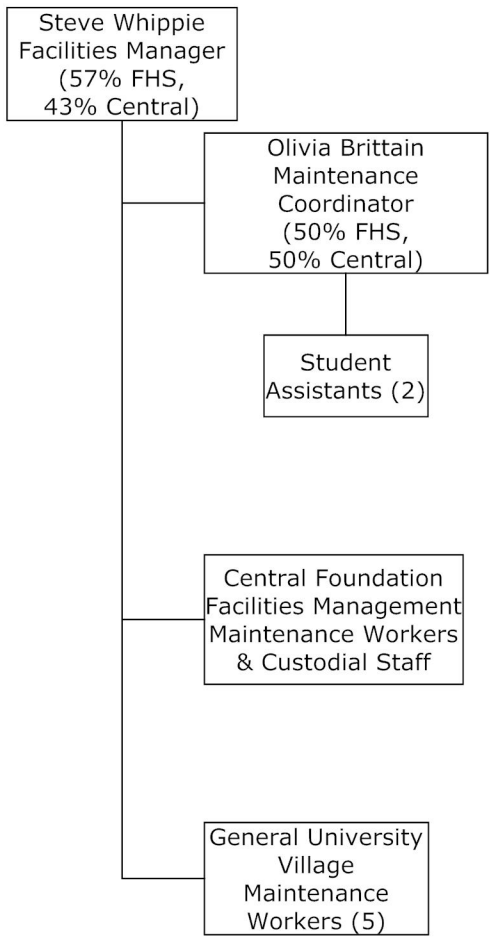
- Review budget and P&L's monthly, effect adjustments where necessary
- Review, prioritize, and respond to work orders daily
Manage services agreements with contractors (e.g. boiler maintenance and HVAC maintenance)
- Review, prioritize, and complete projects and 30 days goals
- Respond to work orders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

Asset Protection/Risk Management


None.

Organization Chart

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



April 2012

OPERATING BUDGETS
ENTERPRISES

BRONCO BUCKS OFFICE

CAL POLY POMONA FOUNDATION, INC.

BRONCO BUCKS OFFICE

2012-2013

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2012

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Proposed Fiscal Year Budget

A

BRONCO_BUCKS_OFFICE

CONSOLIDATED BUDGET COMPARISON SUMMARY
FOR PROPOSED BUDGET YEAR 12-13
CURRENT FISCAL YEAR 11-12

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
=====				
REVENUE				
SALES	<u>139,996</u>	<u>139,996</u>	<u>137,996</u>	<u>(2,000)</u>
TOTAL REVENUE	139,996	139,996	137,996	(2,000)
EXPENDITURES-CONTROLLABLE				
MEALS & REFRESHMENTS	200	200	200	0
ADVERTISING	0	0	0	0
SUPPLIES	40,791	41,640	41,641	1
TELEPHONE	1,200	574	600	26
TRAVEL	0	0	0	0
OTHER	<u>0</u>	<u>380</u>	<u>400</u>	<u>20</u>
TOTAL EXPENDITURES-CONTROLLABLE	42,191	42,794	42,841	47
EXPENDITURES NON-CONTROLLABLE				
BANK CARD FEES	6,443	6,443	6,443	0
OTHER	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	6,443	6,443	6,443	0
LABOR COSTS				
SALARIES & WAGES	67,865	57,699	57,920	221
EMPLOYEE BENEFITS	<u>32,448</u>	<u>23,124</u>	<u>28,859</u>	<u>5,735</u>
TOTAL LABOR COSTS	<u>100,313</u>	<u>80,823</u>	<u>86,779</u>	<u>5,956</u>
TOTAL EXPENSES	<u>148,947</u>	<u>130,060</u>	<u>136,063</u>	<u>6,003</u>
NET INCOME	(8,951)	9,936	1,933	(8,003)
	=====	=====	=====	=====

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

We are currently forecasted to end the year on budget.

Explanation of Proposed Fiscal Year Budget:

Traditional board meal plans are the primary source of funding for this operation. Housing has maintained higher occupancies in the bricks this year, resulting in sustained board revenue.

Changes in Programs and Services for Proposed Fiscal Year:

C

The Health Center is considering the purchase of a card reader to allow students to pay for their services with their bronco bucks. They follow the IT department labs, Collins School printing, Agriculture printing and the Library, all moving toward a one card campus.

Explanation of Proposed Fiscal Year Capital Requests:

N/A

Changes in Staffing:

N/A

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

Mission/Vision Statement

E

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

Strengths and Challenges

Strengths

The campus decision to add more tier 2 students and force to stay on campus will result in more students than originally indicated on meal plans for next year.

Challenges

Decline in student population
Student awareness of the campus card.
Competition with credit cards.
Promotion of Bronco card usage.

Employee Survey

N/A



Customer Survey

N/A

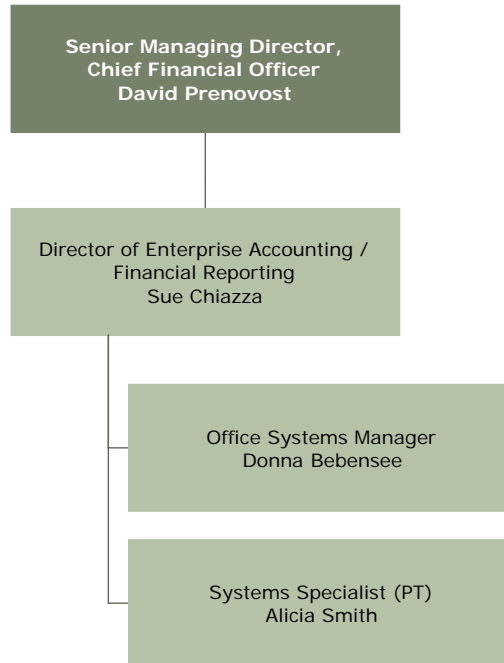
Asset Protection/Risk Management

Organization Chart



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


BRONCO CARD OFFICE



Support to Auxiliary Operations

- Meal Options
- Gift Cards
- CBORD
- Accounting
- Bronco Bucks

**OPERATING BUDGETS
SUPPLEMENTAL PROGRAMS**



**CONTINUING EDUCATION
PROGRAMS**

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

DESCRIPTION	Actual YTD 03/31/11	2010-11 Actual	2010-11 Forecast	2010-11 Approved Budget	Actual YTD 03/31/12	2011-12 Forecast	2011-12 Approved Budget	2012-13 Proposed Budget
<u>COLLEGE OF EXTENDED UNIVERSITY - Programs</u>								
283500 Administration	(10,801)	133,213	64,048	12,878	(75,702)	(55,395)	658	4,344
283071 Computer Programs	-	-	-	-	(244)	-	-	-
283072 Certificate Programs	34,361	24,885	24,000	28,754	33,181	20,800	32,368	23,106
283080 English Language Inst.	395,978	409,875	292,594	327,376	569,893	278,045	300,925	268,294
283600 CEU International Training	146,727	178,837	55,955	12,676	182,541	90,241	30,505	70,500
283610 Int'l Workshop and Training	-	-	-	-	-	-	-	-
283620 Six Sigma Program	14,572	10,637	3,941	1,866	57,670	29,501	3,972	36,486
283630 Professional Project Management Program	10,110	5,555	2,661	1,871	10,053	4,890	3,223	8,886
283790 On Site Training Programs	4,820	(8,117)	(21,698)	4,360	19,900	15,172	841	18,310
283060 Start-Up Programs	856	(227)	320	35	3,936	1,666	2,500	3,501
283076 Technical Programs	(92,633)	(92,797)	493	863	(270)	-	4,553	-
283073 Test Prep Programs	15,761	2,046	12,605	16,886	6,242	5	14,461	4,586
283800 Annual Giving Professional Network	-	518	-	-	-	-	-	-
460280 SUMMER SUPPORT @ CEU	-	-	-	-	(64)	-	-	-
Total College of Extended Univ Programs	519,751	664,425	434,919	407,565	807,136	384,925	394,006	438,013
<u>COLLEGE OF ENGINEERING</u>								
381500 Non-Credit Learning Admin	2,957	(2,006)	(2,006)	2,257	(762)	-	(5,092)	(5,150)
381675 Civil Engineering Review	25,679	(3,286)	9,188	3,355	(1,045)	3,602	9,188	2,217
381673 Land Surveyor Review	-	(2,758)	-	-	-	-	-	-
Total College of Engineering	28,636	(8,050)	7,182	5,612	(1,807)	3,602	4,096	(2,933)
<u>COLLEGE OF SCIENCE</u>								
406440 Chemistry Agilent Project	-	(3,304)	-	11,904	(1,478)	18,487	-	16,596
Total College of Science	-	(3,304)	-	11,904	(1,478)	18,487	-	16,596
<u>COLLEGE OF LETTERS, ARTS, AND SOCIAL SCIENCES</u>								
362030 GIS Certificate Program	-	92,369	-	-	(75)	-	-	-
Total College of Letters, Arts, and Social Sciences	-	92,369	-	-	(75)	-	-	-
<u>COLLEGE OF ENVIRONMENTAL DESIGN</u>								
460200 CCLAWS CERTIFICATE L+RS	-	26,000	-	-	(18,471)	-	-	-
Total College of Environmental Design	-	26,000	-	-	(18,471)	-	-	-
GRAND TOTAL CONTINUING EDUCATION	548,387	771,440	442,101	425,081	785,305	407,014	398,102	451,676

CONTINUING_EDUCATION

CONSOLIDATED BUDGET COMPARISON SUMMARY
 FOR PROPOSED BUDGET YEAR 12-13
 CURRENT FISCAL YEAR 11-12

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
=====				
REVENUE				
OTHER	80,000	12,010	21,500	9,490
SALES	<u>2,449,199</u>	<u>2,792,321</u>	<u>2,943,570</u>	<u>151,249</u>
TOTAL REVENUE	2,529,199	2,804,331	2,965,070	160,739
EXPENDITURES-CONTROLLABLE				
UTILITIES	25,500	26,300	26,500	200
REPAIRS & MAINTENANCE	12,800	15,700	12,700	(3,000)
MEALS & REFRESHMENTS	29,920	31,900	32,285	385
POSTAGE & FREIGHT	15,860	12,485	11,000	(1,485)
ADVERTISING	41,880	39,280	156,307	117,027
RENT/COMMISSIONS	152,165	108,556	104,392	(4,164)
SERVICES	365,046	504,356	304,520	(199,836)
SUPPLIES	44,335	68,427	69,750	1,323
TELEPHONE	7,700	7,200	7,200	0
TRAVEL	34,960	40,000	48,010	8,010
LAUNDRY	0	100	100	0
OTHER	<u>33,325</u>	<u>22,218</u>	<u>19,710</u>	<u>(2,508)</u>
TOTAL EXPENDITURES-CONTROLLABLE	763,491	876,522	792,474	(84,048)
EXPENDITURES NON-CONTROLLABLE				
ADMINISTRATIVE FEES	110,268	125,705	132,472	6,767
DEPRECIATION	15,698	17,751	19,006	1,255
INSURANCE	5,370	5,607	5,604	(3)
RENT/COMMISSIONS	26,515	27,500	25,400	(2,100)
BANK CARD FEES	17,645	24,800	24,505	(295)
OTHER	<u>6,790</u>	<u>5,760</u>	<u>5,760</u>	<u>0</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	182,286	207,123	212,747	5,624
LABOR COSTS				
SALARIES & WAGES	890,112	1,002,943	1,176,691	173,748
EMPLOYEE BENEFITS	<u>295,208</u>	<u>310,729</u>	<u>331,482</u>	<u>20,753</u>
TOTAL LABOR COSTS	<u>1,185,320</u>	<u>1,313,672</u>	<u>1,508,173</u>	<u>194,501</u>
TOTAL EXPENSES	<u>2,131,097</u>	<u>2,397,317</u>	<u>2,513,394</u>	<u>116,077</u>
NET INCOME	398,102	407,014	451,676	44,662
	=====	=====	=====	=====

CAL POLY POMONA FOUNDATION, INC.

COLLEGE OF THE EXTENDED UNIVERSITY

2012-2013

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2012

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Proposed Fiscal Year Budget

A

CONT_EDUC_UNIV

CONSOLIDATED BUDGET COMPARISON SUMMARY
FOR PROPOSED BUDGET YEAR 12-13
CURRENT FISCAL YEAR 11-12

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
REVENUE				
OTHER	80,000	12,010	21,500	9,490
SALES	<u>2,389,199</u>	<u>2,713,697</u>	<u>2,895,866</u>	<u>182,169</u>
TOTAL REVENUE	2,469,199	2,725,707	2,917,366	191,659
EXPENDITURES-CONTROLLABLE				
UTILITIES	25,500	26,300	26,500	200
REPAIRS & MAINTENANCE	12,800	15,700	12,700	(3,000)
MEALS & REFRESHMENTS	29,920	30,900	31,285	385
POSTAGE & FREIGHT	15,860	12,485	11,000	(1,485)
ADVERTISING	37,930	37,246	155,240	117,994
RENT/COMMISSIONS	143,845	99,600	98,920	(680)
SERVICES	327,075	477,356	294,520	(182,836)
SUPPLIES	43,740	68,427	64,600	(3,827)
TELEPHONE	7,700	7,200	7,200	0
TRAVEL	34,960	40,000	48,010	8,010
LAUNDRY	0	100	100	0
OTHER	<u>31,864</u>	<u>16,710</u>	<u>19,710</u>	<u>3,000</u>
TOTAL EXPENDITURES-CONTROLLABLE	711,194	832,024	769,785	(62,239)
EXPENDITURES NON-CONTROLLABLE				
ADMINISTRATIVE FEES	107,568	122,167	130,325	8,158
DEPRECIATION	15,698	15,698	15,698	0
INSURANCE	5,305	5,525	5,604	79
RENT/COMMISSIONS	26,515	27,500	25,400	(2,100)
BANK CARD FEES	17,533	24,050	24,222	172
OTHER	<u>6,060</u>	<u>5,760</u>	<u>5,760</u>	<u>0</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	178,679	200,700	207,009	6,309
LABOR COSTS				
SALARIES & WAGES	890,112	997,783	1,171,531	173,748
EMPLOYEE BENEFITS	<u>295,208</u>	<u>310,275</u>	<u>331,028</u>	<u>20,753</u>
TOTAL LABOR COSTS	<u>1,185,320</u>	<u>1,308,058</u>	<u>1,502,559</u>	<u>194,501</u>
TOTAL EXPENSES	<u>2,075,193</u>	<u>2,340,782</u>	<u>2,479,353</u>	<u>138,571</u>
NET INCOME	394,006	384,925	438,013	53,088
=====	=====	=====	=====	=====

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

The College of the Extended University (CEU) underwent a change in leadership in September 2011. This change has brought about a move to greater delegation of responsibility for program operation by the Dean. The CEU has continued during this realignment to make good progress toward its budgetary goals for 2011-2012 and in some cases exceeded its goal for the year at mid-year. If the CEU continues at its current pace it will exceed all budget projections for the year. At the current time there is no indication that the trend will slow or reverse. International programs, in particular the international education programs for groups from China, the language camps for both Chinese and Korean students and the Cal Poly Pomona English Language Institute (CPELI) have all exceeded projections at the mid-year point. The CEU has had over 400 Chinese executives participate in training programs and more than 200 Chinese and Korean students have participated in various language camps. CPELI has increased enrollment by 20% in the last year. While the economy is impacting some of the CEU programs, overall the projections look positive for the remainder of the year.

Explanation of Proposed Fiscal Year Budget:

The CEU unit budget in most cases reflect a conservative projection for 10% growth. This projection is reflective of the current economic climate. It is anticipated that the economy will continue to bolster some areas and depress others. A new addition to all operating unit budgets is a 2% charge for marketing. These funds will be used to market all programs and the CEU as a total.

Changes in Programs and Services for Proposed Fiscal Year:



The proposed budget reflects only minor changes in programs and services at this time. A great deal of planning is still in process and it is anticipated that budget adjustments will be required as we move further into the future.

Explanation of Proposed Fiscal Year Capital Requests:

Changes in Staffing:

The CEU is making changes in staff to provide the support needed to grow. To reduce the dependence on consultants for the International Education Programs a Program Development Coordinator for China and Pacific (PDCCP) is being hired. Previously the majority of the duties of this position were carried out by a consultant. The cost of this service and the potential for conflict of interest were both high. The PDCCP position brings this critical aspect of a vibrant business segment in house allowing for greater control and reduced cost.

It is anticipated that as the international programs grow and new markets are tapped more positions of this type will be required.

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

The CEU will be adding to existing programs over the next three years with the greatest focus being on the growth of online programs and development of international training programs. Next year, because of new additions to programs, expansion of existing programs, and changes in business operations a growth of 8+% is anticipated in the net surplus. The growth of the annual surplus is projected to grow at a rate of 5% per year after 2013.

Mission/Vision Statement

The College of the Extended University seeks to drive academic excellence and professional distinction by integrating, educating and empowering life-long learners from diverse populations in traditional and alternative settings.

The Vision of the College of the Extended University is to:

- Provide online/distance/on-site educational opportunities
- Offer a wide variety of courses to regional and international communities
- Be a leader in technology
- Offer solutions to real world problems
- Become a leader in global education

Strengths and Challenges

Strengths

Our versatile and dedicated staff possess a wide range of business, professional and administrative skills. As part of Cal Poly Pomona, our partnerships with various Colleges and the Cal Poly Pomona Foundation, Inc. allow us to serve a wide variety of constituents. Our location at the center of the greater Los Angeles area makes us an attractive destination for international students and business professionals from around the world. We have unlimited boundaries and the flexibility to develop customized non-credit training as well as special session programs that meet the needs of individuals locally and internationally. Also, through collaborations with I & IT Learning we are exploring new ways to expand our reach through online and hybrid classes.

Challenges

As a self-support unit, the College of the Extended University must be especially diligent regarding all monetary expenditures, particularly during the current period of economic downturn, while developing new programs and expanding our course offerings. The major challenges in the coming year are: continuing the development of a comprehensive strategic plan that is in line with the Cal Poly Pomona's strategic plan; promoting the identity of our College on and off-campus and internationally; active marketing with limited resources; developing online programs for distance learning or eLearning; and expanding professional training programs.

Employee Survey

Survey results are not available at this time.

F

Customer Survey

Currently no customer survey is in use by the CEU. A survey has been developed and will begin to be used in February, 2012.

Keys to Success

<u>Keys to Success Items</u>	<u>Rank in Importance 10 to 1</u>
Provision of the highest quality programs and instruction.	10
Alignment of programs offered with the market.	10
Increasing the visibility of the CEU and its programs in the local, regional, national and international market.	9
Expansion of CPELI into new markets.	8
Development and application of operating standards for all CEU programs.	8
Continued expansion of CEU as a resource to the Cal Poly Pomona Colleges.	8
Renewing the CEU as a developer of grants.	4

Corporate Culture

<u>Customer/Client Perception</u>	<u>Unit Perception</u>
A business unit	A college that offers opportunity to individuals in and out side the universit
Provider of training	A self-support business entity
Source for international training	Provider of a wide variety of programs and training
Location for self-support activity in the university	A local, regional and international provider
Potential partner for program development	Providing programs in a competitive market

Business Controls and Vital Factors

H

The CEU is a complex business enterprise that must operate in both the foundation and state sphere. This requires constant observation of regulations and policy for both sides. The CEU monitors operational accounts on a monthly and quarterly basis. All programs are reviewed to insure compliance with Chancellor Office policies.

Asset Protection/Risk Management

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

283500 - Administration (2012-13)

Overview of Current Fiscal Year:

Beginning in fiscal year 2008-2009 the CEU made efforts to increase revenue and successfully secured and completed several grant projects. These programs offered migrant education summer camps to high school and middle school students from around the state. For three summers in a row five groups from Migrant Education Regions representing Bakersfield, Fresno, Los Angeles, Riverside and Santa Clara, signed contracts with the CEU for summer programs. As the California economy began to slow, many regions were forced to cut their summer programs in order to save money for the regular academic year. As a result, only one region, Bakersfield City School District, was able to send students to Cal Poly Pomona in summer 2011. With careful administration of the program and tight cost controls, the CEU was able to net a surplus of \$11,688 from this one group.

Explanation of Proposed Fiscal Year Budget:

Based on the continued success of the program and the support and praise of the Migrant Education Regional Directors, it is anticipated that as many as three of the previous regions may be able participate in this program during fiscal year 2012-2013. Unfortunately, funding for some of the smaller regions continues to be a major concern as the economic climate in California continues to stumble along. Because of the solid reputation of this program and the heightened focus on STEM programs, the CEU is actively marketing this program to all 24 migrant education regions in the state. Through a combination of face-to-face meetings, video conferencing and direct mail campaigns, it is hoped that a minimum of three regions will return to Cal Poly Pomona in summer 2012. Efforts are being also being made by the CEU to help the smaller regions find larger regions with which to partner. In addition, the CEU is seeking funding via grants in order to offer scholarships to students from some of the additional migrant education regions that have not previously participated in this program. The actual expenditures will be the same or below the forecasted budget.

Changes in Programs and Services for Proposed Fiscal Year:

In summer 2011 a change was made to the migrant education program. Previous groups had participated in field visits to the California Science Center and the Natural History Museum in Los Angeles. While these visits were educational, it was not felt that they particularly pertained to the subject matter being taught in the Applied Mathematics program. As a result, a new venue was selected as the site of future field visits. The Disney Youth Education Series (YES) program at Disney's California Adventure was selected based on several things. The "Properties in Motion" program specifically targets math and physics. The 3-hour programs gives students a chance to apply what they have learned by creating their own small roller coaster and observing and riding three of the amusement park's most popular roller coasters. On the down side, this program is nearly double the price of the previous field visits, which may have a negative impact on the overall budget for each region.

Explanation of Proposed Fiscal Year Capital Requests:

N/A

Changes in Staffing:

N/A

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

There remains some uncertainty as to the future of the Migrant Education summer camp program. For larger Migrant Education Regions, funding may not continue to be as big a problem as it has been for the past two years. Smaller regions may, however, continue to feel the effects of budget cuts and therefore may not be able to participate in this program. It is believed, however, that these programs still offer promise and the CEU will continue its endeavor in pursuing grant opportunities with additional Migrant Education Regions during the next three to four years. The long-term picture seems promising as federal and state education officials continue to place high priority on teaching young people about careers in science, technology, engineering and math. Based on the continuing success of our two primary summer camp programs – College Awareness-Engineering and Applied Mathematics, the CEU will investigate other potential funding sources and new target audiences for these programs. Long term plans include opening up this program to local school districts and other underserved populations.

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

283072 - Certificate (2012- 2013)

Overview of Current Fiscal Year:

This project consists of a variety of long-running and recently established non-credit courses and programs which are geared towards providing professional development and personal enrichment to the community.

- Approximately 20 new online courses were introduced during this fiscal year through our partnership with Ed2Go.
- Enrollments were lower than expected due to the economy.

Explanation of Proposed Fiscal Year Budget:

We will continue to pursue and try to develop several new ones for FY 11/12. However, we do not anticipate program growth or enrollments to be robust.

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

283080 - Cal Poly English Language Institute (2012-2013)

Overview of Current Fiscal Year:

CPELI looks to meet its revenue projections for the 2011/2012 fiscal year. This fiscal year, growth in student enrollment is due primarily to a very strong intake of students for the fall quarter 2011. In September, CPELI welcomed 130 new students into the regular program. With the addition of 80 students who continued from summer, CPELI reached an enrollment of over 200. In addition, retention of these fall newcomers into the winter quarter is high with no significant change in the total student population. CPELI continues to add program features which support student retention. First, we continue to make improvements in our computer lab area, adding new language learning software to support the CPELI curriculum. Second, the addition of the new Academic Program Coordinator has enhanced the quality of instruction through more sustained observation and evaluation of CPELI instructors. Third, we have responded to the current market by adding new electives such as the TOEIC preparation and basic skills classes. The TOEIC class in particular will help CPELI to attract and retain students from Korea, Taiwan and China. Finally, during the summer of 2011, CPELI welcomed nearly 300 short-term students into various camp programs. This was a significant year-to-year expansion of summer offerings and was the first opportunity to implement the new camp model on a large scale.

Explanation of Proposed Fiscal Year Budget:

The proposed 2012-2013 revenue increases almost 5% over the current year with an expectation of continuing growth of enrollment. This growth is currently projected through the number of spring applicants and current conversion rates. There will be a significant increase in labor costs due to the retention of instructors that were added to the regular program at the end of last fiscal year and the addition of instructors that needed to be added to accommodate strong growth in the fall of 2011. Also, labor costs will rise as we discontinue the practice of paying short-term instructors as contractors and begin paying them through the regular payroll. Finally, in order to retain the most effective instructors, an effort will be made to bring teacher compensation more in line with our local competitors in the field.

Many of the adjustments that are highlighted in the "Overview of Current Fiscal" report will continue into budget projections for fiscal year 2012/13. As mentioned above, the most notable of these will be the increases to accommodation more regular and short-term instructors (7274). Another area of increase will be in student assistant labor costs to accommodate the new summer and winter camp model (7273). Other areas of increase due to growing enrollment and changes in operations include Administrative Fees (7010), Supplies/Teaching Aids: iTEP testing (7329), Rental/Transportation (7255), Cost Recovery (7294), and Memberships (7075). We will also add and fund a new object code for Employee Development (7090).

There will also be significant decreases that will carry over from the "Overview" into the 2012/13 projections. These include reductions in Tuition and Fees (7370), Conferences (7035), Rental Other (7259), and Services Instructional (7289).

Changes in Programs and Services for Proposed Fiscal Year:

No major changes.

Explanation of Proposed Fiscal Year Capital Requests:

Changes in Staffing:

No major changes in staffing. We believe that we can handle the increase of students with the staff we presently have.

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

As with any institution that relies on international exchange, CPELI's continued health and growth relies on a stable geopolitical and economic climate. Barring any type of international conflict or economic disruption in countries that send students to the U.S., CPELI should continue to make steady progress in enrollment. Of note will be increased numbers of students from China and Brazil. This is a result of a recent executive order out of Washington easing the restrictions and wait-times for visas to the U.S. In addition, Cal Poly Pomona has begun an initiative to attract more international students to the university. Through its conditional admission program, CPELI is well positioned to meet the language learning needs of these newcomers to the campus.

CPELI will also continue to expand its network of partner universities in Korea and Japan. We are currently in the planning stages of a new cohort group from Kobe Women's University, which will bring groups of Japanese student to CPELI. Finally, a major on-going initiative will be the successful completion of CEA (The Commission on ELP Accreditation) accreditation for CPELI. This accreditation will serve to communicate to CPELI's stakeholders its firm commitment to high standards and transparency. In addition, it will ensure that these high standards remain the norm at CPELI for years to come.

Continued - Overview of Current Fiscal Year:

In addition to new program features begun this past fiscal year, trends that had started in recent years continued to enhance and grow the program. First, in cooperation with CPELI instructors, the curriculum continues to be renewed and updated. These efforts continue to be augmented by frequent proficiency testing which allows us to keep a close eye on the effectiveness of our pedagogy and delivery. Second, a greater percentage of government sponsored students in the program has increased retention rates. These students tend to stay in one language program throughout the language development stage of their scholarship. Third, in cooperation with Admissions and Outreach and CEU, CPELI has grown its conditional admission program and looks to double the number of students who go on to Cal Poly Pomona through CPELI. Finally, our partnerships with university programs in Korea continue to bring students to both the regular and short-term programs.

Finally, the growth in enrollment and changes in program features will result in significant mid-year reforecasts from the projected 2011-12 fiscal budget. These adjustments include:

- (7273) Salaries/Students: The forecasted increase here is the result of the large summer camp operations that required many more student assistants to lead afternoon activities and act as facilitators in some ESL classes.
- (7274) Salaries/Temporary: The significant adjustment for instructor's salaries is the result of the large fall intake and the need to bring on more regular program instructors at the end of the last fiscal year.
- (7010) Administration Fees: Growth in admin fees are a function of revenue growth and will need to be increased.
- (7104) Equipment Purchases IT: In the fall, CPELI updated the office computers for all instructors, added admin computers for front desk operations, and added computers for the student library.
- (7259) Rental Other: We do not anticipate that budgeted funds for this object code will be used. It is possible that these funds were budgeted before it became our practice to use deferred revenue accounts for the payment of housing and meal fees associated with summer programs. Now, these funds go directly to KW and the Village accounts without passing through the CPELI account.
- (7289) Services/Instructional: This is another increase associated with large summer program operations. A greater number of larger short-term groups required hiring instructors to implement these programs. In the future, all short-term instructors will be paid through (7274) salaries temporary. Therefore, we do not anticipate the same level of spending on this code.

Continued - Overview of Current Fiscal Year:

- (7329) Supplies/Teaching Aids: The online, on-demand proficiency testing that CPELI began to implement this past fiscal year will require an increase in funds for this object code.
- (7255) Rental/Transportation: In order to comply with Foundation regulations regarding the transport of program participants, CPELI has begun to contract with approved bus companies to run off-campus activities. These alternatives come at a higher cost and require an increase in funds budgeted for this code.
- (7370) Tuition & Fees: The reduction for this code coincides with a decrease in the number of students in the CPELI Bridge program. In this program, students take one class through the Open University, for which CPELI is invoiced by CEU. Lower enrollment will result in a decreased payout on this code.

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

283600 - International Education Programs (2012-2013)

Overview of Current Fiscal Year:

The project of International Education Programs (IEP) has performed better than expected in terms of revenue and net surplus. 19 short-term professional training programs have been delivered to government officials and executives from China, and a series of Summer Camps in conjunction with the English Language Institute took place during July and August 2011. Topics included Leadership and Management in Higher Education, Management of Court Systems in the US, K-12 Administration, Curriculum and Faculty Development, Methodologies for Public Opinion Surveys, The Aging Affairs, Corporate Finance and Risk Management, Team Building and Innovations in Water Resource Management, and more. It is estimated that we will be hosting at least four more programs before the end of this fiscal year. The college's efforts in marketing and outreach to overseas customers have been successful. The initial projected revenue for 2011-2012 has exceeded expectations and have been adjusted from \$320,000 to \$506,390. Net surplus in 2011-2012 is expected to reach \$90,242.

Explanation of Proposed Fiscal Year Budget:

Although we have experienced growth in the current year it is too early to estimate a growth rate for the 2012-2013 fiscal year and so we have estimated a flatline. The CEU has been reaching out to international higher educational institutions and trying to develop new programs for the higher education market. A CEU website in Chinese hosted on the SAFEA subsidized unit in China shall continue to help CEU promote its programs. Additional networking efforts will be made to reach out to government offices and/or agencies in the selected regions. For both the current year 2011-2012 and forecasted 2012-2013 projections, we have included all employee related salaries/benefits as it relates to International Training Programs. With this change, the CEU expects the International Education Programs to produce a net surplus of \$70,499 in the 2012-13 fiscal year.

Changes in Programs and Services for Proposed Fiscal Year:

The proposed year includes salary and benefit expenses for four positions established in the 2011-2012 fiscal year; International Training Program Coordinator, Program Development Coordinator and two student support staff positions.

Explanation of Proposed Fiscal Year Capital Requests:

Changes in Staffing:

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

The CEU is expecting that the growth of the International Education Programs will continue to grow in the next three years with increasing revenues and net surpluses in dollars.

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

283620 - SIX SIGMA PROGRAM (2012-2013)

Overview of Current Fiscal Year:

The Six Sigma Program has a steady enrollment for its face-to-face course, with 10 on average in each class. The online course would take more time to grow, but it will outreach more effectively to the distant people and be more cost-effective. Recently, a company has agreed to have an off-site Six Sigma Green Belt: Manufacturing course in Spring 2012 for 15 people, which would result in an increase in revenue from the forecasted \$37,800 to \$82,463 for fiscal year 2011-12. Also, the course fee for the face-to-face Six Sigma courses increased from \$1,350 to \$1,495 in Fall 2011 after conducted a market review. The fee increase did not impact the enrollment number, but increased revenue for the program.

Below is the current schedule of the Six Sigma Program courses for fiscal year 2011-12:

- Summer 2011 - Six Sigma Black Belt II course & Six Sigma for Manager online course
- Fall 2011 - Lean Six Sigma Green Belt course & Six Sigma for Manager online course
- Winter 2012 - Lean Six Sigma Green Belt course & Six Sigma for Manager online course
- Spring 2012 - Six Sigma Black Belt I course, Six Sigma Green Belt: Manufacturing course & Six Sigma for Manager online course

Explanation of Proposed Fiscal Year Budget:

Revenue for the Six Sigma program is projected to increase by 27% from \$82,463 to \$104,650 for fiscal year 2012-13. We are expecting a growing demand from industry. We will be increasing our promotional efforts by advertising the program online more aggressively. And we will continue our strategies in expanding the online version of the program for a greater region beyond what we could serve with the face-to-face courses.

Changes in Programs and Services for Proposed Fiscal Year:

The input from SCE and instructor has led us to re-evaluate the curriculum of the Lean Six Sigma Green Belt Certificate program. A company project has been added to the course in 2011-12 to enhance the course contents. However, it was also discovered that an additional course on surveying methodology was needed by students. In order to continuously improve the program curriculum and contents, we will add one additional surveying methodology course for those students who have no experience in developing surveys for the Six Sigma Program. Instead of obtaining a project topic from SCE for the Green Belt course, it was decided that the project from SCE would be utilized only for the Black Belt courses. For the Green Belt course, a class project would be identified and solicited from small companies in the local area.

Explanation of Proposed Fiscal Year Capital Requests:

Changes in Staffing:

N/A

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

The off-site training and online courses of the Six Sigma Program have a great potential in increasing revenue for the next 3 years and beyond. The newly added surveying methodology course is being developed as an online course and additional marketing efforts are needed to promote the course. It is expected the program will increase the enrollment through a more active promotional advertisement, with an increased budget.

CAL POLY POMONA FOUNDATION, INC.
Proposed Fiscal Year - Project Summary - Schedule B
283630 - PROJECT MANAGEMENT PROGRAM (2012-2013)

Overview of Current Fiscal Year:

The Project Management Program offers online and face-to-face courses that are designed for the working professionals in the Greater Los Angeles Area and beyond. With a more active promotional advertisement, the 2011-2012 revenue is projected to increase by 20% from \$21,649 to \$25,979 . Additional online promotion would further help the program become more recognizable, and hence increase the enrollment as well as revenue for the program.

Explanation of Proposed Fiscal Year Budget:

Revenue is projected to be doubled from \$25,979 in 2011-2012 to \$51,958 in 2012-2013 with expenses remaining at the same proportional level to the revenue. The demand for the project management training seems to be fairly steady. Our focus will be to aggressively reach out to the public and promote the project management program with online advertisement and industrial networks. The program will also be cross promoted with the Six Sigma program to increase the publicity.

Changes in Programs and Services for Proposed Fiscal Year:

The goal of next fiscal year is to add an additional online course. An instructor has been recruited to work with CEU to develop a project risk management online course for 2012-2013.

Explanation of Proposed Fiscal Year Capital Requests:

Changes in Staffing:

N/A

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

The outlook for the next 3 years and beyond is very positive. We will enhance our promotional efforts by increasing the advertising dollar in order to increase the enrollment and hence gross revenue for the program. As the program grows and become more matured, the reputation of the project management program will also grow and become more noticeable. This shall help further expand the program for off-site training in project management and hence increase the overall revenue.

CAL POLY POMONA FOUNDATION, INC.
Proposed Fiscal Year - Project Summary - Schedule B
283790 - ON-SITE TRAINING PROGRAMS (2012-2013)

Overview of Current Fiscal Year:

Revenue is projected to remain at the same level as last year due to shortage of training funds from local government agencies and cities. New strategies are being taken to help expand the on-site training programs, including offering new online training courses, and outreaching and promoting programs among private firms as well as public agencies. The EEO Compliance online course was launched in Fall 2011 with enrollment matching expectation. Additional advertisement promotion scheduled will help increase the visibility of the course, hence revenue. We expect the EEO Compliance online course to be a future revenue generating success due to the fact that as an online course, it provides convenience and the course is compliance driven that is required by organizations.

Below is the 2011-12 training schedule for the Supervisory and Leadership Programs:

- Fall 2011 - Southern California Local Government Leadership Academy, Local Government Supervisory Program, EEO Compliance online course
- Winter 2012 - Local Government Supervisory Program & EEO Compliance online course
- Spring 2012 - Local Government Supervisory Program & EEO Compliance online course

Explanation of Proposed Fiscal Year Budget:

Those cities which in the past and present have enrolled their employees in the Southern California Local Government Leadership Academy and the Local Government Supervisory Program will eventually have trained all their employees, therefore it is essential that the program continues to recruit new cities and local government agencies to participate in the training program. For 2012-2013, we would focus on recruiting large governmental and private agencies to participate in training related to leadership and supervision. A large local government agency was recruited in the current fiscal year for leadership and supervisory training, and their expressed interest in sending their employees to participate in the training program is a positive indicator for the growth of the program. More promotional advertisements will be launched to help increase class enrollment and thus revenue for the coming year.

Changes in Programs and Services for Proposed Fiscal Year:

An online Time Management course is being planned to be offered as the next online course for the leadership and supervisory programs series.

Explanation of Proposed Fiscal Year Capital Requests:

Changes in Staffing:

N/A

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

The outlook of the leadership and supervisory training programs is promising. As more baby boomers retire, the demand for leadership and supervisory training for the newer generations is expecting to increase sharply. It is projected that local government agencies and companies would seek for such opportunities to ensure a continuing supply of citizens with strong leadership and supervisory skills to benefit the society and industry.

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

283060 - START-UP PROGRAM (2012- 2013)

Overview of Current Fiscal Year:

The revenue for the start-up program is projected to grow continually, but less than expected due to limited capacity and resources and lack of staff support for the new program development. The hiring of a new Program Development Coordinator in November 2011 has helped improve the situation. With the assistance of the coordinator a few new programs are currently under development and the existing non-credit programs are being reviewed for expansion in terms of both course offering and enrollment increase.

Below is the current schedule of the Programs under the start-up account for fiscal year 2011-12:

- Fall 2011 - Supply Chain Management online certificate
- Winter 2012 - Supply Chain Management online certificate
- Spring 2012 - Federal Government Program, Supply Chain Management online certificate, Global Transportation and Distribution online certificate & Sustainable Events Planning online certificate

Explanation of Proposed Fiscal Year Budget:

For fiscal year 2011-12, we have been focusing on the launch and marketing of the Supply Chain Management online certificate program. The advertisement of the Global Transportation and Distribution online certificate & Sustainable Events Planning online certificate programs will be launched in the middle of Spring 2012, but the advertising marketing of the program is expected to start in Summer 2012 due to a limited advertising budget for the 2011-12 fiscal year. The increase of advertising dollar for fiscal year 2012-13 will help promote the online courses, and hence increase the revenue for the account as projected.

Changes in Programs and Services for Proposed Fiscal Year:

New programs and courses will be created and experimented under this account.

Explanation of Proposed Fiscal Year Capital Requests:

Changes in Staffing:

N/A

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

New programs and/or courses will continue to be developed and tested under this Start-up Program account.

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

283076 - Technical Programs (2012-2013)

Overview of Current Fiscal Year:

The GIS (Geographic Information Systems) program was discontinued in FY 10/11.

This project number can be closed.

Explanation of Proposed Fiscal Year Budget:

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

283073 - Test Preparation Programs (2012-2013)

Overview of Current Fiscal Year:

This project consists of various workshops designed to help prepare students and educators to score higher on entrance and graduate exams.

No new programs were introduced during this FY. Our long-running various test preparation workshops are continuing to run at lower than anticipated enrollment levels due to a still sluggish economy. The third quarter Engineer-In-Training (EIT) review course experienced approximately 50% drop in it's enrollment level due to a two-week date push-up of when the actual state exam is offered. The earlier than normal start of the workshop seemed to cause conflict with students class schedule.

Explanation of Proposed Fiscal Year Budget:

The 2011-2012 revenue is estimated to increase by about (10%) with hopes of the EIT reestablishing it's past historical enrollment levels. Overall, this project remains fairly steady without significant fluctuations.

Changes in Programs and Services for Proposed Fiscal Year:

Explanation of Proposed Fiscal Year Capital Requests:

Changes in Staffing:

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

Our focus will be to try to maintain sufficient enrollment levels to continue running all programs within this project while looking for any additional programs to develop.

**OPERATING BUDGETS
SUPPLEMENTAL PROGRAMS**

COLLEGE OF ENGINEERING

ENGINEERING

CONSOLIDATED BUDGET COMPARISON SUMMARY
 FOR PROPOSED BUDGET YEAR 12-13
 CURRENT FISCAL YEAR 11-12

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
=====				
REVENUE				
OTHER	0	0	0	0
SALES	<u>60,000</u>	<u>49,420</u>	<u>18,500</u>	<u>(30,920)</u>
TOTAL REVENUE	60,000	49,420	18,500	(30,920)
EXPENDITURES-CONTROLLABLE				
REPAIRS & MAINTENANCE	0	0	0	0
ADVERTISING	3,950	1,934	967	(967)
RENT/COMMISSIONS	8,320	8,320	4,200	(4,120)
SERVICES	37,971	27,000	10,000	(17,000)
SUPPLIES	595	0	5,150	5,150
OTHER	<u>1,461</u>	<u>5,508</u>	<u>0</u>	<u>(5,508)</u>
TOTAL EXPENDITURES-CONTROLLABLE	52,297	42,762	20,317	(22,445)
EXPENDITURES NON-CONTROLLABLE				
ADMINISTRATIVE FEES	2,700	2,224	833	(1,391)
INSURANCE	65	82	0	(82)
BANK CARD FEES	112	750	283	(467)
OTHER	<u>730</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	<u>3,607</u>	<u>3,056</u>	<u>1,116</u>	<u>(1,940)</u>
TOTAL EXPENSES	<u>55,904</u>	<u>45,818</u>	<u>21,433</u>	<u>(24,385)</u>
NET INCOME	4,096	3,602	(2,933)	(6,535)
	=====	=====	=====	=====

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

College of Engineering - Project Summary

Overview of Current Fiscal Year:

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

During 2012-13, Project 381675 (Civil Engineering Review Course) will offering the review session for September-October period. Thus, we expect less income than we did last year.

Explanation of Proposed Fiscal Year Budget:

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

Project 381500 is a transfer account for funds collected by engineering programs.

Changes in Programs and Services for Proposed Fiscal Year:

The Professional Engineer Examination in Civil Engineering initially scheduled for February-March session has been canceled. The Navy decided not to bring any students this time, and the enrollment was not enough to support the budget. Civil Engineering will still open September-October session.

Explanation of Proposed Fiscal Year Capital Requests:

None

Changes in Staffing:

None

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

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

**OPERATING BUDGETS
SUPPLEMENTAL PROGRAMS**

COLLEGE OF SCIENCE

SCIENCE

CONSOLIDATED BUDGET COMPARISON SUMMARY
FOR PROPOSED BUDGET YEAR 12-13
CURRENT FISCAL YEAR 11-12

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
=====				
REVENUE				
SALES	0	29,204	29,204	0
TOTAL REVENUE	0	29,204	29,204	0
EXPENDITURES-CONTROLLABLE				
MEALS & REFRESHMENTS	0	1,000	1,000	0
ADVERTISING	0	100	100	0
RENT/COMMISSIONS	0	636	1,272	636
TOTAL EXPENDITURES-CONTROLLABLE	0	1,736	2,372	636
EXPENDITURES NON-CONTROLLABLE				
ADMINISTRATIVE FEES	0	1,314	1,314	0
DEPRECIATION	0	2,053	3,308	1,255
TOTAL EXPENDITURES NON-CONTROLLABLE	0	3,367	4,622	1,255
LABOR COSTS				
SALARIES & WAGES	0	5,160	5,160	0
EMPLOYEE BENEFITS	0	454	454	0
TOTAL LABOR COSTS	0	5,614	5,614	0
TOTAL EXPENSES	0	10,717	12,608	1,891
NET INCOME	0	18,487	16,596	(1,891)
	=====	=====	=====	=====

AGILENT

406440

PROJECT SUMMARY FISCAL YEAR 2012-2013

SCHEDULE B

SUMMARY: The Chemistry Department [via foundation ownership] is in the ninth year of the agreement whereby Cal Poly Pomona administers and runs a West Coast training center for courses sponsored by Agilent Technologies. The current selections are software courses in support of Agilent equipment product lines in the chemical analysis area. The client source will be primarily comprised of small to large private companies and public agencies requiring training on newly purchased equipment. Quality course production and on-campus services for clients are essential for success. The current year is slow, no doubt due to the continuing corporate caution on spending. It should be noted that even when business is slow (such as this year when only two courses are planned), we can still generate a profit, since our overhead when we are not teaching courses is extremely low. We have completed the expansion of the training facility in Building 8, which can now accommodate up to 14 client-students. Future plans include the utilization of our software training facility for other (non-Agilent) software courses.

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

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

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

CAL POLY POMONA FOUNDATION, INC.

OFFICE OF RESEARCH AND SPONSORED PROGRAMS (ORSP)

2012-2013

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

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Proposed Fiscal Year Budget

A

RESEARCH_OFFICE

CONSOLIDATED BUDGET COMPARISON SUMMARY
 FOR PROPOSED BUDGET YEAR 12-13
 CURRENT FISCAL YEAR 11-12

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
=====				
REVENUE				
INDIRECT COST RECOVERIES	<u>1,500,000</u>	<u>1,600,000</u>	<u>1,600,000</u>	<u>0</u>
TOTAL REVENUE	1,500,000	1,600,000	1,600,000	0
EXPENDITURES-CONTROLLABLE				
REPAIRS & MAINTENANCE	1,825	2,951	3,000	49
MEALS & REFRESHMENTS	3,000	2,862	6,100	3,238
POSTAGE & FREIGHT	1,440	1,391	1,440	49
ADVERTISING	200	188	200	12
RENT/COMMISSIONS	39,680	39,717	39,680	(37)
SERVICES	96,713	128,614	129,732	1,118
SUPPLIES	9,070	6,547	10,620	4,073
TELEPHONE	0	0	0	0
TRAVEL	12,000	4,294	14,500	10,206
OTHER	<u>469,809</u>	<u>642,521</u>	<u>564,770</u>	<u>(77,751)</u>
TOTAL EXPENDITURES-CONTROLLABLE	633,737	829,085	770,042	(59,043)
EXPENDITURES NON-CONTROLLABLE				
ADMINISTRATIVE FEES	675,001	607,500	607,500	0
INSURANCE	<u>1,300</u>	<u>1,300</u>	<u>1,300</u>	<u>0</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	676,301	608,800	608,800	0
LABOR COSTS				
SALARIES & WAGES	118,943	95,088	150,439	55,351
EMPLOYEE BENEFITS	<u>25,863</u>	<u>21,875</u>	<u>25,563</u>	<u>3,688</u>
TOTAL LABOR COSTS	<u>144,806</u>	<u>116,963</u>	<u>176,002</u>	<u>59,039</u>
TOTAL EXPENSES	<u>1,454,844</u>	<u>1,554,848</u>	<u>1,554,844</u>	<u>(4)</u>
NET INCOME	45,156	45,152	45,156	4
	=====	=====	=====	=====

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

The current forecast for 2011-12 indicates we will finish the fiscal year within budget:

a) The "Faculty Incentive Program" which was conceived in 2010-11 has been re-named the "Strategic Interdisciplinary Research Program" or SIRG; it was budgeted at \$50,000 for 2011-12 and initial implementation has now begun. Careful design of the program has allowed for adequate faculty and others' involvement, such as by the new AVP Research, to hold an internal competition that reflects a solid process and newly developed guidelines to assure effective use of the resources.

b) A 2nd part-time ORSP student assistant will be hired in winter 2011 to begin training as a replacement for the existing student who will be completing her student teaching in March-April, thus unable to continuously assist with support tasks. A brief period of overlap is needed to ensure adequate training in ORSP procedures, and also to provide continuous help during an expected peak in demand for proposal development processing/support in winter of 2011. At that time, the proposals schedule is unusually active and extra assistance is required due to an unusually large number of competitions that the University plans to pursue, including: NIH RISE, NIH SCOREs, two NSF MRIs, and several major U.S. Department of Education and USDA proposals.

Explanation of Proposed Fiscal Year Budget:

2012-13 revenues are forecasted to be above those of last year due to a higher effective IDC rate achieved. Costs continue to be impacted by California's economy and uncertainties regarding the impact of continuing state funding cuts for CSU:

a) Funding is continued to ensure adequate in- and out-of-state travel, webinar and conference costs especially for the new AVP Research (who replaced the prior AVP at the end of FY2010-11), in anticipation of limited or non-existent state funds for these purposes. An out-of-state trip for the ORSP Director is budgeted; in addition, modest funds are budgeted for the Sponsored Programs Associates to provide essential technical training on fundamentals of sponsored programs.

b) Salary reimbursement and fringe benefits costs to continue a full year's funding for one Associate-level position in ORSP are included for 2012-13, as begun in 2011-12. This position reflects a "zero-dollar" state-side position that was requested, approved, recruited and hired in Autumn of 2011 ("Sponsored Contracts Associate"); it is cost-free to the University because personnel expenses are fully reimbursed from Foundation to the University from ICR funds generated by awarded grants and contracts. The purposes of the investment are: to position ORSP for future needs to support key University initiatives underway; to support Centers which rely upon grants and contracts for support; to structure complex contract programs that require complicated agreements to be negotiated by ORSP; and to provide quick turnaround required in processing contracts with private industry (or other sponsors), so that we can pursue opportunities with a "short fuse."

c) A 2nd part-time student assistant will continue to be budgeted to assist with ORSP tasks (as explained above). The student assistant provides file processing, proposal routing, database input, budget checking and other vital help. We plan to continue this extra support during 2012-13 to meet the growing demand for proposal development processing/support and to ensure adequate backup for the critical administrative support staff/functions in ORSP and in OR.

d) Dues & Memberships reflect inflationary increases and added staff; Services/other reflect increased costs for COS and planned enhancements to the ORSP database (see next section, below).

e) Meals & Refreshments are up due to limitations on campus service choices and inclusion of the PI Reception costs which are subsequently totally reimbursed by the Foundation back to 190070.

f) The \$50,000 "Strategic Interdisciplinary Research Program" or SIRG was fully implemented in 2011-12 and is continued to fund AY assigned time for Faculty to write proposals. Two rounds of awards are budgeted in 2012-13. This activity is necessary to generate indirect cost recovery (ICR) revenues which support and replenish account 190070.

g) The Supplies/Office line reflects P-card costs that hit 7326 temporarily and are then booked to 7328 afterwards.

Changes in Programs and Services for Proposed Fiscal Year:

ORSP is implementing a new web-based database that is improving pre-award proposal management, tracking, reporting and compliance. The "ORSP Database" has completed a real-time testing and piloting phase; it is currently being migrated from the development environment over to an I&IT PeopleSoft server for ongoing operations. The dbase incorporates numerous features customized to meet ORSP's and the University's and Foundation's needs, such as: day-to-day tracking of proposal progress, approval signatures, status, and new tracking of interval issues. More features/reports are planned to meet needs.

ORSP is making good progress in training of newly hired Associate-level staff who were hired this year and last, to replace staff who left, and to support campus growth. Finally, it is uncertain how future cuts in state funding will impact ORSP.

Explanation of Proposed Fiscal Year Capital Requests:

None

Changes in Staffing:

Last year ORSP dealt with the residual effects of prior staffing losses, furloughs and other changes that resulted in the need for recruitment of two new Associate-level staffers. Two new individuals were hired in 2010-11 and are helping address workload issues; in addition, a "Sponsored Contracts Associate" was hired in mid-2011-12. New staff require training in CPP's grants/contracts policies and procedures, in sponsor regulations and in fundamentals of research administration and they also need oversight and experience in this very technical field. In addition, increases in complexity of sponsored programs, and revisions in regulations and processes continue to occur. These factors have impacted personnel resources available to the Office, and resulting turnaround time and level of services provided to support Faculty and Staff in seeking external funding.

For 2012-13 salary reimbursement and fringe benefits costs to continue funding one Associate-level position in ORSP ("Sponsored Contract Associate") are included to continue to address these concerns and ensure adequate support for the success of numerous new University initiatives to generate more external funding. Costs for all positions are increased 3%.

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

The outlook for the next three years and beyond is extremely promising if ORSP, Faculty and Staff receive adequate resources and grantseeking support for growth. Grant and contract activity on campus has significant potential. Funding opportunities are plentiful, and campus is in good position to apply for many of them if Faculty/Staff have the time (e.g., assigned time) to develop and write competitive proposals and if ORSP has increased staffing and funds adequate to support them in this endeavor. As one example, the College of Engineering is benefitting from a significant internal program of grants development to increase the number of proposals submitted. However, the current staffing and infrastructure model for ORSP must be adequate to support them; and a very challenging state financial situation will continue to make resources scarce. We need to pursue a "growth model" to help develop and submit more competitive proposals. Continued support for ORSP staffing/infrastructure growth and increased funds for development support (such as external grantwriters) are needed to be successful. Our University's competitive position and ability to win grants/contracts will be impacted by these trends.

Major Projects and Business Goals for Proposed Fiscal Year

D

Action Steps	Person Responsible	Due Date
Manage the provision of professional, courteous and timely services in an era of shrinking state resources	AVP/Director	Ongoing for FY2012-13
Train (for new staff) and develop the ORSP team to maintain professional pre-award services	AVP/Director	
Increase the competitiveness/quality of proposals in a time of reduced resources	AVP/Director	
Continue Faculty and Staff involvement in grant & contract activities to maintain the number of submittals:	AVP/Director	
celebrate accomplishments		
Recommend and support activities to help enhance the grants culture and/or infrastructure	AVP/Director	
Help i.d. campus issues (assigned time, space, lab equipment and start-up resources, supportive RTP	AVP/Director	
requirements, quick turnaround of contracts, and so on)		
Maintain compliance in all aspects of proposal development	AVP/Director	
Continue to improve pre-award proposal management, tracking, reporting and compliance through	AVP/Director	
continued development of the web-based "ORSP Database."		

Mission/Vision Statement

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

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

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

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

Strengths and Challenges

Strengths

Strengths: The number of proposals submitted by some Colleges increased; the new AVP for Research brings fresh focus on external funding; the ORSP Staff exhibit exceptional teamwork but are frequently impacted by deadline stress and "rush" proposals; a PI Recognition Reception was held to honor and celebrate PIs and co-PIs; outstanding compliance continued on campus; a P-RSCA program was funded using no state, only Kellogg resources. Opportunities: the new, internal "SIRG" program offers strategic, interdisciplinary research support to faculty; major competitions for PUIs, STEM & HSIs continue; ORSP is continuing to implement a new web-based proposals (pre-award) database; use of legal expertise and focused ORSP staffing will help address contract issues to cut negotiating time and expedite contract startups for PIs.

Challenges

Reduced state funding continues to have significant and cumulative impacts: furloughs plus loss of experienced staff in ORSP have residual impact on the remaining team; the high number of "rush" proposals was discussed but not implemented and continues to impact ORSP; our faculty have less time to write proposals as a result of cuts to AY assigned time and heavier teaching loads; limitations continue on start-up funding, and on travel support for Faculty and for important national grants conferences; there is vigorous competition for external funds; the Lab Animal Facility continues to age. The number of applications for external funding may be impacted by: less assigned time, past dramatic decreases in the number of newly hired faculty (although resumption of some hiring occurred last year), and continued potential loss of our most competitive faculty to other institutions due to uncertainties about possible layoffs and program reductions.

Employee Survey

F

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

An employee survey was conducted in December of 2011. Participation was excellent with 100% of employees responding. Questions addressed key aspects including fair treatment, respect and equality, trust, teamwork, support for skill development and communication. Results were very positive overall and continued to improve compared to the previous year, as evidenced by the fact that the overall "Average Score" increased (it also increased last year vs. the prior year's survey). There were increases in the proportion of "Totally Agree" and "Agree" ratings which is a very positive indicator of improvement.

Another strength is evidenced by the fact that no factors or aspects of the work received any "Totally Disagree" negative response or rating from any employee surveyed.

The survey also suggested areas where actions are planned in the future to help explore ways to continue growth and improvement in this critical area of employee satisfaction. For example, communications can always be strengthened to ensure there is continuing improvement of teamwork. In addition, it will be important to ensure that employees complete the development workshops and conferences planned for them in the coming year(s), to support their growth in the research administration profession and their satisfaction with the campus/office working environment.

Customer Survey

ORSP was unable to conduct a formal Service Satisfaction Survey due to staffing challenges/recruitments and training underway, and the higher priority placed on ensuring Faculty and Staff members' proposals could be submitted in a timely, compliant manner and contracts for external funding could be negotiated/finalized. Informal feedback is received on an ongoing basis from involved faculty and staff.

Keys to Success

Keys to Success Items	Rank in Importance 10 to 1
10. Staff retention, growth and training/development despite continued stress and uncertain resources	10
9. Faculty and Staff participation in grant/contract proposal submittal activities and scholarly endeavors	9
8. Financial and other support from the campus for increasing competitiveness/quality of proposals	8
7. Campus-wide issues explored, to enhance the infrastructure (assigned time, space, lab equipment, etc.)	7
6. Support from the state and Foundation (for staffing, grant-writing, workshops, competitiveness enhancement)	6
5. Increased funding opportunities from sponsors for which the campus is eligible	5
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Corporate Culture

Customer/Client Perception	Unit Perception
Generally high levels of service satisfaction were maintained	Employee Surveys administered in recent years
in key areas of courtesy and professionalism; during RUSH proposal	and informal feedback provide regular guidance on
periods, timeliness can suffer on contracts; cuts in budgets	perceptions and results are being used to help
pose future difficulties in maintaining improvements.	create a higher-quality working environment
	for the unit.
Faculty and staff have extensive needs for support	Employees face the increasing challenge of meeting
in order to develop, write and submit competitive proposals	Faculty and staff needs with continuing high
during a time when they are also coping with staffing and	levels of service satisfaction, during a time of
resource reductions and increased workloads.	new/changed staffing and resources; demand for services remains high.
Many new Faculty members, in particular, require extensive assistance	Many tasks are still carried out under stress of "Rush" proposal
and support in order to become familiar with processes/requirements	deadlines and with the need to meet complex
to win external funding in the current extremely	compliance requirements with accuracy.
competitive grants arena.	
Teamwork is excellent.	Teamwork is excellent.

Business Controls and Vital Factors

H

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

- Oversight of resources and budgets continues to be exercised through management, monitoring and regular staff budget meetings led by the AVP OR and Director of ORSP.
- Compliance is being maintained and wherever possible, strengthened by thorough pre-award proposal review and approval procedures. For example: multiple reviews and levels of approval by separate individuals (such as PI, Department Chair, Dean, Assistant Director /or/ Director of ORSP, AVP Research, Provost, CFO, and Foundation Manager and Executive Director) are incorporated into proposal approval processes. Risks are further managed through approval requirements that vary according to thresholds determined by project-specific risk characteristics (such as the project's dollar size, matching or other costs/impacts to campus).

Asset Protection/Risk Management

**OPERATING BUDGETS
SUPPLEMENTAL PROGRAMS**



**AGRICULTURAL AID TO
INSTRUCTION PROGRAM**

AGRICULTURE

CONSOLIDATED BUDGET COMPARISON SUMMARY
FOR PROPOSED BUDGET YEAR 12-13
CURRENT FISCAL YEAR 11-12

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
REVENUE				
OTHER	84,000	254,000	224,000	(30,000)
SALES	<u>2,455,441</u>	<u>2,648,129</u>	<u>2,905,118</u>	<u>256,989</u>
TOTAL REVENUE	2,539,441	2,902,129	3,129,118	226,989
COST OF GOODS SOLD				
COST OF GOODS SOLD	<u>605,525</u>	<u>745,300</u>	<u>794,841</u>	<u>49,541</u>
TOTAL COST OF GOODS SOLD	<u>605,525</u>	<u>745,300</u>	<u>794,841</u>	<u>49,541</u>
GROSS MARGIN	1,933,916	2,156,829	2,334,277	177,448
EXPENDITURES-CONTROLLABLE				
UTILITIES	67,520	69,707	82,020	12,313
AGR/RE Fees	344,492	356,910	345,132	(11,778)
FEED	85,700	105,243	175,800	70,557
INSURANCE	8,500	0	8,500	8,500
REPAIRS & MAINTENANCE	88,884	111,544	114,419	2,875
MEALS & REFRESHMENTS	1,960	4,294	2,900	(1,394)
POSTAGE & FREIGHT	3,300	1,900	2,700	800
ADVERTISING	13,500	15,000	16,500	1,500
RENT/COMMISSIONS	9,600	15,956	12,000	(3,956)
SERVICES	153,010	252,948	237,150	(15,798)
SUPPLIES	146,205	197,258	201,110	3,852
TELEPHONE	5,400	4,650	4,440	(210)
TRAVEL	10,500	13,575	9,400	(4,175)
LAUNDRY	3,600	1,000	1,200	200
OTHER	<u>106,659</u>	<u>66,075</u>	<u>107,991</u>	<u>41,916</u>
TOTAL EXPENDITURES-CONTROLLABLE	1,048,830	1,216,060	1,321,262	105,202
EXPENDITURES NON-CONTROLLABLE				
ADMINISTRATIVE FEES	102,017	109,364	125,166	15,802
DEPRECIATION	31,458	23,800	38,163	14,363
INSURANCE	30,969	16,487	29,095	12,608
BANK CARD FEES	16,996	11,100	16,996	5,896
OTHER	<u>11,588</u>	<u>11,901</u>	<u>11,601</u>	<u>(300)</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	193,028	172,652	221,021	48,369
LABOR COSTS				
SALARIES & WAGES	548,492	533,554	544,092	10,538
EMPLOYEE BENEFITS	<u>152,064</u>	<u>119,765</u>	<u>143,870</u>	<u>24,105</u>
TOTAL LABOR COSTS	<u>700,556</u>	<u>653,319</u>	<u>687,962</u>	<u>34,643</u>
TOTAL EXPENSES	<u>1,942,414</u>	<u>2,042,031</u>	<u>2,230,245</u>	<u>188,214</u>
NET INCOME	(8,498)	114,798	104,032	(10,766)

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

DESCRIPTION	Actual YTD 03/31/11	2010-11 Actual	2010-11 Forecast	2010-11 Approved Budget	Actual YTD 03/31/12	2011-12 Forecast	2011-12 Approved Budget	2012-13 Proposed Budget
016200 Agronomy Farms	83,282	27,593	25,461	88,082	342,430	96,310	25,889	62,691
260200 Arabian Horse Show	(32,738)	(70,772)	(17,181)	6,948	(18,749)	770	(3,470)	2,170
020010 Beef Unit	(33,467)	(55,907)	1,976	(34,629)	(6,549)	(1,488)	(6,269)	(1,206)
027190 Consignment Sales	-	-	-	-	-	-	-	-
340010 Fruit Industry	4,170	1,425	1,685	7,230	(11,966)	583	(2,996)	4,036
300010 Meat Lab	3,748	7,096	6,496	476	3,741	5,590	(202)	2,734
320300 Ornamental Horticulture	(7,140)	7,449	146	4,569	(16,103)	(7,743)	(1,166)	6,449
193040 Pine Tree Ranch	45,236	75,898	16,877	6,898	2,778	11,288	5,434	6,073
420010 Sheep Unit	(16,656)	(21,726)	(17,351)	(20,522)	(10,185)	(5,240)	(14,775)	(4,888)
430010 Swine Unit	(14,594)	(17,421)	(27,897)	(19,471)	(10,561)	(4,990)	(24,967)	(2,980)
260220 Farm Store at Kellogg Ranch	(10,872)	47,516	19,229	6,767	17,666	19,718	14,024	28,953
350820 Pomona Organics St Project	-	-	-	-	-	-	-	-
Total	20,969	1,151	9,441	46,348	292,502	114,798	(8,498)	104,032

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

Agronomy Farm # 016200

Overview of Current Fiscal Year:

Income for Agronomy Farm for 2011/2012 is forecast at \$ 896,852 which exceeds the \$ 730,000 estimate at budget time last year. There are several reasons for this, but most importantly, the Farm has an exceedingly good Pumpkin Festival with sales well above expected and rising prices paid for all commodities produced. Blackeyes returned double what we had predicted at 61¢ per pound. Alfalfa and corn silage markets, from crops grown at Westwind Ranch, have continued to rise with a good outlook for the future. One of the goals from last year was to expand vegetable crop acreage to support Farm Store @ Kellogg Ranch operations. The Summer of 2011 provided us with a bounty of sweet corn and watermelons, which have helped with this increase in income. Other melons like Crenshaw and cantaloupe produced above average yields, while the first picks of winter vegetables like cauliflower, broccoli and lettuce have been very successful. Hydroponic operations have continued to expand as well with excellent crops of tomatoes and lettuce now being harvested. While all of the above is positive, we have suffered some setbacks from a poor take on our strawberries this year, along with a fairly major hay fire which burnt our balewagon. We have spent 3 months re-wiring and plumbing and have been successful in salvaging the machine for 2012-2013. This will save us a major capital expense for next year and in the short term.

Explanation of Proposed Fiscal Year Budget:

Acreage of crops for the proposed 2012/2013 fiscal year will be very similar to the year before with sales of field crop products estimates at \$ 785,000. The ability to produce at this level hinges on a successful partnership with the California Department of Corrections at Westwind Ranch. Without this acreage, many of the educational projects we currently do like Hydroponics and organic production enterprises would be compromised. This income helps and assists the Department in funding these with this income.

Last year a major goal was to increase the amount and variety of product flowing from the Agronomy Farm through the Farm Store. This lofty goal needs to be continued into 2012/2013. With additional Farmers Markets and increasing traffic in the Store, Cal Poly produced vegetable crops are more in demand. In addition, the variety of the product is changing by adding crops like romanesco, colored cauliflowers, and unique melons.

2012-2013 will see us venture into seed crops by producing 1 acre of red savina habanero pepper seed for Monsanto. An alum of the program will be assisting with this program by donating exclusive rights to propagate the pepper.

In an effort to reduce costs for horse, beef and sheep budgets, the Farm intends to plant 10 acres of alfalfa hay and 30 acres of teff hay. This will save the units with the high costs of commodities by eliminating the broker and marketing directly to the units.

Expenses in labor are scheduled to increase, as the administration is mandating that release salaries for farm management come from the Foundation side rather than the historical state side. This will add an additional \$ 25,000 to labor costs in 2012-2013.

Most of the other expenditures are similar for the 2012-2013 year. We are trying to control the services other costs, but as we add more and more extremely labor intensive crops for the Store, we need an additional labor force. Our farm labor contractor has worked closely with us in trying to solve this dilemma. Working with him saves us labor costs in the future in the areas of benefits and workers comp. Depreciation costs will increase with the capital projects requested in 2012/2013.

Changes in Programs and Services for Proposed Fiscal Year:

The Department is currently working with University Advancement on an off campus project which may impact this budget. There is potential to pick-up between 100-200 acres of farmland in the high desert Victorville area to plant alfalfa. This educational project will partner with the Oro-Grande School District and TXI Corporation, a cement producer in the area. With alfalfa hay prices at record highs, this could impact and push income for Agronomy Farm over \$ 1 million annually. Negotiations are currently progressing as of this 1/30/12 budget submission.

Explanation of Proposed Fiscal Year Capital Requests:

Agronomy Farm carries 2 approved capital expenditure requests into 2012-2013. An addition of irrigated acreage from an extension of a reclaimed water line will open over 100 acres to irrigation on Westwind Ranch, but will require surface mainline to move water. Approximately \$ 30,000 in yellowmine mainline is scheduled to be purchased in 2012-2013. In addition, as part of our agreement with the California Department of Corrections, we must construct a new fence line along Kimball Avenue. This project has been put on hold, due to the long-term lease of 150 acres of State property to Majestic Realty. We anticipate that parameters will be worked out for this in 2012-2013 and we will proceed with construction. The amounts may decline due to less linear footage of fencing needed. Two new projects are submitted. The 2 hay barns at the Spadra Ranch are in need of roof and structural repairs, along with installing a concrete slab to reduce our storage issues at Building #47, Tractor Shop. Recent donations of tractors will require additional barn space near the shop and will necessitate the move of 3 major tanks used to store fertilizer. This project will also help us maintain quality of hay stored at Spadra. Bottom bales on stacks will now be stored on concrete, not dirt. Additionally, Well #3, Cal Poly's well on Spadra Ranch property, has a leaking packing gland on the shaft, and may require that the well be pulled for inspection. It is hoped this repair may only run in the \$ 15,000 range, but we have doubled an initial estimate just in case.

Changes in Staffing:

Mario Bentancourt's (Farm Laborer) status was upgraded in 2011/2012 from part-time to a full-time benefited position in February 2012. The annual pay rate of \$ 22,884 is reflected in this submission for 2012-2013. All other staffing remains the same.

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

Overall this project has been a positive consistent performer over the past decade. In just the past decade alone, Agronomy Farm has provided a \$ 320,842 surplus to the Foundation. This project also provides many un-reimbursed services to the College and University annually. This includes the upkeep and maintenance of over 150 acres of irrigated pasture, and another 150 acres of dryland pastures annually. We find ourselves having to do more and more in expenses that used to be the purview of Facilities Management. This past year, we paid for removal of trees, replaced streetlights, and performed electrical services that in the past would have been Facilities problems. For the immediate next 3 years, our income will rise, and our expenses will also rise slightly due to covering more and more. In the 4-10 year future, there are many uncertainties about sustaining income at this level. Although the State is searching for funding of deferred maintenance funds of our facilities, we are currently paying for much of this. A recent submission to the Dean of Agriculture focused on facilities, rolling equipment and deferred maintenance highlighted 4 million dollars in expenditures in the next decade that are needed to maintain this valuable educational resource. In the past, this has been via State funding, which faces a very uncertain future. We are grateful that the Foundation is our partner in hopes some of this can happen. The current Chair will continue efforts in

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

the advancement area to lighten some of these costs.

Continued -No Continuations

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

Beef Unit=020010

Overview of Current Fiscal Year:

The Beef Unit (as of 12/31/11) is in the red \$17,403. This high negative balance is due to student living costs paid from this account during remodel over the last 8 months. An invoice has been submitted to the state for \$16,676 to offset the majority of these living costs. This year was our first year with our new numbers of 38 cows. Due to state fire marshal mandates, one of our live-in students had to be terminated,. Therefore this unit has cut down to 2 employees on stipends. Our grass fed, all natural beef pilot project went well-we sold 4 head for a premium amount. Overall this unit should come in at year end approx \$1,500 negative.

Explanation of Proposed Fiscal Year Budget:

Overall I project 2012-2013 to end with a negative \$1,200 budget. We plan on expanding our grass fed natural beef products to 8-10 hd this year. While we are not making money on this until , we are losing far less that we have in the years past which is an improvement. Depending on state support these numbers may be substantially better.

Changes in Programs and Services for Proposed Fiscal Year:

With our decreased cow numbers we have to find a way to increase income just to cover basic costs of maintenance and labor. We have recently entered a lease agreement with Euclid stockyards to lease any excess pasture we have may have. Depending on winter precipitation this income will vary btwn \$0 and \$6000

Explanation of Proposed Fiscal Year Capital Requests:

None

Changes in Staffing:

None

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

Those previously mentioned.

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

Fruit Industries# 340010

Overview of Current Fiscal Year:

An excellent year in the making for Fruit Industries, was ruined in late October with the discovery of Asian Citrus Psyllid on the Kellogg Ranch. We were already in quarantine for this pest when it was found. We were immediately required by CDFR to spray every citrus tree on campus by late November. This mandated immediate pruning of many orchards in order to get ground sprayers through the orchards. One orchard was so overgrown that the decision was made to remove at a cost of \$ 14,400. The spraying job costs were \$ 7,700, and must be continued next year. We will also need to hire the services of a PCA as well.

Offsetting this unexpected expense was an excellent December 2011 of holiday fruit pack sales, almost doubling from last year. Much of this was due to a large order through the Store, which needs to continue. Sales of interdepartmental fruit through the Farm Store has continued to climb, reducing the need to sell wholesale through packing houses, increasing our sales line.

A start on a new commitment to replacing many citrus and all avocados on the Kellogg got started this year with grant funding which planted 2 new acres of avocados. It is hoped this can continue into the future.

Explanation of Proposed Fiscal Year Budget:

Income is budgeted slightly down from 2011/2012 due to a large crop of navel oranges and large sales of gift packs in 2011/2012.

The new Farmer's Markets added at the Farm Store give us new markets for crops via retail not wholesale. Expenses are budgeted significantly down from the preceding year, due to the fact we will be able to do our own spraying for Psyllid during the 2012/2013 year, not needing the services of a pest control operator. Pesticide costs will obviously go up. A portion of the \$ 5,000 for services/other is to hire a pest control advisor to assist students in professionally monitoring for this serious pest. The warm winter we are experiencing during 11/12 should have a very negative impact on the new 12 acre block of stone fruit. Yields from this block were disappointing for 11/12 and probably will be again in 2012/2013. Although yields are not there, this orchard provides valuable experiential learning opportunities in many classes over the academic year. We are still hoping to salvage a crop of apricots and pluots this year.

As always, this unit's expenses are mostly labor for the harvest and care of the orchards on campus. Labor expenses will rise slightly in 2012/2013, with an increase of \$ 1 per hour for hourly employees. This brings our crew to \$ 11 per hour, which will be appreciated by them.

Changes in Programs and Services for Proposed Fiscal Year:

None

Explanation of Proposed Fiscal Year Capital Requests:

None

Changes in Staffing:

None

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

In the short term future, we need to increase retail sales to increase our profit line. There is however a price to be paid for this in the long term future. Our crew of 3 continues to be very busy just picking and cleaning fruit for sales at the Store. Many of the groves of fruit here are over 30-years in age, and are beginning to show decline. In the 4-10 year future, replanting of areas will be necessary. This year we removed 3 acres of groves at a cost of \$ 4,800 per acre – an expensive but necessary proposition. The Chair continues to work with alumni and donors on donations to the Program which will hopefully keep us on the cutting edge of grove management.

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

Meat Lab=300010

Overview of Current Fiscal Year:

The Meat Lab (as of 12/31/11) is in the black \$1,571. The Meat Lab has been paying for student help since last summer for set-up/clean-up of AVS 327 labs.

Meat Lab expenses include those repairs no longer covered by facilities management. All kill floor repairs, loading dock and sump tank in front of the Meat Lab have been adding to those costs. Many of these repairs we have doing ourselves to keep the labor portion to a minimum. Project to be \$5,500 in positive at end of 11-12.

Explanation of Proposed Fiscal Year Budget:

I have used similar budget figures in the 2012/2013 budget. Projected Some of the increases in cost will include student stipends, license fees and supplies. There should be an increase in profits with the additional products being introduced in the coming fiscal year. This along with custom slaughtering will help offset some of our increased costs. Also note the meat lab contributes \$4,000-\$5000 per year in farm store net income. Project positive balance of \$2,700 for 12-13

Changes in Programs and Services for Proposed Fiscal Year:

The inspection program has changed from USDA to State of California Department of Food & Agriculture. Bob Karmann is currently the Meat Lab's Processed Meat Inspector & the Livestock Meat Inspector. He had to go through a training program each year as well as this adding additional fees to the budget. The Meat Lab will be paying for his two licenses, processed plant license and slaughter floor license. We hope to be able to add additional products to our Farm Store sales inventory with these two licenses in place

Custom slaughter should help our income and provide carcasses for the AVS 327 labs taught in the Meat Lab. Any animal slaughtered at the plant has to belong to the customer receiving the packaged product. They can buy the animals from our herd, have it slaughtered by Bob or an outside plant and be cut/wrapped at the Meat Lab. We have started this process on a small scale the last few months.

Explanation of Proposed Fiscal Year Capital Requests:

None

Changes in Staffing:

None

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

Those previously mentioned.

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

Ornamental Horticulture

Overview of Current Fiscal Year:

The current year has had unique challenges. An increase in PLT lab class sizes coupled with an increase in the number of labs using the greenhouse facility has necessitated us to reorganize the use of our employee time. More time and financial resources are now dedicated to setting up labs and making the greenhouse facility available to students to check on their lab projects during the day. Also, the unexpected and unprecedented withdrawal of departmental support to buy needed lab supplies has put an additional burden on the budget. The campus Facility Management has declined to perform what was previously routine maintenance service requests in and around the greenhouses. Those costs of supplies and labor have been passed on to this budget.

Due to these strains we do not anticipate meeting our budgets goal this fiscal year, unless departmental support is returned. Also, we anticipate we may receive reimbursement of some of the lab supplies because lab fees were collected by Cal Poly Pomona.

Explanation of Proposed Fiscal Year Budget:

We anticipate next year receiving our normal amount of departmental support for lab supplies. We anticipate increased sales to the western regional fair midway during the summer. On the bright side, once again we have increased our Spring production of tomatoes (18,000) and peppers (2,500). These will coincide with our first ever internet nursery voucher to be offered for sale through living-social.com in March 2012. We have continued to make improvements to the retail and production areas (irrigation, benches, groundcloth). Also, a repeat voucher offering through living-social.com is planned for August. A donation of bulk seed from the parent company of Weeks Roses has the potential to reduce our future cost of seeds substantially. We have limited our presence in the Farmers Markets to sending plants with the Farm Store crew. This significantly reduces our work force dedicated to those markets so they can be better used elsewhere.

Changes in Programs and Services for Proposed Fiscal Year:

The new budget reflects our optimistic expectations for increased sales due to our community outreach (livingsocial.com), increased production of vegetables, succulents, berries and fruit trees. (We will be reducing our production of bamboos, grasses and evergreen shrubs, as their turn over rates have declined substantially.)

Explanation of Proposed Fiscal Year Capital Requests:

Changes in Staffing:

None.

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

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

Pine Tree Ranch #193040

Overview of Current Fiscal Year:

The lemon crop marketed through Limoneira this year proved to be above expected prices at \$ 6.22 per box. This increase in income over budgeted should make up for a much poorer than average avocado crop. The new trees which have planted over the past decade are doing very well, coming into full production this year. It does point out, however, that the older trees which we inherited with the ranch are dwindling in health. We estimate that these trees are probably 60+ years in age and do need to be replaced. The Chair is currently working with Advancement on hopefully a large donation to replace these 9+ acres of trees, and also replace another 4 acres of lemons suffering from phytopthera root rot.

This year was the first year in a decade we had a return from Valencia oranges, after being highly depressed on the market. Over the recent years, we have picked these and used them as juice oranges for the Store. During the past 3 years, we lost over 70% of the crop due to weather, so we marketed 50% of the crop and are currently in the process of moving the rest to the Farm Store. The warm winter we are experiencing is excellent for these, but is taking a toll on irrigation water. It is highly unusual to be irrigating in January.

Explanation of Proposed Fiscal Year Budget:

The budget for 2012/2013 shows sales about flat for the year. It is very difficult to predict the avocado crop for this ranch until April, when the trees bloom. Bad (cold/warmer) weather at this time can influence an excellent or poor crop. We are also concerned about a very dry rainfall year so far. Rainfall is essential to this ranch in leaching salts from irrigation water out of the root zone for avocado tree health.

An increase in cultural costs will be from necessary pruning for the lemons during this year. We have also budgeted for an increase in electricity due to a potential lingering drought. Taxes for the ranch have gone up slightly as well.

2012/2013 will be the year for replacement of old trees. Prior to moving on this we will observe fruit set for the year. If a good crop is set, we may delay one year. It is hoped that Advancement funding can be used for this project which will total around \$ 80,000. We have not budgeted capital funds for this yet, but may come to the Board with a proposal with a poor fruit set. The PTR Reserve is riding at \$ 132,000, well over the base of \$ 75,000 due to good years in 2008, 2009 and 2010. Work on the residence will commence again this Summer as the current Chair rotates to a full-time Farm Manager and has the time to facilitate this project. It is hoped in the years to come that a student manager may be placed back at the property to lower our cultural costs from Somis Pacific.

Changes in Programs and Services for Proposed Fiscal Year:

None

Explanation of Proposed Fiscal Year Capital Requests:

None

Changes in Staffing:

None

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

Neither of our 2 goals (short-term) was accomplished during the past year, due to attention that needed to be placed on the Fruit Industries operation. The current Chair is being rotated into a full-time Farm Manager and we will be able to move on rehabilitating the residence on site and working on 3 particular blocks of the oldest trees on the property. Moves will be put forward in 2012/2013.

The long-term goal of placing a student at the residence is in site and will reduce our invoices and charges from Somis Pacific in the future.

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

Farm Store @ Kellogg Ranch #260220

Overview of Current Fiscal Year:

As of the January 2012 submission of the 2012-2013 budget, gross receipts for the Farm Store are 25% ahead of the past fiscal year for the same period (June through December 2011). This is an extremely promising start to 2011-2012, especially considering the state of the economy. Every one of the first six months has been the highest gross income for the Store in its ten year history. We are estimating a positive \$20,000 profit year conservatively, with no anticipated state support required.

The major reasons for this include a new Farmers Market at Kaiser Bellflower and continued success of Kaiser Pasadena and Baldwin Park Markets. This year's Pumpkin Festival brought a 24% rise in gross income from \$232,000 in 2010 to \$305,032 in this past October. Over 41,000 people visited the Pumpkin Festival and Store this year. The farm has also worked hard to provide additional Cal Poly produced product for the Store. This past year, proved to be our best year of sales ever for summer squash, sweet corn, hydroponic tomatoes, and seedless watermelon. Currently we are in a successful cole crop and lettuce season and have introduced additional carrots, cauliflowers, and brussel sprouts to the product line. Organic products are also being produced by the Pomona Organics student enterprise project.

Explanation of Proposed Fiscal Year Budget:

For fiscal year 2012-2013 a modest 13% increase in sales has been budgeted over what is estimated as a record year in 2011-2012. Even in a down economy, we see a good trend for the Store and feel confident in our figures. Sales of gifts, deli, grocery, and Cal Poly Pomona produced vegetables and fruit should lead the gains in gross revenue as budgeted over 2011-2012. The COGS for the entire store are budgeted at 58.5% of gross sales after 3 years straight of 55%.

Labor costs should remain steady for 2011-2012. Raises to full-time staff are due once approved by the Foundation Board, in addition to slight increases in student wages. Non-controllable expenses are due to rise slightly due to increased gross revenue, and increases in depreciation due to two requested capital projects.

Controllable expenses will climb due to continuing increases in changes from Facilities Management. This includes anything from changing a lightbulb to parking enforcement and fees for festivals and shows, which we will continue to increase. As Farmers Market operations increase, each needs a separate health permit and permit to operate from the County Agricultural Commissioner. Each market requires over \$1,000 in fees & permits annually.

Large increases in Pumpkin Festival revenue are projected for October and Car & Tractor Show in May. In addition, a new All American Picnic will be scheduled in July to add to traffic through the Store.

Goals for this year include:

- Relocation of entrance to the front of the store.
- Increase in sales of Cal Poly Pomona produced products.
- Addition of books to Farm Store inventory.
- Increase in quality and sales of overall produce department.
- Expansion of wine & possibly beer sales.
- Exploring possibility of e-shopping and/or community supported agriculture program.
- Increase sales in satellite locations. (i.e. Building 28, Red Cross, CLA, etc.)
- Explore Health Department issues associated with full service deli counter/case with lunch service.
- Increase in advertising via social media (i.e. FaceBook and Twitter)

Changes in Programs and Services for Proposed Fiscal Year:

Explanation of Proposed Fiscal Year Capital Requests:

Two capital projects are proposed for 2012-2013:

1. Replacement of multi-deck deli merchandise - \$25,000. As of January 2012, this case is out of service and bids are being solicited for replacement. This case has been going out for the past 3 years and has become a maintenance headache. Will allow for additional product by adding 2' in overall length of case.
2. Relocation of front entrance to store - \$30,000. By moving the front entrance to the opposite end of the store, and allow immediate access from the parking lot.. Will involve the installation of automatic doors, cabinetry for checkout stands, electrical upgrades, and movement of cases. Other entrance will remain as an alternative entrance/exit for specific store hours, and ease crowding at check stands during busy periods.

Changes in Staffing:

The 2012-2013 budget contain no major changes in staffing for the fiscal year. Increases in gross sales, may require additional student assistants during sales hours.

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

The Farm Store at Kellogg Ranch continues to grow in popularity. Very often, we speak with the general public in the Diamond Bar/Chino/Claremont/Walnut areas and find that many are aware of or have visited the Store at one point in time. Many of these individuals are members of a large list-serve from the market that receives blasts of e-mail. Our website continues to improve and is impressive. We plan on utilizing FaceBook and Twitter more in the future.

In the 4-10 year range, it is our hope that the store can continue its growth and at some point can generate \$50,000 in profit continually over the long haul. It will take 4-5 years of this to bring the overall balance down to zero and begin operation at a pure profit.

Many of the original produce cases and merchandisers are now approaching 11 years in age. These will require scheduled replacements with newer, more modern, energy efficient equipment due to their increasing age.

Continued -Overview of Current Fiscal Year:

Two major cooling cases will have to be replaced before the onset of 2012-2013. As of this submission, the Deli case is in need of replacement as well as a smaller freezer. Both of these fixtures are 10 years of age.

The hard work of the Farm Store staff should also be noticed here. They have worked hard to increase sales in many categories, most notably in on-campus produced produce, grocery, and especially bakery sales. Another excellent indicator of continuing improvement and success is that over the past 2 years our total COGS has dropped over 7% increasing our gross margin to 45% of our total revenue the past 3 years. This is a 7% increase over the 2002-2008 years.

Continued -No Continuations

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

Swine Unit=430010

Overview of Current Fiscal Year:

The Swine Unit (as of 12/31/10) is in the red (\$8,486). We have cut student labor force from 4 students to 2 students to help as well as moved all students to stipend vs hourly. The major hurdle with this operation is cost of feed. There is one supplier of feed for swine and we have no choice but to use this person. Our previous manager Overall this unit is projected to be (\$4,900) in the red this year.

Explanation of Proposed Fiscal Year Budget:

Overall I project 2012-2013 to end with a negative \$2,980. I have made all possibly cuts to this unit. I have decreased student workers, moved students to stipend basis rather than hourly. As stated in last years budget summary we planned to increase sow numbers and quality, both of which we have done. We purchased 12 new high-line gilts. With these new gilts and the current sows we have we plan on producing upwards of 500 pigs for sale this year. There is a high demand for small 75-125lb pigs in this area and we want to be able to provide to this market. Again feed prices are the main cost associated with this unit. The new unit manager is actively trying to locate a cheaper feed source to cut costs.

Changes in Programs and Services for Proposed Fiscal Year:

Hopefully we will be able to increase some revenues with above changes

Explanation of Proposed Fiscal Year Capital Requests:

None

Changes in Staffing:

None

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

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

Sheep Unit=420010

Overview of Current Fiscal Year:

The Sheep Unit (as of 12/31/11) is in the red (\$7,530). The sheep market is the lowest it has been in years, thus decreasing our overall revenue stream. We have cut student labor force from 4 students to 2 students to help as well as moved all students to stipend vs hourly. What little feed we buy for this unit has increased due to lack of local feed mill. Local feed mills have closed. Overall this unit is projected to be (\$5,230) in the red this year.

Explanation of Proposed Fiscal Year Budget:

Overall I project 2012-2013 to end with a negative \$4,800. I have made all possibly cuts to this unit. I have decreased student workers, moved students to stipend basis rather than hourly, decreased animals to a bare minimum for teaching purposes, etc. As far as I am concerned there is not other cuts that can be made. We have purchased some higher quality ewes in partnership with Livestock Show Team Student group. The offspring from these ewes will hopefully be able to increase our revenue this year.

Changes in Programs and Services for Proposed Fiscal Year:

Hopefully we will be able to increase some revenues with above changes

Explanation of Proposed Fiscal Year Capital Requests:

None

Changes in Staffing:

None

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

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

Arabian Horse Center

Overview of Current Fiscal Year:

The performance of the Arabian horse center endowment accounts will allow the Center to post a break-even or slightly positive net income for the year. Although a state entity, horse sales are used to offset expenses that would otherwise be covered by our foundation funds. Unfortunately, the outlook for the improvement of horse sales over the next 2 to 3 years is rather poor. Income from boarding is depressed due to the effect of the economy on the students' inability to afford to keep their own horses on campus. Income from the Sunday shows and other sources will probably remain static. During the course of the year many much needed physical repairs were made to the Arabian horse center. This was done for the safety of the horses, the students and the staff. We had an unexpected veterinary expense the amount of \$25,000 to save our most valuable mare. This will be recouped in the following year as we have already implanted in embryo in a recipient mare. The center also received a grant for a \$150,000 worth of rubber products from CalRecycle. The deployment of these stall mats has reduced the cost savings from approximately \$33,000, to about \$20,000. One expense category that has increased markedly is the cost of hay. During the past year and a half, the price of hay has increased from \$11 per bale to \$18 per bale. This will increase our estimated cost of feed for the year from \$63,000 to about \$88,000. During the past year we have decreased the number of horses by 25 head. This results in annual savings of about \$40,000.

Explanation of Proposed Fiscal Year Budget:

REVENUE: Due to the economy, the market for the sale of horses continues to be depressed. Even though the proceeds from the horse sales is fake money that money is used to offset budgetary expenses that would otherwise be paid for out of the foundation accounts. The outlook for significant income for the sale of horses over the next year is poor, but could improve if the economy begins to improve at a faster than expected rate. However, the center does have several very valuable horses being offered for sale, and even even one or two of these animals are sold, it would have significant impact on the budget. Revenues from horse boarding will be flat. The Arabian horse center is examining the possibilities of expanding our exhibitions and bringing in outside presenters to offer attendees some unique equestrian experiences. These exhibitions yield a much higher ticket price and could possibly be a significant source of income. The center hosts several continuing education courses for veterinarians and equine professionals during the year. There is the possibility that this program could be greatly expanded.

EXPENSES:

As previously mentioned the most significant increase in expenses is going to be the increase in the price paid for hay to feed the horses. The price of hay is linked to the price of oil the of the cost of transport and fertilizer. As oil goes up we can expect the price of a to continue to rise. Last year, I anticipated a savings in the area of feed by reducing the herd size by approximately 1/3. During the past year the center sold 31 horses. However, the cost of hay increased from \$11 per bale to up to \$24 per bale. This tries eliminated any savings that were anticipated in the area of feed. The shoeing and trimming of the horse's hooves continues to be a significant expense. This is due to the elimination of the state line for a state employed farrier. Also as previously mentioned, we have reduced the cost of wood shavings too bed the stables by approximately 1/3. By striking a deal with Cole Burr, the owner of Burr-Tec Enterprises, we have eliminated the cost of manure removal from the budget. If however, Burr-Tec Enterprises does not retain the campus contract for waste removal, this expense will return. In 2011 – 2012 we had an unexpected veterinary expense in the amount of \$25,000, which we do not anticipate going forward. We will continue our efforts to sell horses and reduces size of the herd, as the sale of each horse saves the center approximately \$20,000 per year an ongoing upkeep cost.

Changes in Programs and Services for Proposed Fiscal Year:

We have worked hard during the past year to increase the numbers of students involved in the Arabian horse center. This has been very successful. We currently have 90 students involved in our foal watch program, approximately 40 students involved in the horse show team, and another 20 students involved in drill team and barn riders. We are pursuing the possibility of expanding our involvement in continuing education programs and offering equine events targeting horse owners. These types of activities would be much more profitable than the current Sunday shows, which are basically a promotional and community service event.

Explanation of Proposed Fiscal Year Capital Requests:

Changes in Staffing:

During the past year, the center has added a longtime Cal Poly employee Marie Nagano to the horse center's permanent staff. Marie is paid by the state and does not have any impact on the foundation budget, but she does allow the unit to operate more efficiently and effectively.

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

The improvement of the economy over the next 3 to 5 years will have two major effects on income sources for the Arabian horse center. Firstly, the value of the endowment accounts will climb, allowing us to offset expenses incurred in our operating accounts. Secondly, an improvement in the economy would lead to a rising demand for Arabian show horses and hands increase our ability to offset expenses from other sources. We will continue to strive to minimize the herd numbers, as going forward, the cost of maintaining the center and the horses will continue to rise on a per horse basis. We are continuing to pursue new activities such as continuing education and other external events, to develop other revenue streams.

Continued -Explanation of Proposed Fiscal Year Budget:

Feed has been budgeted at \$60,000, which is 10% less than last year. This is a conservative estimate and the actual savings may be significantly greater. Going forward, a 32% reduction in the herd size should reduce the feed budget by \$18,000 per annum for an annual bill of \$48,000. We are anticipating a large donation of hay sometime during the spring of 2011. This could also serve to lower the feed bill appreciably.

Reduction in the herd size will continue to cause reductions in expenses in other categories such as shoeing and veterinary care. Shavings and student labor will not be reduced with the reduction in the herd size. As more horses are sold, pasture horses will be moved into the stables for training and in preparation for sale. This will result in the stables being filled at all times. However, a student training program is underway to improve the methods in which the cleaning of the stables are being done. In addition, the donation of a product (Odor No More ® produced by ET Horn and donated by a former CP graduate) is being tried. This product has been shown to reduce shaving usage at other stables by 25% - 50%. This offers the possibility of a significant reduction in shavings expenses.

Student stipends will remain consistent for the foreseeable future. The students are used to feed the horses and clean the stables. These activities are expected to continue at the current rate.

Cell phone expenses have been reduced by approximately one hundred dollars a month. Dr. Alderson has decided to use his personal cell phone and returned the phone being paid for by the AHC. This change went into effect Feb. of 2011. This will reduce cell phone expense by \$1200 per year going forward.

Veterinary expenses have been reduced from \$38,000 in 2009 -2010 to \$19,000 in 2010-2011. This is due to more treatments being administered by Dr. Alderson and the AHC staff and judicious decisions regarding the expense of the care relative to the value of the horse. We anticipate these expenses to continue to be lower in the near future, in lieu of a catastrophic illness or medical event in the herd.

Continued -No Continuations

LONG TERM CASH PLAN/ RESERVES

LONG-TERM CASH PLAN/RESERVES – FISCAL YEARS 2014-23

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

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

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

Sources of Cash:

- Total surpluses from operations - \$35.7 million
- Non-cash transactions – Depreciation - \$37.9 million
- Non-cash transactions – Post Retiree Medical Benefits – \$3.9 million
- Financing activities - Principal loan repayments received - \$3.4
- Reserve draw downs - \$10.3 million
- **Total Sources of Cash - \$91.2 million**

Uses of Cash:

- Capital project requirements - \$23.4 million
- Financing activities – Principal loan payments - \$13.1 million
- Designated Gifts - \$15.5 million
- Reserve contributions - \$20.5 million
- **Total Uses of Cash - \$72.5 million**

Net increase in Cash - \$18.7 million

Cash Available - \$23.7 million

The surpluses from operations for the ten years ended of \$35.7 million, net of depreciation and Post Retiree Medical Benefits, are generated from the following activities:

- Administration is projected to generate a deficit of (\$8.2) million less the non-cash post-retirement medical benefit of \$3.9 million and depreciation of \$1.5

million and the reserve withdrawals of 4.6 million will be used to pay for the capital projects of \$1.8 million

- Real Estate (Innovation Village, Building Rentals & Faculty Housing) is projected to generate a surplus of \$10.1 million plus the non-cash depreciation of \$8.9 million used to pay the alternative investment of \$3.2 million and the capital request of \$1.3 million.
- Investments are projected to generate a surplus of \$5.8 million
- Bookstores are projected to generate a surplus of \$3.2 million plus the non-cash depreciation of \$1.4 million to pay for the capital request of \$600,000.
- Dining Services are projected to generate a surplus of \$7.3 million plus the non-cash depreciation of \$5.7 million to pay for the capital request of \$9.5 million.
- Kellogg West is projected to generate a surplus of \$250,000 plus the non-cash depreciation of \$650,000 and the reserve withdrawals \$3.0 million to pay for the capital request of \$3.9 million.
- University Village is projected to generate \$11.6 million plus the non-cash depreciation of \$19.1 million used to pay the principal debt payments on the 2005 series bonds of \$7.5 million and the capital request of \$6.2 million.
- Supplemental Programs are forecasted to generate a surplus of \$5.6 million plus the non-cash depreciation of \$570,000 used to repay the balance on the CTTi's 2007 series bonds of \$2.3 million.

Non-cash transactions for the ten years ended of \$41.8 million include depreciation of \$37.8 million and post-medical retirement benefits of \$3.9 million.

The surpluses from operations of \$35.7 million plus the non-cash transactions of \$41.8 million generate cash from operations of \$77.5 million for the ten years ended.

Financing activities represent principal repayments of \$227,000 from the ENV Model Studio inter-fund loan and \$3.1 million from the Alternative Investment from Innovation Village for Infrastructure Phase I.

Reserve draw-downs generate \$10.3 from the capital reserve.

The majority of the capital project requirements of \$23.4 million are for renovations and upgrades as follows:

- Administration will require \$1.8 million for Recreation Center POS, Desktop virtualization, Integrated Financial Accounting System upgrade, Network Infrastructure upgrade, Server/PC Software upgrades, System Consolidation, Wireless Expansion, Desktop upgrades, Office automation, HRIS HR/Payroll Platform, Building 55 Improvements, Document Library/E-Forms/Workflow, Wide Format Printer and High Capacity Laser Color Printer.
- Real Estate will require \$1.3 million as we continue develop the infrastructure at Innovation Village, Buildings Tenant Improvements, HVAC replacement, Paint and Flooring and Way Finding Signs.
- Bookstore will require \$600,000 for HVAC repairs and replacement, Security system upgrades, Repair and replace flooring, Network copiers, Van, Roof replacement, Painting of the building and Refurbish/replace elevator;

- Dining services will require \$9.5 million for Recreation Center Jamba Juice, Catering Operations, Campus Center Market Place, New Concepts at Bronco Center, Equipment upgrades, Software and facility upgrades in the retail, POS upgrades and New Retail and Cafeteria Facilities;
- Kellogg West Conference Center and Lodge will require \$3.9 million for a Hillside and Building B guestroom carpet replacement, Meeting room carpet replacement, Complete guestroom renovation, Roof replacement Building 76, Complete restaurant renovation including furniture, Equipment & carpet, Restaurant kitchen major equipment replacement, Public area carpet replacement, Meeting Room carpet replacement, Guestroom carpet replacement; and
- University Village will require \$6.2 million for Refurbishment/replacement of furniture in all Phases, Wi-Fi all buildings, Carpet replacement for 32 apartments, Carport/Storage Feasibility Study, Pool Enclosure Feasibility Study, Kitchen Upgrade in Phase II, Water Heaters in Phases I and II, Twelve passenger van, Kitchen Stove and Refrigerator replacements Phases I, II and III and Resurface Swimming Pool.

The financing activities of \$13.1 million represent principal payments per the debt amortization schedules as following:

- Principal debt obligations of University Village Phase III 2005 of \$7.6 million;
- Principal debt obligations for the CTTi 2007 series bonds of \$2.3 million; and
- Alternative Investment for infrastructure at Innovation Village of \$3.2 million.

The Designated Gifts on behalf of the University for the President's public relations, the Division of University Development and the Office of Research and Sponsored Programs are projected to increase 5% each year for a total of \$15.5 million.

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

- Agriculture Program Reserve has a current balance of \$58,000 and there are forecasted and projected contributions of \$111,676 and no withdrawals; thus the projected balance is \$169,701 versus a goal of \$75,000;
- Cafeteria State Share Reserve has a current balance of \$217,062 and there are no projected contributions and a projected withdrawal of \$35,000; thus the projected balance is \$182,062;
- Capital Reserve has a current balance of \$2.1 million and there are forecasted and projected contributions of \$1,698,465 and projected annual increases of 3% for a total of \$10.2 million offset by \$10.2 million withdrawals for capital project requests; thus the projected balance is \$3.8 million versus a goal of \$6.0 million;
- Emergency Reserve has a current balance of \$120,152 and there are no projected contributions or withdrawals; thus the projected balance is \$120,152;
- Foundation Programs has a current balance of \$410,854 and there is a forecasted withdrawal of the full amount in fiscal year 2011-12, thus the projected balance is \$0;

- Indirect Cost Disallowance Reserve has a current balance of \$411,529 and there are no contributions and a forecasted withdrawal of \$6,873 for disallowances; thus the projected balance is \$404,656;
- Insurance Reserve has a current balance of \$110,321 and there are forecasted and projected contributions of \$88,077 and no withdrawals; thus the projected balance is \$198,398;
- Pine Tree Ranch Reserve has a current balance of \$132,545 and there are forecasted and proposed contributions of \$8,681; a projected withdraw of \$77,700 to refurbish the house and projected contributions of \$12,000; thus the projected balance is \$75,000 versus the goal of \$75,000;
- Post Retiree Medical Benefit Reserve has a current balance of \$12.6 million net of plan assets of \$2.0 million; service and interest costs net of benefit costs or earnings (based upon a 20 year projected actuarial report) are projected to be \$3.9 million; contributions to the Voluntary Employee Beneficiary Association (VEBA) are projected to be \$10.0 million plus the proposed budget of \$1.0 million; thus the net balance is projected to be \$4,499,344 (\$17,499,344 - \$13,000,000) equal to the goal;
- Research and Sponsored Program reserve has a current balance of \$116,390 and the forecast and proposed budgeted contributions of \$40,000 with no withdrawals; thus the projected balance is \$156,390;
- Residential Board Meal Program Surplus Reserve has a current balance of \$1,055,528 and the forecast and proposed budget contributions are \$123,326 and projected withdrawal of \$85,000; thus the projected balance is \$1,093,854;
- Venture Capital/Real Estate Reserve has a current balance of \$477,007 and there is a projected contribution of \$21,451 and no withdrawals; thus the projected balance is \$498,458 versus a goal of \$6,000,000.

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

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

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

	Actual	Actual	Forecast	Budget	Projections										Reserve	Reserve	
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-23	Balances	Goal
SOURCES OF CASH																	
Excess of Revenue over Expenses																	
Administration	(1,092)	(1,136)	(873)	(820)	(820)	(820)	(820)	(820)	(820)	(820)	(820)	(820)	(820)	(820)	(8,200)		
Real Estate	1,128	851	477	306	631	789	814	833	856	871	1,206	1,225	1,251	1,588	10,064		
Investments	(200)	436	63	610	355	405	455	505	555	605	655	705	755	805	5,800		
Bookstores	435	494	320	307	300	306	312	319	325	328	332	335	339	342	3,238		
Dining Services	719	366	721	473	522	574	603	663	696	731	768	844	887	975	7,263		
Kellogg West - Rooms & Conference	(176)	45	1	25	(105)	(40)	20	30	30	55	55	60	70	75	250		
University Village	751	1,150	1,293	1,148	1,100	1,120	1,150	1,150	1,170	1,170	1,170	1,180	1,200	1,200	11,610		
Supplemental Programs	493	785	567	601	437	459	482	506	531	558	602	651	703	759	5,688		
Unrestricted Campus Programs	299	190	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total Surplus (Deficit) - Operations	2,357	3,181	2,569	2,650	2,420	2,793	3,016	3,186	3,343	3,498	3,968	4,180	4,385	4,924	35,713		
Non-cash transactions																	
Administration			151	159	159	159	159	159	159	159	159	159	159	159	1,590		
Real Estate			903	888	888	888	888	888	888	888	888	888	888	888	8,880		
Bookstores			135	136	136	136	136	136	136	136	136	136	136	136	1,360		
Dining Services			468	570	570	570	570	570	570	570	570	570	570	570	5,700		
Kellogg West			106	65	65	65	65	65	65	65	65	65	65	65	650		
University Village			1,756	1,912	1,912	1,912	1,912	1,912	1,912	1,912	1,912	1,912	1,912	1,912	19,120		
Supplemental Programs			42	57	57	57	57	57	57	57	57	57	57	57	570		
Depreciation	3,609	3,415	3,561	3,787	3,787	3,787	3,787	3,787	3,787	3,787	3,787	3,787	3,787	3,787	37,870		
FAS 158 - Post Retiree Medical Benefits	851	851	1,082	1,097	625	554	571	480	420	351	301	255	204	175	3,936	19,628	19,628
Total Non-cash transactions	4,460	4,266	4,643	4,884	4,412	4,341	4,358	4,267	4,207	4,138	4,088	4,042	3,991	3,962	41,806		
TOTAL CASH GENERATED FROM OPERATIONS	6,817	7,447	7,212	7,534	6,832	7,134	7,374	7,453	7,550	7,636	8,056	8,222	8,376	8,886	77,519		
Financing Activities																	
Reserve CTTI Bonds 2000 Series	529														-		
Reserve Village Bonds 2002A Series			237												-		
Principal Payments - ENV Model Studio	23	25	25	27	28	29	31	33	34	36	36				227		
Alter Investment - Innov Village Infract Ph I	100			300	300	300	300	300	300	300	324	324	349	358	3,155		
Total Financing Activities	652	25	262	327	328	329	331	333	334	336	360	324	349	358	3,382		
Reserve Draw Downs																	
Agriculture State Share Reserve		17															
Capital Reserve					895	922	950	978	1,007	1,038	1,069	1,101	1,134	1,168	10,261		
Cafeteria State Share Reserve			35														
Foundation Program Reserve			411														
Indirect Cost Disallowances Reserve			7														
Insurance Reserve		28															
Pine Tree Ranch Reserve				78													
Residential Board Meal Program Surplus Reserve			377	85													
Total Reserve Activities	-	45	830	163	895	922	950	978	1,007	1,038	1,069	1,101	1,134	1,168	10,261		
TOTAL SOURCES OF CASH	7,469	7,517	8,304	8,024	8,055	8,385	8,655	8,764	8,891	9,010	9,485	9,647	9,859	10,412	91,162		

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

	Actual	Actual	Forecast	Budget	Projections										Reserve	Reserve	
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-23	2023	Goal
USES OF CASH																	
Administration			113	305	375	322	308	169	217	85	139	99	30	84	1,828		
Real Estate			489	40	130	138	113	128	74	349	90	87	25	205	1,339		
Bookstores				25	10	30	30	335	25	40	5	85	35	5	600		
Dining Services			1,296	852	315	225	575	2050	975	4360	125	500	125	275	9,525		
Kellogg West			248	187	180	165	375	455	305	575	650	430	375	425	3,935		
University Village			694	573	749	870	435	390	360	875	596	555	776	572	6,178		
Foundation Programs			411														
Supplemental Programs			47	303											-		
Capital Project Requirements	4,179	5,001	3,298	2,285	1,759	1,750	1,836	3,527	1,956	6,284	1,605	1,756	1,366	1,566	23,405		
Principal - CTTi Bonds 2000	170	180	185												-		
Principal - Village Bonds 2002A	740		-	-											-		
Principal - Village Phase III Bonds 2005	505	525	550	570	595	625	655	690	725	760	800	845	885	930	7,510		
Principal - CTTi Bonds 2007	10	10	170	180	185	195	205	215	230	235	250	260	280	290	2,345		
Alter Investment - Innov Village Infract Ph I	100				300	300	300	300	300	324	324	349	358	356	3,211		
Loan to ENV for Model Studio																	
Financing Activities	1,525	715	905	750	1,080	1,120	1,160	1,205	1,255	1,319	1,374	1,454	1,523	1,576	13,066		
Designated Gifts	824	1,036	1,469	1,173	1,232	1,293	1,358	1,426	1,497	1,572	1,651	1,733	1,820	1,911	15,492		
Transfer Fixed Assets to University	2,137														-		
Other Changes- see note	-																
Agriculture Program Reserve			57	54											-	169	
Cafeteria State Share Reserve															-	182	
Capital Reserve	794	667	830	869	895	922	950	978	1,007	1,038	1,069	1,101	1,134	1,168	10,261	3,850	6,000
Emergency Reserve															-	120	
Foundation Programs	411														-		
Indirect Cost Disallowances Reserve															-	404	404
Innovation Village Demo Reserve				83	10	11	11	30	32	33	34	35	35	37	268		
Insurance Reserve	-		27	61											-	198	
Pine Tree Ranch Reserve	21	37	6	3	3	3	3	3							12	75	75
Post Retiree Medical Benefits Reserve	851														-		
Post Retiree Medical Benefits Trust			1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	10,000	12,000	12,000
Research & Sponsored Programs Reserve	20	20	20	20											-	156	
Residential Board Meal Program Surplus Reserve	283		438	62	-	-	-	-	-	-	-	-	-	-	-	1,093	
Venture Capital/Real Estate Reserve	-		-	22											-	499	6,000
Reserve Contributions	2,380	724	2,378	2,174	1,908	1,936	1,964	2,011	2,039	2,071	2,103	2,136	2,169	2,205	20,541	18,746	24,479
Total Uses of Cash	11,045	7,476	8,050	6,382	5,979	6,099	6,317	8,169	6,747	11,246	6,732	7,079	6,878	7,258	72,504		
Net Change in Cash	(3,576)	41	254	1,642	2,076	2,286	2,337	595	2,144	(2,236)	2,752	2,568	2,981	3,154	18,658		
Cash Available	3,091	3,132	3,386	5,028	7,104	9,390	11,727	12,322	14,466	12,230	14,983	17,551	20,532	23,686	23,686		

Minimum Two Month Working Capital Reserve Required 5,237 5,536