

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”

No Secrets

No Waste

No Surprises

No Confusion

No Politics

No Illusions



No Distractions



2013

2014

Corporate Business Plan

Cal Poly Pomona Foundation, Inc.
Fiscal 2013-2014 Business Plan and Budgets

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EXECUTIVE OVERVIEW

The 2013-2014 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.

2013 – 2014
BUDGET REVIEW
POWERPOINT PRESENTATION



CAL POLY POMONA FOUNDATION

2013-14

Board of Directors Meeting
Budget Review
May 23, 2013



CAL POLY POMONA FOUNDATION

Budget Presentation 2013-2014

POLICY NO. 118- Foundation Budget Process

Annual operating and capital budget for all 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 2013-2014

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

Endowments

Supplemental Programs

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



CAL POLY POMONA FOUNDATION

Budget Presentation 2013-2014

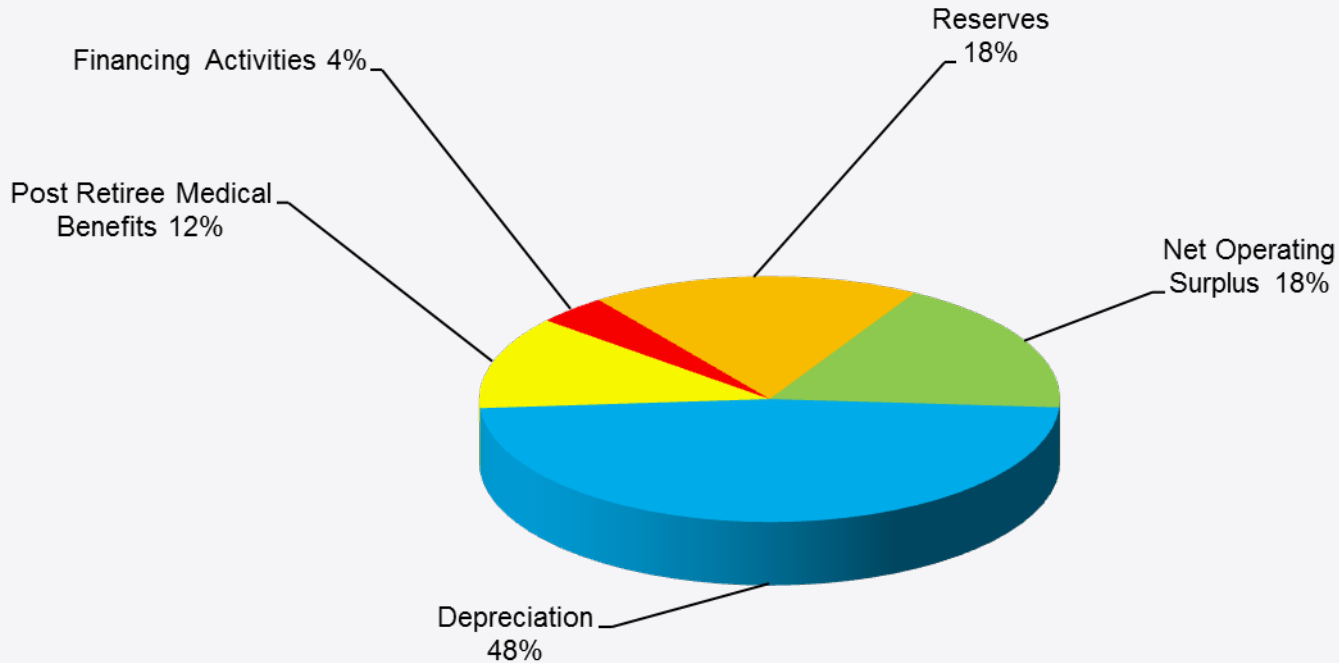
	2012-2013 BUDGET	2012-2013 FORECAST	2013-2014 BUDGET
SOURCES OF CASH			
SURPLUS (DEFICIT)			
TOTAL OPERATING SURPLUS (DEFICIT)	2,650,530	3,568,199	3,113,442
Designated Gifts	(1,273,096)	(1,127,451)	(1,626,664)
NET OPERATING SURPLUS (DEFICIT)	1,377,434	2,440,748	1,486,778
NON-CASH TRANSACTIONS:			
Depreciation and Amortization	3,786,795	3,788,607	3,996,802
Post Retiree Medical Benefits	1,096,882	899,363	1,025,290
TOTAL CASH GENERATED BY OPERATIONS	6,261,111	7,128,718	6,508,870
FINANCING			
Repayment of Principal for Loan to ENV for Model Studio	26,570	26,570	27,964
Alternative Investments-Innovation Village Infrastructure Ph 1	300,000	300,000	300,000
TOTAL SOURCES OF FINANCING	326,570	326,570	327,964
RESERVES			
Pine Tree Ranch Reserve	77,700	-	-
Insurance Reserve	-	180,000	-
Capital Reserve	-	-	1,309,000
Residential Board Meal Program Surplus Reserve	85,000	93,337	229,000
TOTAL SOURCES FROM RESERVES	162,700	273,337	1,538,000
TOTAL SOURCES OF CASH	6,750,381	7,728,625 *	8,374,834

* Cash generated by Operations, Financing and Reserves \$8.37 Million

CAL POLY POMONA FOUNDATION

Budget Presentation 2013-2014

SOURCES OF CASH



CAL POLY POMONA FOUNDATION

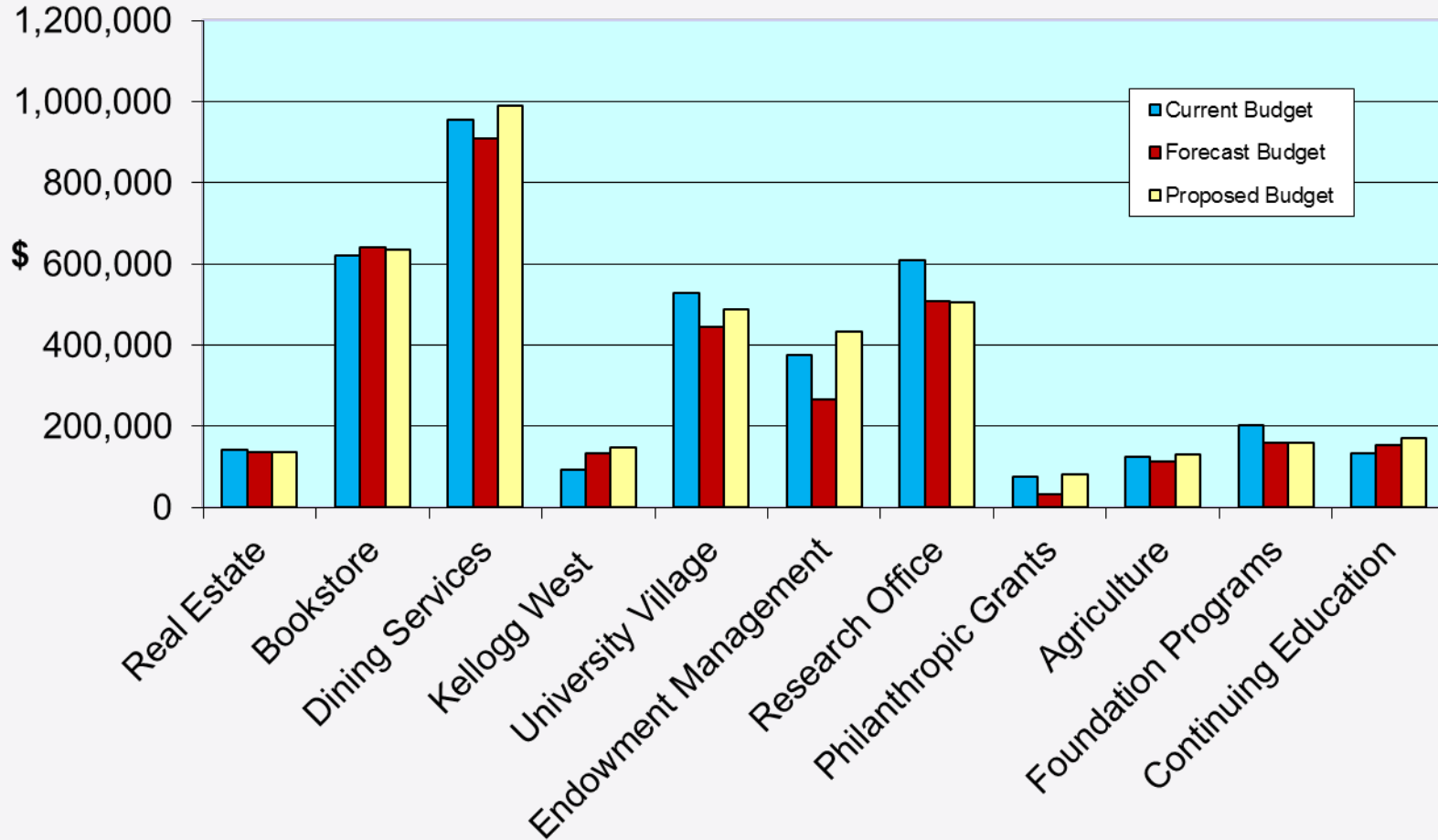
Budget Presentation 2013-2014

ADMINISTRATION	2012-13 Current Year Approved Budget	% of Revenue	2012-13 Current Year Forecast	% of Revenue	2013-14 Proposed Budget	% of Revenue
Revenues	3,869,369	100%	3,524,669	100%	3,905,179	100%
Expenditures Controllable	803,703	21%	851,181	24%	853,875	22%
Expenditures Non-Controllable	297,045	8%	324,423	9%	254,163	7%
Total Labor	3,588,956	93%	3,466,884	98%	3,715,206	95%
Total Expenses	4,689,704	121.2%	4,642,488	132%	4,823,244	124%
Net Income	(820,335)	-21.2%	(1,117,819)	-32%	(918,065)	-23.5%

CAL POLY POMONA FOUNDATION

Budget Presentation 2013-2014

Administration Fee Revenues



CAL POLY POMONA FOUNDATION

Budget Presentation 2013-2014

REAL ESTATE	2012-13 Current Year Approved Budget	% of Revenue	2012-13 Current Year Forecast	% of Revenue	2013-14 Proposed Budget	% of Revenue
Revenues	2,801,494	100%	2,878,661	100%	3,025,784	100%
C.O.G.S	49,980	2%	85,000	3%	49,980	2%
Gross Margin	2,751,514	98%	2,793,661	97%	2,975,804	98%
Expenditures Controllable	904,867	32%	923,558	32%	952,108	31%
Expenditures Non-Controllable	1,327,707	47%	1,415,774	49%	1,422,387	47%
Total Labor	212,952	8%	183,095	6%	210,096	7%
Total Expenses	2,445,526	87%	2,522,427	88%	2,584,591	85%
Net Income	305,988	11%	271,234	9%	391,213	13%

CAL POLY POMONA FOUNDATION

Budget Presentation 2013-2014

REAL ESTATE SURPLUS/(DEFICIT)			
	2012-13 Approved Budget	2012-13 Forecast	2013-14 Proposed Budget
DESCRIPTION			
REAL ESTATE DEVELOPMENT			
Center for Training Technology & Incubation	(140,204)	(220,172)	(112,799)
Innovation Village	418,795	433,080	454,215
Total Real Estate Development	278,591	212,908	341,416
RENTAL Buildings			
Building # 66 - Classrooms & Offices	110,359	111,384	108,356
Building # 97 - Offices	113,316	126,446	121,002
CTTi Building # 220A - Vacant	(96,199)	(101,308)	(102,476)
Total Rental Buildings	127,476	136,522	126,882
FACULTY HOUSING			
Faculty Housing	(100,079)	(78,196)	(77,085)
Total Faculty Housing	(100,079)	(78,196)	(77,085)
GRAND TOTAL REAL ESTATE	305,988	271,234	391,213

CAL POLY POMONA FOUNDATION

Budget Presentation 2013-2014

INVESTMENTS - GENERAL	2012-13 Current Year Approved Budget	% of Revenue	2012-13 Current Year Forecast	% of Revenue	2013-14 Proposed Budget	% of Revenue
<i>Revenues</i>						
Investment Earnings	632,828	100%	1,198,189	100%	502,900	100%
<i>Expenses</i>						
Other Expenses	22,289	4%	18,166	2%	49,519	10%
Expenditures Non-Controllable	22,289	4%	18,166	2%	49,519	10%
<i>Total Expenses</i>	22,289	4%	18,166	2%	49,519	10%
<i>Net Income</i>	610,539	96.5%	1,180,023	98%	453,381	90.2%

CAL POLY POMONA FOUNDATION

Budget Presentation 2013-2014

INVESTMENTS - ENDOWMENTS	2012-13 Current Year Approved Budget	% of Revenue	2012-13 Current Year Forecast	% of Revenue	2013-14 Proposed Budget	% of Revenue
Revenues						
Investment Earnings	3,982,982	79%	8,683,348	50%	5,087,569	37%
Donations	1,060,000	21%	8,751,437	50%	8,660,000	63%
Total Revenue	5,042,982	100%	17,434,785	100%	13,747,569	100%
Endowment Distributions	2,932,236	58%	1,904,107	11%	3,534,499	26%
Expenditures Non-Controllable	-		-		-	
Admin Fees	425,071	8%	267,001	2%	431,430	3%
Investment Advisor Fees	236,923	5%	153,208	1%	296,988	2%
Total Expenses Non-Controllable	661,994	13%	420,209	2%	728,418	5%
Total Expenses	3,594,230	71.3%	2,324,316	13%	4,262,917	31%
Net Income	1,448,752	28.7%	15,110,469	87%	9,484,652	69.0%


CAL POLY POMONA FOUNDATION

Budget Presentation 2013-2014

ENTERPRISES	2012-13 Current Year Approved Budget	% of Revenue	2012-13 Current Year Forecast	% of Revenue	2013-14 Proposed Budget	% of Revenue
Revenues	34,647,993	100%	35,424,762	100%	36,669,787	100%
C.O.G.S	12,812,548	37%	13,257,204	37%	13,448,875	37%
Gross Margin	21,835,445	63%	22,167,558	63%	23,220,912	63%
Expenditures Controllable	4,191,763	12%	4,270,207	12%	4,641,831	13%
Expenditures Non-Controllable	7,756,689	22%	7,560,614	21%	7,841,498	21%
Total Labor	7,933,519	23%	7,897,968	22%	8,585,574	23%
Total Expenses	19,881,971	57%	19,728,789	56%	21,068,903	57%
Net Income	1,953,474	6%	2,438,769	7%	2,152,009	6%


CAL POLY POMONA FOUNDATION

Budget Presentation 2013-2014

 BRONCO BOOKSTORE		2012-13 Current Year Approved Budget	% of Revenue	2012-13 Current Year Forecast	% of Revenue	2013-14 Proposed Budget	% of Revenue
Revenues		10,241,960	100%	10,495,871	100%	10,395,560	100%
C.O.G.S		7,505,712	73%	7,823,467	75%	7,601,273	73%
Gross Margin		2,736,248	27%	2,672,404	25%	2,794,287	27%
Expenditures Controllable		274,365	3%	219,553	2%	262,704	3%
Expenditures Non-Controllable		948,384	9%	962,073	9%	971,340	9%
Total Labor		1,206,465	12%	1,187,864	11%	1,248,027	12%
Total Expenses		2,429,214	24%	2,369,490	23%	2,482,071	24%
Net Income		307,034	3%	302,914	3%	312,216	3%


CAL POLY POMONA FOUNDATION

Budget Presentation 2013-2014

	2012-13 Current Year Approved Budget	% of Revenue	2012-13 Current Year Forecast	% of Revenue	2013-14 Proposed Budget	% of Revenue
Revenues	14,848,232	100%	15,071,836	100%	16,127,493	100%
C.O.G.S	5,305,856	36%	5,432,437	36%	5,847,602	36%
Gross Margin	9,542,376	64%	9,639,399	64%	10,279,891	64%
Expenditures Controllable	1,874,491	13%	2,043,885	14%	2,119,331	13%
Expenditures Non-Controllable	2,519,500	17%	2,538,447	17%	2,658,940	16%
Total Labor	4,675,743	31%	4,706,352	31%	5,078,839	31%
Total Expenses	9,069,734	61%	9,288,684	62%	9,857,110	61%
Net Income	472,642	3%	350,715	2%	422,781	3%

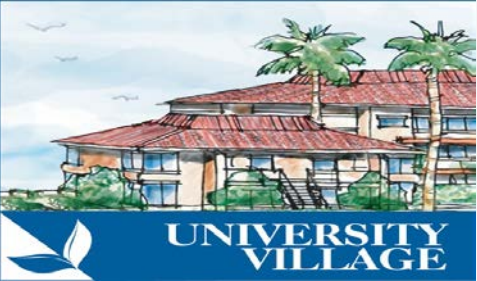
CAL POLY POMONA FOUNDATION

Budget Presentation 2013-2014

	2012-13 Current Year Approved Budget	% of Revenue	2012-13 Current Year Forecast	% of Revenue	2013-14 Proposed Budget	% of Revenue
Revenues	1,431,126	100%	1,411,756	100%	1,547,482	100%
C.O.G.S	980	0.1%	1,300	0.1%	0	0.0%
Gross Margin	1,430,146	100%	1,410,456	100%	1,547,482	100%
Expenditures Controllable	565,291	39%	552,375	39%	627,634	41%
Expenditures Non-Controllable	208,188	15%	216,196	15%	232,559	15%
Total Labor	631,301	44%	601,336	43%	683,191	44%
Total Expenses	1,404,780	98%	1,369,907	97%	1,543,384	100%
Net Income	25,366	2%	40,549	3%	4,098	0%

CAL POLY POMONA FOUNDATION

Budget Presentation 2013-2014

	2012-13 Current Year Approved Budget	% of Revenue	2012-13 Current Year Forecast	% of Revenue	2013-14 Proposed Budget	% of Revenue
Revenues	8,126,675	100%	8,445,299	100%	8,599,252	100%
Expenditures Controllable	1,852,313	23%	1,784,344	21%	1,931,833	22%
Expenditures Non-Controllable	4,076,417	50%	3,837,698	45%	3,972,719	46%
Total Labor	1,049,511	13%	1,078,666	13%	1,281,785	15%
Total Expenses	6,978,241	86%	6,700,708	79%	7,186,337	84%
Net Income	1,148,434	14%	1,744,591	21%	1,412,915	16%

CAL POLY POMONA FOUNDATION

Budget Presentation 2013-2014

Continuing Education	2012-13 Current Year Approved Budget	% of Revenue	2012-13 Current Year Forecast	% of Revenue	2013-14 Proposed Budget	% of Revenue
Revenues	2,965,070	100%	3,429,085	100%	3,767,358	100%
Expenditures Controllable	792,474	27%	826,186	24%	868,124	23%
Expenditures Non-Controllable	212,747	7%	320,751	9%	300,433	8%
Total Labor	1,508,173	51%	1,592,196	46%	1,685,041	45%
Total Expenses	2,513,394	85%	2,739,133	80%	2,853,598	76%
Net Income	451,676	15%	689,952	20%	913,760	24%



CAL POLY POMONA FOUNDATION

Budget Presentation 2013-2014

COLLEGE OF EXTENDED UNIVERSITY - Programs	2012-13 Approved Budget	2012-13 Forecast Budget	2013-14 Proposed Budget
Administration	4,344	(21,700)	327,553
Certificate Programs	23,106	5,383	-
English Language Inst.	268,294	526,911	-
CEU International Training	70,500	99,824	-
Six Sigma Program	36,486	35,865	35,886
Professional Project Management Program	8,886	8,564	10,836
On Site Training Programs	18,310	18,101	8,480
Start-Up Programs	3,501	209	-
Technical Programs	-	4,657	9,228
Test Prep Programs	4,586	3,133	3,646
Business Comm & Grant Writing	-	-	286
Accounting & Finance	-	-	223
Math & Science	-	-	1,685
Hospitality & Service Industry	-	-	2,480
Supply Chain Management	-	-	612
Human Resources Management	-	-	3,540
Building & Construction Management	-	-	9,216
Ed 2 Go	-	-	(90,440)
Art, Media & Design	-	-	2,236
Global Ed Programs Standard	-	-	11,783
CPELI Camps	-	-	119,503
CPELI Standard	-	-	436,292
Total College of Extended Univ Programs	438,013	680,947	893,045



CAL POLY POMONA FOUNDATION

Budget Presentation 2013-2014

<u>COLLEGE OF EXTENDED UNIVERSITY - Programs</u>	2012-13 Approved Budget	2012-13 Forecast Budget	2013-14 Proposed Budget
<u>COLLEGE OF ENGINEERING</u>			
Non-Credit Learning Admin	(5,150)	48	48
Civil Engineering Review	2,217	4,333	4,333
Total College of Engineering	(2,933)	4,381	4,381
<u>College of Science</u>			
Chemistry Agilent Project	16,596	4,624	16,333
Total College of Science	16,596	4,624	16,333
GRAND TOTAL CONTINUING EDUCATION PROGRAMS	451,676	689,952	913,759

CAL POLY POMONA FOUNDATION

Budget Presentation 2013-2014

AGRICULTURE	2012-13 Current Year Approved Budget	% of Revenue	2012-13 Current Year Forecast	% of Revenue	2013-14 Proposed Budget	% of Revenue
Revenues	3,129,118	100%	2,940,559	100%	3,276,681	100%
C.O.G.S	794,841	25%	684,311	23%	827,241	25%
Gross Margin	2,334,277	75%	2,256,248	77%	2,449,440	75%
Expenditures Controllable	1,321,262	42%	1,217,363	41%	1,350,568	41%
Expenditures Non-Controllable	221,021	7%	206,649	7%	245,454	7%
Total Labor	687,962	22%	771,798	26%	777,870	24%
Total Expenses	2,230,245	71%	2,195,810	75%	2,373,892	72%
Net Income	104,032	3%	60,438	2%	75,548	2%



CAL POLY POMONA FOUNDATION

Budget Presentation 2013-2014

AGRICULTURE AID TO INSTRUCTION PROGRAMS			
Surplus/(Deficit) Budget Comparison Summary			
DESCRIPTION	2012-13 Approved Budget	2012-13 Forecast Budget	2013-14 Proposed Budget
Agronomy Farms	62,691	10,034	27,706
Arabian Horse Unit	2,170	21,770	7,742
Beef Unit	(1,206)	4,086	6,692
Fruit Industry	4,036	500	1,800
Meat Lab	2,734	5,590	2,722
Ornamental Horticulture	6,449	4,611	2,212
Pine Tree Ranch	6,073	16,772	19,214
Sheep Unit	(4,888)	(1,636)	(3,024)
Swine Unit	(2,980)	(7,691)	(5,324)
Vet Clinic	-	-	727
Farm Store at Kellogg Ranch	28,953	6,402	15,081
Total	104,032	60,438	75,548

CAL POLY POMONA FOUNDATION

Budget Presentation 2013-2014

RESEARCH	2012-13 Current Year Approved Budget	% of Revenue	2012-13 Current Year Forecast	% of Revenue	2013-14 Proposed Budget	% of Revenue
Revenues	1,600,000	100%	1,350,000	100%	1,360,178	100%
Expenditures Controllable	770,042	48%	641,273	48%	553,730	41%
Expenditures Non-Controllable	608,800	38%	508,300	38%	505,725	37%
Total Labor	176,002	11%	154,825	11%	255,127	19%
Total Expenses	1,554,844	97%	1,304,398	97%	1,314,582	97%
Net Income	45,156	3%	45,602	3%	45,596	3%

CAL POLY POMONA FOUNDATION

Budget Presentation 2013-2014

DESIGNATED GIFTS

Per Policy No. 118, the Foundation has included in this year's budget a contribution in support of the University of \$1,626,640. 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:

	2012-2013	2013-2014
	<u>Forecast</u>	<u>Proposed</u>
• President's Request	\$ 552,750	\$ 640,000
• University Advancement Request	419,475	678,100
• Research and Graduate Studies Request	110,000	110,000
• Admin. Operating Endowment Request	32,000	82,000
• Faculty Staff Café deficit	13,226	16,564
• Rose Float Request	100,000	0
• 75 th Anniversary Request	<u>0</u>	<u>100,000</u>
Total Requested	<u>\$1,227,451</u>	<u>\$1,626,640</u>

***Over the past five years the Foundation has contributed over \$4.92 million in cash to the University.**



CAL POLY POMONA FOUNDATION

Budget Presentation 2013-2014

USES OF CASH	2012-2013 BUDGET	2012-2013 FORECAST	2013-2014 BUDGET
CAPITAL EXPENDITURES			
Dining Services	1,081,000	1,139,000	717,500
Kellogg West	212,000	212,000	1,000,000
Bookstore	25,000	-	40,000
University Village	553,000	304,189	696,000
Administration	270,000	227,800	232,000
Real Estate	192,500	27,000	325,000
Agriculture	125,000	100,000	504,000
CEU	10,000	-	310,000
PY Carryover	332,300	-	488,503
TOTAL CAPITAL EXPENDITURES	2,800,800	2,009,989	(1) 4,313,003
FINANCING			
University Village Bond payment - 2005A & B	570,000	570,000	595,000
CTTi Bond payment - 2007	180,000	180,000	185,000
TOTAL USES OF FINANCING	750,000	750,000	780,000
RESERVES			
Agriculture Program Reserve @ 55% net Annual Surplus	54,181	24,855	31,545
Capital Reserve @ 1.75% of Gross Auxiliary Revenues	868,803	753,135	771,814
Innovation Village Demo Reserve	82,693	46,487	8,130
Insurance Reserve	60,950	60,950	109,109
Residential Board Meal Program Surplus Reserve excess 7%	62,398	219,500	110,653
Pine Tree Ranch Reserve @ 50% net Annual Surplus	3,037	8,386	9,607
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	430,363	441,037
TOTAL RESERVE CONTRIBUTIONS	2,173,513	2,563,676	2,501,895
TOTAL USES OF CASH	5,724,313	5,323,665	7,594,898

Note 1 - the 2013-14 budget includes funding \$1.0 mil to a VEBA Trust & the APBO obligation is not considered a Use of Cash

(1) Capital Expenditures of \$3.82 million and carryover of \$489K for a total of \$4.3 million

(2) Principal Debt Payment of \$780,000

(3) Contribution to Reserves \$2.5 million



CAL POLY POMONA FOUNDATION

Budget Presentation 2013-2014

CAL POLY POMONA FOUNDATION, INC. PROPOSED CAPITAL BUDGET

	Prior Years Remaining	Proposed Detail 2013-14	Proposed Total 2013-14	
Enterprise Activities				
Foundation Housing				
University Village	235,303	696,000		Security camera system replacement (\$100,000), Security gate system replacement (\$80,000), Refurbish Phase II (\$155,000), Bathroom vanities Phases I and II (\$61,000), Kitchen cabinets Phase II (\$275,000). Carpet replacement various apts (\$25,000)
Total Foundation Housing			696,000	
Bronco Bookstore				
Bookstore	-	40,000	40,000	Sales floor space (\$30,000), Repair atrium doors (\$10,000)
Dining Services				
Dining	16,000	147,500		POS upgrade (\$10,000), Bldg 97 generator hookup (\$18,000), Bldg 97 lighting retro (\$60,000), Bldg 97 fire alarm (\$30,000), Kikka workstation (\$4,500), Mobile implementation project (\$10,000), Jamba Juice equipment (\$15,000)
ENV Café	5,000	-		Tables and chairs for patio with umbrellas
Vending	-	50,000		Shop 24 infrastructure
Los Olivos	-	229,000		Server refresh-counters, floor, abatement, cabinets, paint, lights, add vegan station, ceiling
Vista Market	-	10,600		Magellan 8405 scanner/scale, sapphire glass, produce rail (\$4,600), Office space optimization (\$6,000)
Kellogg West Dining	-	234,000		Truck (\$15,000), walk in doors, paint kitchen and PDR's, stone tops for 2 cabinets, curtains for dining room, upgrades to dining area (\$219,000)
Subway	-	5,400		Turbo Chef Oven
Round Table Pizza	-	18,000		Install booths
Taco Bell	-	23,000		Brand refresh- license fees, prepare for new contract
Total Dining Services			717,500	
Kellogg West Conference Center & Lodge				
Kellogg West Rooms & Conference		1,000,000		Crestview Bldg 77 exterior and courtyard update
Total Kellogg West			1,000,000	
Facilities				
Facilities	-	-		No capital budget requested
Total Facilities			-	
Real Estate Activities				
CTTI Buildings	13,000	192,000		Patch & paint exterior (\$110,000), LED wall lights (\$11,000), Repair & resurface decks & stairways (\$63,000), HVAC compressor replacement (\$8,000)
Innovation Village	-	50,000		Master planning consultant fees
Bldg 97	-	31,000		Fire Alarm system replacement
Bldg 96	-	52,000		Exterior paint (\$17,000), Energy management system (\$7,000), Fan motor replacement (\$10,000), Atrium furniture & trash containers (\$8,000), Door repair (\$10,000)
Total Real Estate Activities			325,000	



CAL POLY POMONA FOUNDATION

Budget Presentation 2013-2014

CAL POLY POMONA FOUNDATION, INC. PROPOSED CAPITAL BUDGET

(Continued)

	Prior Years Remaining	Proposed Detail 2013-14	Proposed Total 2013-14	
College of Ag				
Spadra/Westwind Ranch	-	59,000		Pickup truck (\$29,000), John Deere Gator (\$15,000), Trpoc Breeze wind machine R/R (\$15,000)
Pine Tree Ranch	77,700	60,000		Repairs to residence / Phase 2
Farm Store	55,000	255,000		Re-location of Farm Store entrance
Arabian Horse Center	-	50,000		Digital X-Ray Machine
Vet Clinic	-	80,000		Stationary X-ray machine
			504,000	
College of Science				
Chemistry Agilent Project	10,000	-	-	Computer Equipment
College of Extended University				
CPELI Standard	-	310,000	310,000	Computer Equipment
Administration				
Human Resources	-	12,000		3 KRONOS touch terminals
Marketing	-	10,000		Wide format printer z6200
Admin	15,000	70,000		Bldg 55 HVAC units (\$60,000), exterior paint bldg 55 (\$10,000)
Management Info Systems	-	45,000		Kronos updates- expansion of services and upgrade from 6.1 to 6.3. Wrap up interface work related to upgrade
Management Info Systems	-	15,000		SAN storage expansion- to ensure adequate space for disaster recovery, disk-to-disk recovery and anticipated growth in data services
Management Info Systems	-	15,000		Disaster recovery equipment migration to Hosted - project costs for the movement of equipment and services to co-location and sync DR data
Management Info Systems	12,200	-		Disk to Disk Back-up solution- For enterprise backup and recover as well as disaster recovery capability
Management Info Systems	-	15,000		Mobile device lab- preproduction testing environment to provide mobile file access and security improvements
Management Info Systems	-	30,000		VM VDI hardware/software purchases- to expand virtual desktops to reduce desktop hardware costs
Management Info Systems	50,000	-		OneSolution/Endowment Software Upgrade- To provide more efficient processing of donations and endowments
Management Info Systems	-	20,000		Security log monitoring software
Total Administration			232,000	
Prior Years and Proposed Capital Budget	488,503		3,824,500	<i>Note - the proposed capital budget assumes funding of \$1,309,000 from the Capital Reserve, \$229,000 from the Residential Board Meal Program, Surplus Reserve and \$1,104,997 from the operations of the units.</i>
Total Prior Years and Proposed Capital Budget			4,313,003	



CAL POLY POMONA FOUNDATION

Budget Presentation 2013-2014

USES OF CASH		2012-2013	2012-2013	2013-2014
		BUDGET	FORECAST	BUDGET
CAPITAL EXPENDITURES				
	Dining Services	1,081,000	1,139,000	707,500
	Kellogg West	212,000	212,000	1,000,000
	Bookstore	25,000	-	40,000
	University Village	553,000	304,189	696,000
	Administration	270,000	227,800	232,000
	Real Estate	192,500	27,000	325,000
	Agriculture	125,000	100,000	504,000
	CEU	10,000	-	310,000
	PY Carryover	332,300	-	488,503
	TOTAL CAPITAL EXPENDITURES	2,800,800	2,009,989	4,303,003
FINANCING				
	University Village Bond payment - 2005A & B	570,000	570,000	595,000
	CTTi Bond payment - 2007	180,000	180,000	185,000
	TOTAL USES OF FINANCING	750,000	750,000	(2) 780,000
RESERVES				
	Agriculture Program Reserve @ 55% net Annual Surplus	54,181	24,855	31,545
	Capital Reserve @ 1.75% of Gross Auxiliary Revenues	868,803	753,135	771,814
	Innovation Village Demo Reserve	82,693	46,487	8,130
	Insurance Reserve	60,950	60,950	109,109
	Residential Board Meal Program Surplus Reserve excess 7%	62,398	219,500	110,653
	Pine Tree Ranch Reserve @ 50% net Annual Surplus	3,037	8,386	9,607
	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	430,363	441,037
	TOTAL RESERVE CONTRIBUTIONS	2,173,513	2,563,676	2,501,895
TOTAL USES OF CASH		5,724,313	5,323,665	7,584,898

Note 1 - the 2013-14 budget includes funding \$1.0 mil to a VEBA Trust & the APBO obligation is not considered a Use of Cash

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³¹ (3) Contribution to Reserves \$2.5 million



CAL POLY POMONA FOUNDATION

Budget Presentation 2013-2014

Debt Service Coverage (Fiscal Year Ended June 30)			
Description	Budget 2012-13	Forecast 2012-13	Proposed Budget 2013-14
Change in unrestricted net assets	1,377,434	2,440,748	1,486,778
Add Back:			
University Designated Expenses	1,273,096	1,127,451	1,626,664
Surplus (Deficit) before Designated Expenses - see Note	\$ 2,650,530	\$ 3,568,199	\$ 3,113,442
Add Back:			
Depreciation and amortization	3,786,795	3,788,607	3,996,802
Interest (see detail below)	1,365,955	1,365,955	1,317,876
Available for Debt Service	7,803,280	8,722,761	8,428,120
Maximum Annual Debt Service *			
2005 Series Bonds	1,830,625	1,830,625	1,830,625
2007 Series Bonds	332,750	332,750	332,750
Total Debt Service	2,163,375	2,163,375	2,163,375
Total Debt Service before Designated Expenses - see Note	3.61	4.03	3.90
Total Debt Service after Designated Expenses	3.02	3.51	3.14
Note: * Bond covenants require the Foundation to not incur a deficit in any two consecutive years after adding back the designated gifts and a debt coverage ratio of at least 1.25.			
* Maximum annual debt service is reported as the total amount of scheduled debt service during the year in which the debt service is scheduled to be highest during the life of the Bonds			
Interest Detail			
2005 Series Bonds - Interest	1,218,855	1,218,855	1,192,024
2007 Series Bonds - Interest	147,100	147,100	125,852
Total Interest Expense	\$1,365,955	\$1,365,955	\$1,317,876

CAL POLY POMONA FOUNDATION

Budget Presentation 2013-2014

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

	<u>Proposed</u>	<u>Goal</u>	<u>Balance</u>
• <u>Policy No. 103</u>			
• Indirect Cost (Disallowance) Reserve	-	492,195	404,656
• <u>Policy No. 170</u>			
• Agriculture Program Reserve	31,545	75,000	131,400
• Pine Tree Ranch Reserve	9,607	75,000	158,879
• <u>Policy No. 171</u>			
• Res Board Meal Program Surplus Res	110,653	-	1,167,580
• Cafeteria State Share Reserve	-	-	182,062
• <u>Policy No. 172</u>			
• Operating Reserve	5,829,713	-	5,829,713
• Capital Equipment Reserve	771,814	6,000,000	3,230,854
• Venture Capital/Real Estate Reserve	441,037	6,000,000	1,348,407
• <u>Policy No. 173</u>			
• Funded portion of Retiree Medical Benefits	1,000,000	4,000,000	4,000,000
• <u>Policy No. 174</u>			
• Insurance Reserve	109,109	-	127,507
• <u>Policy No. 175</u>			
• Research & Sponsored Programs Reserve	20,000	-	114,527
• Innovation Village Demo Reserve	8,130	-	54,617
• <u>Policy No. 134</u> - Emergency Reserve	-	-	120,152



CAL POLY POMONA FOUNDATION

Budget Presentation 2013-2014

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		BUDGET	FORECAST	BUDGET
CAPITAL EXPENDITURES				
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³⁴ (3) *Contribution to Reserves \$2.5 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 2013-2014

Cal Poly Pomona Foundation, Inc. Long Term Cash Plan/Reserve (000's)						Reserve						
						Balances	Reserve					
						2024	Goal					
						2012	2013					
						2014	2015-2019					
						2020-2024						
SOURCES OF CASH												
Excess of Revenue over Expenses												
Total Surplus (Deficit) - Operations						2,853	3,568	3,113	17,578	42,613		
Non-cash transactions												
Depreciation						3,669	3,789	3,997	19,985	39,970		
FAS 158 - Post Retiree Medical Benefits						1,082	899	1,025	3,085	4,291	8,063	8,063
Total Non-cash transactions						4,751	4,688	5,022	23,070	44,261		
TOTAL CASH GENERATED FROM OPERATIONS						7,604	8,256	8,135	40,648	86,874		
Total Financing Activities						263	327	328	1,663	2,452		
Total Reserve Activities						842	273	1,538	4,222	9,116		
TOTAL SOURCES OF CASH						8,709	8,856	10,001	46,533	98,442		
USES OF CASH												
Capital Project Requirements						7,696	2,010	4,313	17,591	24,731		
Financing Activities						905	750	780	6,035	11,669		
Designated Gifts						1,470	1,127	1,627	9,440	21,487		
Transfer Fixed Assets to University						-	-	-	-	-		
Other Changes- see note						-	-	-	-	-		
Reserve Contributions						2,406	2,563	2,502	9,348	19,421	18,994	24,480
TOTAL USES OF CASH						12,477	6,450	9,222	42,414	77,308		
Net Change in Cash						(3,768)	2,406	779	4,119	21,134		
Cash Available						6,871	9,277	10,056	14,175	31,190		
Min. Two Month Working Capital Reserve Required							5,622	5,830				

CAL POLY POMONA FOUNDATION

Budget Presentation 2013-2014

General, Enterprise, and Reserve Budgets for Fiscal Year 2013-14 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 2013-2014

(Continuation)

- **WHEREAS**, the budget includes contributing 10.05% 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 8.049% for employees hired thereafter to the CALPERS 2% at 60 retirement Risk Pool (these employees will contribute 7%) and 6.25% for employees hired on or after January 1, 2013, (employees will share equally in the cost for this plan and will therefore contribute 6.25%) for a total of approximately \$790,000; and no change to salary grades ranges and a 3% or approximately \$143,000 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 2012-13 fiscal year and who have not had any pay adjustments due to promotions or job restructures during the 2012-13 fiscal year, and among the other employees includes the two Officers of Foundation); 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 Finance Committee 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 Finance Committee approves the Proposed Operating and Capital Budgets for fiscal year 2013-14 and forecasts for fiscal year 2012-13 for General Activities, Enterprise Activities, Reserves and the long-range cash plan/reserve be submitted to the Board for review and approval at its next regularly scheduled meeting.

PASSED AND ADOPTED THIS 23rd DAY OF MAY 2013

By: _____

Dr. Winny Dong, Secretary

Cal Poly Pomona Foundation Board of Directors

SUMMARY

CAL POLY POMONA FOUNDATION, INC. PROPOSED 2013-14 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 restricted and unrestricted budget is projected to generate a surplus of \$13.1 million based upon budgeted revenues of \$74.8 million and budgeted expenditures of \$61.6 million.

The proposed unrestricted operating revenues of \$53.3 million offset by the expenditures of \$51.8 million generate a net surplus of \$1,486,778. The proposed operating budgeted revenues are projected to increase \$1,761,946 or 3.4% over the current year forecast mainly due to Dining Services, Agriculture, Continuing Education and offset by Investments. In arriving at this surplus, management recommends the following:

- Allow for a 4.00% 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 10.052% 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 8.049% to the CALPERS 2% at 60 retirement Risk Pool for employees hired between June 27, 2011 and December 31, 2012, (these employees will contribute 7%), and 6.25% to CALPERS 2% at 62 retirement Risk Pool for employees hired on or after January 1, 2013 (these employees will share half the total cost and will contribute 6.25%) for a total of approximately \$790,000. Amounts for the 2% at 62 plan are current rates and will change in June 2013 and CALPERS has not yet released that data at this time.
- No change to salary grades and a 3% or approximately \$143,000 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 3.90 and forecasted coverage of 4.03. The proposed budget and forecast meets 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 unrestricted operating, non-cash transactions including depreciation, financing and uses of reserves as reported in the Summary of Sources of Cash, generates \$8.4 million from the following activities:

• Operating surplus	\$ 3,113,442
• Designated Gifts to the University	(1,626,664)
• Non-cash depreciation and amortization	3,996,802
• Non-cash retirement medical	1,025,290
• Financing	327,964
• Reserves	<u>1,538,000</u>
• Total cash generated	<u>\$ 8,374,834</u>

The proposed unrestricted uses of cash of \$7.6 million are for the following activities:

• Capital improvement requests	\$ 3,824,500
• Capital improvement carry forward	488,503
• Principle bond payments	780,000
• Contributions to reserves	<u>2,501,895</u>
• Total cash used	<u>\$7,594,898</u>

The proposed capital budget request of \$3.8 million is for Kellogg West Conference Center, Foundation Village Housing, Agriculture-Aid-To-Instruction, Dining Services, Real Estate, Continuing Education, Bookstore and Administration.

General Activities – include administration, real estate and investments are projected to generate a deficit of \$73,471 versus a forecasted surplus of \$333,438 mainly due to projected return on investments. **Administration** revenues are comprised of fees and are budgeted to increase 10.8% or \$380,510 mainly due to increased revenues from Dining Services, Agriculture and Continuing Education. Administration is proposing to generate a deficit of (\$918,065) versus a forecasted deficit of (\$1,117,819) and includes the retirees medical benefit

premiums of \$381,733, and \$363,555 in the proposed budget and forecast respectively and \$190,000 cost of deductibles for two employment practice settlement cases in the forecast.

Administration is requesting capital of \$232,000 for the following; KRONOS terminals and expansion of services and upgrade, wide format printer, GVAC units for Building # 55, SAN storage expansion, Disaster recovery equipment migration to hosted, Disk to disk back-up solution, Mobile device lab, VM VDI hardware/software, ONESolution software upgrade and Security log monitoring software. Carryover funding from prior years is \$77,200 for HVAC Building # 55, Disk to disk back-up solution and ONESolution Endowment software upgrade.

Real Estate includes development, building rental and faculty staff housing and is projecting to generate a surplus of \$391,213 versus the forecast of \$271,234. The Real Estate Division is requesting capital of \$325,000 for Patch and paint exterior, LED wall lights, Repair and resurfaces decks and stairways and HVAC compressor for CTTI; Master planning consultant fees for Innovation Village; Fire alarm system replacement for Building # 97; Exterior paint, Energy management system, fan motor, Atrium furniture, trash containers and Door repair for Building # 66.

General Investments are budgeted to generate a surplus of \$453,381 versus a forecasted surplus of \$1,180,023. The equity portfolio is budgeted to generate a surplus of \$286,908 using an annualized return of 4% with no additional investments the portfolio's value will be \$7.3 million by June 2014. The fixed income portfolio is budgeted to generate a net surplus \$166,472 assuming a yield of approximately 3.19% with a yield curve (duration) of 2.62 and an average investment grade rating of AA- ending the year at a value of \$25.2 million. Net interest earnings are forecasted to be \$215,991 from the ENV Studio Loan, Innovation Village Infrastructure investment, fixed income portfolio, LAIF and Sweep account. Quarterly interest distributions to the scholarship and program accounts are forecasted to be \$667,802.

Endowment Investments, Distribution and Donations - Investments are budgeted to generate a surplus of \$854,653 versus a forecasted surplus of \$6,393,604. We assumed an annual return of 4% excluding dividends and interest. Dividends and interest are forecasted to return 2.4% and 3.2% respectively. Total investment fees are forecasted to be 0.38 basis points. We budgeted a 5% or \$3.5 million endowment earnings distribution in October 2013. Endowment donations are projected to be \$8.6 million per the Division of Advancement and include the \$8.0 million from the Kellogg Foundation's pledge payment.

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 0.95% or \$100,311 generating a proposed surplus of \$312,216 or 3.0%. Combined sales and rentals have continued to decline but not as fast as 2-3 years ago, and new textbook pricing/sourcing strategies should help retain market share. The store's higher-margin categories have remained strong, which has helped maintain net income.

General Merchandise areas rely on more discretionary income but 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 be just slightly higher than 2012-13. Food areas are planned to be flat, while health and beauty will be up slightly. The Computer Store continues to be a steady performer, and is seen as a growth center 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 adding more diverse selection in accessories.

No other major changes in the expense category and tight controls on all expenses will be maintained. Labor will continue to be our focus, but with major staff transitions there will need to be some resources devoted to staff development.

Bookstore capital request is \$40,000 for sales floor space and atrium door repair.

Dining Services - With the following new features and venues we are projecting sales to come in at just over \$16.1 million, an increase of \$1.0 million or 7.0% over forecast and generate a surplus of \$422,780 or 2.6%. The upcoming Fiscal year we will be challenged with managing our food and labor costs. With inflation approaching 2.4% currently, and unemployment figures dropping, managing the middle of the page will be critical, particularly with our retail saturation of the current market. Again, with the exception of Subway, our other retail operations are seeing a reduction in revenue anywhere between 8% and 15%. I don't anticipate enrollment increases to assist in addressing this issue.

Our fall 2012 NACUFS satisfaction survey shows the need for additional and more comfortable seating. We look to the addition of outdoor seating at Einstein's and booth seating in Round Table Pizza. We moved over 100 chairs for the Kellogg West surplus to Campus Center Marketplace and 70 additional seats at Los Olivos. Speed of service is also an opportunity for improvement. We are implementing a restaurant style pager alert system at Denny's that will alert customers when their food is ready. If this is successful, we may expand this program to other retail operations.

The upgrade to the Odyssey system will allow us to implement a number of innovative technologies. From mobile ordering apps to adding Bronco Bucks to your account will be rolled out over the coming year. I see voluntary participation in our Bronco Bucks program being one of our biggest opportunities for growth. We will be working with the card office to develop promotions at our units that will drive traffic during slower periods, and rewarding our customers every time they use Bronco Bucks to pay for their purchases.

Taco Bell will undergo a moderate refresh as we renew their contract. We also look to renew our Pepsi contract that will better enhance the Pepsi contribution to scholarships. The addition of a Shop 24 automated C-Store at the Village is in the works, and is only made possible by a new profit sharing business model.

Our new food truck is budgeted to break even with a top line contribution of close to \$300,000. With the projected growth in our base operations on campus and the addition of 3 new venues and a Food Truck on campus, we are requesting the following: An 80% Utility position at Los Olivos. We currently have one open full time position and would like to convert this to two positions at 80% with benefits. We have included a Bronco Student Center (BSC) manager to backfill a position. We are already growing catering out of BSC and Einstein's and we have increased catering sales at Subway by \$17k over the last two years.

Retail Dining revenues are budgeted to increase \$594,507 or 9.3% over forecast generating a surplus of \$41,165 versus a forecasted surplus of \$42,818. The revenue increases are due to the new Food Truck and the successful Qdoba operation. **Vending** sales are proposed to increase by 210% or \$202,020 over the current year forecast and will generate a surplus of \$47,627 versus the current year forecasted deficit of \$7,920. The revenue increases are due

to Shop 24 automated C-Store at the Village. **Residential Dining** segment of our business reflects a proposed increase in revenues of 1.3% or \$87,137. The proposed budget assumes the same number of residents and we are requesting a 4.0% increase in the meal plans. Our continued relationship with Sodexo should have a positive effect on cost of food at Los Olivos. **Kellogg West Dining** revenues are budgeted to increase 10.4% or \$165,717 generating a deficit of \$95,448 versus a forecasted deficit of \$159,460 due to a shift away from higher end menu items to simpler and budget conscious selections and improved controls of labor and expenditures as the uncertainty with the recovery and the state budget crisis continues.

Dining Service's capital budget request of \$717,500 includes the following:

- \$147,500 – Dining POS upgrade, Bldg 97 generator hook-up, lighting retro and fire alarm; Kikka workstation; Mobile implementation project; and Jamba Juice equipment;
- \$50,000 – Vending Shop 24 infrastructure;
- \$229,000 – Los Olivos servery refresh of ceiling, counter, floor and abatement, cabinets, paint, lights and add vegan station;
- \$10,600 – Vista Market scanner/scale, sapphire glass, produce rail and office space optimization;
- \$234,000 – Kellogg West Dining truck, walk in doors, pain kitchen and PDR's, stone tops, curtains and upgrades for dining room area;
- \$5,400 – Subway turbo chef oven;
- \$18,000 – Round Table Pizza install booths; and
- \$23,000 – Taco Bell brand refresh.

Kellogg West Conference Center & Lodge - The proposed budgeted revenues are projected to increase by 9.6% or \$135,726 resulting in a surplus of \$4,098 versus a forecasted surplus of \$40,549. Kellogg West is projecting that meeting/conference demand and revenues will continue increasing through 2013-2014 with the continued demand for more affordable facilities that offer the "service" meeting planners expect. As with the past several years Kellogg West continues to see returning clients who at one time "up-scaled" their meetings to higher priced alternatives but who are now, due to budget constraints, coming back to more affordable alternatives such as Kellogg West.

SCE continues to book Kellogg West however, both, the number of meetings as well as the amount spent for those meetings has been significantly scaled back since their initial year and a half on campus.

Controllable Expenses as well as Labor Expenses for 2013-2014 continue to be tightly controlled and the financial "bottom line" is the focus.

After holding prices for the last 4 years Kellogg West will slightly increase some areas of pricing where costs have greatly increased. As a whole we will only make increases where needed in order to continue being "affordable" and competitive in a market that has a great deal of many and newer hospitality alternatives.

The next step toward keeping and even building our business levels will be with a four-phase, four fiscal year capital improvement project plan of our facilities. Phase I will consist of a complete exterior makeover of our Crestview guest room building (Bldg.77) from top to bottom including the interior courtyard areas and landscape. This capital project request is \$1.0 million to complete Phase I over the next 12 months. In 2014-15 Phase II will consist of a complete

remodel of all 51 guest rooms in that building (Bldg. 77). In 2015-16 Phase III will consist of a complete remodel of all Hillside (Bldg.78) and Woodview (Bldg. 78-B) guest rooms - 34. In 2016-17 Phase IV will be the complete exterior makeover of the Main Conference Center (Bldg. 77), Hillside (Bldg. 78) and Woodview (Bldg. 78-B).

Kellogg West Conference Center and Lodge is requesting capital funds of \$1.0 million for Phase I of Crestview Building # 77 exterior and courtyard upgrades.

University Village – The 2013-2014 budgeted revenues are projected to increase by 1.8% or \$153,953 resulting in a surplus of \$1,412,915 versus a forecasted surplus of \$1,744,591. The 2013-2014 budget has been designed to continue the growth and development experienced over the past several years while increasing the use of “best practices” and also maintaining fiscal accountability. We’ve continued to “hold the line” on license fees with a minimal 5% increase for 2013-2014. 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 II for the summer months to allow for painting, cleaning, and general repairs. We expect full or nearly full occupancy during 2013-2014 however, it’s important to consider changes in the University, national and international economy, enrollment and subsequent budget “cuts” etc. and also allow for some “cushioning” against any sudden economic and budgetary downturns. The 2013-2014 budget is based (largely) on the end of year forecast provided for 2012-2013. We’ve maintained “sensible” spending however we have added staff to lead our new programs and services. The units did reasonably well with spending this year. We’ll continue to enhance all existing and recently added services for our students including the Tech. Center, laundry room and a new food purchasing option called Shop 24. We’ll also be retrofitting the old maintenance building (34) as a rec. center multi-purpose building and annex.

In light of our Major Goals, 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 2013-2014 budget is somewhat less “lean” than recent budget submissions. We’ve restored some funding for professional staff hiring, 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 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. All Phases are increasingly in need of costly on-going maintenance. Phase III (8 years old) is quickly deteriorating due to faulty workmanship and inferior construction materials. 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. We’ve also decided in 2013-2014 to offer our students full use of the laundry room by including a \$10 monthly fee as part of their license fees. The laundry room will be completely redeveloped with brand new water saving top loading machines and front loading dryers. We’ll also still provide apt. cleaning, and on-going restoration and refurbishment of apartment furniture and appliances while stressing economic

efficiency and sustainability. 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 for 2013-2014 are \$696,000 and reflect a focus on the "practical and necessary" upgrades in order to ensure essential services and customer appeal. We continue to maintain, upgrade and "extend the life" of our "aging" facilities. Phase II will be closed for the summer for "cosmetic" and structural upgrades. This work is critical in order to maintain the "appeal" of Phase II housing as well as to reduce the effects of wear and tear on the facility. 2013-2014 projects are listed below in priority order:

- \$155,000 - Scheduled refurbishing/painting and repair of all Phase II apartments;
- \$61,000 - Replace all kitchen cabinets and bathroom vanities in Phases I and II;
- \$100,000 - Upgrade and install state of the art security camera system;
- \$80,000 - Replace the electronic entry gate systems at both entrances;
- \$25,000 - Replace carpet in various apartments; and
- \$275,000 – Replace kitchen cabinets Phase II

Board Designated Gifts – for the benefit of the University is projected to increase 44% or \$500,787 to \$1.6 million 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. This year's increase includes initiatives to wrap up the comprehensive campaign and campus community campaign, assist with the University's 75th anniversary, provides funds for legal, consulting, supplies, services and training fees for Advancement and the President's public relations programs.

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 \$233,954 versus a forecasted surplus of \$294,884 that will be distributed to the Division of Academic Affairs through the Indirect Surplus project that is generating a corresponding proposed budgeted deficit of \$188,802 and forecasted deficit of \$249,732 to allow for a proposed budgeted surplus of \$45,152. This surplus is used to fund the patent reserve for \$20,000 and the balance of \$25,000 maybe used to fund the Indirect Cost Disallowance Reserve in future years.

Direct grant and contract expenditures are negatively impacted by a gap in National Institutes of Health (NIH) SCORE grant program opportunities (NIH suspended receipt of proposals during that review period; it has now resumed the program and new CPP proposals are being developed for upcoming 2013 competitions). The proposed budgeted indirect revenues are slightly greater than forecasted due to a higher effective IDC rate. The indirect cost recoveries are budgeted to be \$1,360,177 or 12.14% on \$11.2 million of direct expenditures. Costs continue to be impacted by effects of lack of growth in state funding, and increased proposal activity:

a) Funding is increased to ensure adequate in- and out-of-state travel, webinar and conference costs for the AVP Research, in anticipation of limited state funds for these purposes. An out-of-state trip for the ORSP Director continues to be budgeted; in addition, modest funds are budgeted for the Sponsored Programs Associates to continue essential technical training and updates on regulations and sponsored programs.

b) The proposed budget includes a full-time benefited new, temporary "Contracts Paralegal Analyst" to streamline and reduce time required for legal analysis and execution of complex

legal documents that Foundation must sign as CPP's grant/contract awardee. Use of staff-level legal expertise will be more cost effective vs. high external hourly legal rates and will free others for more proposal and budget development/submission-oriented work.

c) Increases in student employee costs are a result of the 3% increase in rates as stipulated by the Foundation. Also, 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. This support is necessary during 2013-14 to meet the demand for proposal development processing/support and to ensure adequate backup for the critical administrative support staff/functions in ORSP and in OR.

d) In light of the forecasted drop in total revenues, the SIRG program is budgeted at a reduced total amount of \$75,000 for 2013-14 and only one competition will be held. (In 2012-13, two competitions @\$50,000 each, totaling \$100,000, were held.)

f) Finally, overall total expenses are budgeted to show only moderate change vs. the forecasted amount for 2012-13.

Agricultural Programs – proposed budget consists of eleven projects and is projecting to generate a surplus of \$75,548 versus a forecasted surplus of \$60,438 on revenues of \$3.2 million, an increase of \$336,122 or 11.4% over the current year forecasted revenues mainly from agronomy and fruit sales in the Farm Store due in part to the 75 anniversary year for Cal Poly Pomona. The proposed budget includes a full-time benefited assistant manager at the Farm Store and a new VET Clinic project is included in this year's budgets.

Agronomy Farm – revenues are budgeted to increase 5.3% or \$49,684 generating a surplus of \$27,706. Acreage of crops for the proposed 2103/2014 fiscal year will be similar to the prior year, with field crop products leading the way at \$850,000 of the proposed \$970,000 income. The continued success of this project hinges on our continuing relationship with the California Department of Corrections on Westwind Ranch. A goal for this current year is to expand vegetable crop acreage to provide a more constant flow of product to the farm store. In 2013/2014, we hope to lengthen the summer season crops longer into the fall and cool season crops longer into the spring to help reduce gaps. Expansion of our two most popular crops, sweet corn and melons will be critical into making this happen. New production scenarios of transplanting most cool season product will be in place by August, due to another donation of funds for transplanting equipment. This will help fight one of our major pest issues.

We are anxious to expand the production of seed in partnership with Monsanto, expansion of strawberries and blackberries for u-pick at the store, and highlighting the Pumpkin Festival with some new crops for the 75th Anniversary celebration.

We have reinstated state student wages and state funding of at least a 50% position. The lower labor expense will allow us to hire an accountant at 20 hours per week to work specifically on projects and advancement for all of the fund 5 projects.

Controllable expenses are up about \$50,000 to \$632,000, mostly due to repair services and equipment maintenance, due to aging equipment. This is why time must be spent in the advancement arena to modernize our fleet and equipment. New computer technologies like GPS guidance of tractors, and engine diagnostics are important technologies which we must be providing to our educational programs.

The Agronomy Farm capital budget request is \$59,000 and includes a pick-up truck, John Deere Gator and Tropic Breeze wind machine.

Arabian Horse Center – revenues are budgeted to increase by \$41,500 or 13.6% generating a surplus of \$7,742 due to the distribution of earnings from the Arabian Horse Center Endowment, the Norco Ranch Property operations, boarding income, horse sales and income from shows. We are working on the possibility of increasing the quality and number of exhibitions with an outside business that has a great deal of experience in equine productions. On the expense side, the demand and price for hay is actually declining. The flexibility in our budget lies in our ability to curtail some of our expenses, particularly in the area of showing horses and travel, should our income not be as high as anticipated. Veterinary expenses should decline by providing veterinary care for the horses in-house. Farrier expense and the expense for shavings are two of the larger budget items. The use of shavings has been reduced by approximately 30 to 40% by improved husbandry and the use of a product called "Odor No More." This product is supplied to us at cost by a Cal Poly Alumnus. Barring deviations in the above-mentioned sources of income, we should be able to realize a slight surplus.

The Arabian Horse Center capital budget request is \$50,000 for a digital X-ray machine.

Beef Unit - Budgeted surplus is projected to be \$6,692. Our cow numbers have leveled off at about 45 head, which is where we need to be to safely teach our students and not worry about animal welfare issues during our teaching labs. Any less than this number may adversely affect our ability to teach our classes properly.

Fruit Industry – A modest revenue increase of \$5,127 or 3.2% over forecast generating a surplus of \$1,800. We believe this is attainable with gift pack sales alone. No large increase in controllable expenditures has been budgeted. Now that the groves are back in order, much of the labor to keep them maintained can come from our crews, rather than hiring additional labor from our labor contractor. We are optimistic from the standpoint that a new farm manager with years of tree experience will be watching the groves on a daily basis. For the first time in over a decade, proper care and maintenance of trees should pay dividends in fruit quality and quantity.

Meat Lab - We have used similar budget figures in the 2012/2013 budget and have projected a surplus of \$2,722. 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.

Ornamental Horticulture – Revenues are budgeted at 92% or \$6,950 below forecast generating a surplus of \$2,212. We anticipate next year receiving our normal amount of departmental support for lab supplies. We will continue to invest in the retail area with more new benches, signage, improved irrigation and covered storage for retail dry goods.

Pine Tree Ranch – Revenues are budgeted to be 77% or \$58,000 below forecast generating a surplus of \$19,214 due to alternate bearing of avocados, and 5 acres of trees which will be non-bearing during this year. Expenditures in cultural costs will be reduced significantly due to no new plantings being scheduled. The outlook for the current year is fair, with an excellent crop of avocados hanging on the trees. These may extend into July for better prices. We projected a slight reduction in the price for lemons after 2 banner years in a row, but all predictions look good for another year. Avocados continue on their upward progression in

prices. We are in negotiations with the California Avocado Commission for a lease agreement and a research agreement regarding soil borne diseases.

The Pine Tree Ranch capital budget request is \$60,000 along with a carryover of \$77,000 both for repairs to the residence.

Sheep Unit - Revenues are budgeted to increase 20% or \$2,500 generating a deficit of \$3,024. The offspring from the higher caliber ewes will continue to help out with livestock sales next year. We are going to split the flock into two breeding seasons this year to increase our ability to sell lambs to more 4H and FFA kids. We can sell these higher quality lambs at a premium over our regular lamb's thus increasing revenue for the unit. There is simply just not a good market for lambs in Southern California.

Swine Unit - Revenues are budgeted to increase 185% or \$30,000 generating a deficit of \$5,324. We have included some cuts to this unit by decreasing student workers, moved students to stipend basis rather than hourly. As stated in last year's budget summary we planned to increase sow numbers and quality, both of which we have done. We purchased 12 new high-line gilts. We still have all these gilts we obtained last year and with increases knowledge base of our on-site staff we will hopefully have a better year in terms on pig sales. 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.

Farm Store – Revenues are budgeted to increase 21% or \$236,802 and generate a surplus of \$15,081. We plan to take advantage of the increased traffic from 75th anniversary for Cal Poly Pomona that will visit the farm store and other venues on campus. We have proposed gross sales at 1.3 million, a substantial increase from 2012/2013. The new farmers market at City of Hope will bring in \$80,000 annually, and increased traffic from the 75th anniversary should add increased sales in the category of gifts, alcohol, and grocery. Cal Poly produced product should increase in sales with a new focus on putting additional product through the store and farmers markets.

To accommodate our goals we budget a new full-time benefited assistant manager. The new assistant manager will be in charge of the store on Saturdays and Sundays, providing leadership and instruction to the weekend student crews. In addition, they will be in charge of deli, sampling, and a potential food service program.

One of the most notable changes for the year will be the relocation of the entrance and point of sale to right off of the parking lot. We also intend to construct a sampling counter similar to all Trader Joe's stores with appropriate sinks, refrigeration, and accessories to meet health code and increase product sampling. A \$275,000 donation from alumni will assist with funding and not use Farm Store funds. This capital request will be transferred to the University and therefore not incur depreciation expense. The potential exists to install a small deli counter with fresh meats, cheeses, salads and items for a light lunch on the grounds.

The Farm Store capital budget request is \$255,000 and includes a \$55,000 carryover both for the re-location of the Farm Store entrance.

VET Clinic - We have been operating a VET Clinic for several years, but this will be the first time it will be under the agriculture aid to instruction umbrella. The VET Clinic - is an on-site veterinary clinic in building 29 and assists in teaching numerous lab sections in our Animal Health Science Program of study. This request estimates a projected positive balance of \$780

for FY 13-14. Our main source of income for this project is continuing education seminars and veterinary services to students and staff. Expenses are supplies and services related to these seminars and classes, travel and maintenance of equipment.

The VET Clinic capital budget request is \$80,000 for Stationary X-ray machine.

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 \$913,759 versus a forecasted surplus of \$689,952 on revenues of \$3.7 million, an increase of \$338,273 or 11.4% over forecasted revenues.

College of the Extended University – proposed budget consists of seventeen programs and an administrative project and is projecting to generate a surplus of \$893,046 versus a forecasted surplus of \$680,947 on revenues of \$3.7 million, an increase of \$323,671 or 11.1% over the current year forecasted revenues.

For 2013-14, CEU has added 13 additional project numbers to our budget structure so that all revenue and expenses can be tracked more precisely by each area of study and for camps. In prior years, several areas of study were tracked under the same project number, making it difficult to identify the true efficiency for each area. In addition, during 2012-13, CPELI and GEP jointly ran the summer camps with revenue and expenses being recorded into two different project numbers. For 2013-14, all camp revenue and expenses will now be recorded in one project number. CEU feels confident that this new budget structure will provide us the tools needed for progressive growth planning for each unit within CEU. The 2013-14 budget has been planned in most cases to reflect a conservative projection of 10% growth. This projection is reflective of the current economic climate and aligns with CEU's ability to sustain current program levels while exploring and implementing new programs and certificate offerings during the new fiscal year. CEU has also restructured the cost recovery charges to our internal programs to align with standard rate charged to our campus partners based on the support provided by CEU Administration. Marketing will be a key focal point for CEU as we strive to gain market share through branding of programs closely aligned with Cal Poly Pomona's strengths. Effective advertising of the programs and opportunities CEU has to offer to the community, business partners and abroad will be vital to support the growth goals for this fiscal year and beyond. An additional focus will be on automating the registration processes through the purchase and implementation of new web-based software program. The purchase will take place in 2012-13 and the implementation in 2013-14.

The CEU capital budget request is \$310,000 for a modular building, concrete slab, electrical, plumbing and utility set up including signage for modular building and signage at CPELI complex area.

College of Engineering – proposed budget consists of one program and an administrative project and is projecting to generate a surplus of \$4,381 on revenues of \$24,060 for two civil engineering review courses are budgeted in the fall and spring and funds will be expended in the proposed budget for equipment in exchange for rent of the facility in the administrative project to support the College of Engineering.

College of Science – proposed budget consists of an Agilent software training program and is projecting to generate a surplus of \$16,333 versus a forecasted surplus of \$4,624 on revenues of \$29,204 versus forecasted revenues of \$14,602. There is a \$10,000 capital request carryover for computer equipment in the proposed fiscal year.

Unrestricted Foundation Programs – Revenues and expenditures of \$793,308 are projected to remain the same as the forecast and breakeven.

Restricted Foundation Programs - Revenues are budgeted to be \$7.7 million and expenditures \$5.5 million generating a surplus of \$2.2 million in line with forecast.

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

	Revised 2012-2013 BUDGET	2012-2013 FORECAST	2013-2014 PROPOSED BUDGET
SOURCES OF CASH			
SURPLUS (DEFICIT)			
Administration	(820,335)	(1,117,819)	(918,065)
Real Estate	305,988	271,234	391,213
Investments	610,539	1,180,023	453,381
Bookstores	307,034	302,914	312,216
Dining Services	472,640	350,715	422,780
Kellogg West Conference Center	25,366	40,549	4,098
University Village	1,148,434	1,744,591	1,412,915
Supplementary Programs	600,864	795,992	1,034,904
TOTAL OPERATING SURPLUS (DEFICIT)	<u>2,650,530</u>	<u>3,568,199</u>	<u>3,113,442</u>
Designated Gifts	(1,273,096)	(1,127,451)	(1,626,664)
NET OPERATING SURPLUS (DEFICIT)	<u>1,377,434</u>	<u>2,440,748</u>	<u>1,486,778</u>
NON-CASH TRANSACTIONS:			
Depreciation and Amortization	3,786,795	3,788,607	3,996,802
Post Retiree Medical Benefits - See Note 1	1,096,882	899,363	1,025,290
TOTAL CASH GENERATED BY OPERATIONS	<u>6,261,111</u>	<u>7,128,718</u>	<u>6,508,870</u>
FINANCING			
Repayment of principal loan to ENV for Model Studio	26,570	26,570	27,964
Alternative Investments - Innovation Village Infrastructure Ph I	300,000	300,000	300,000
TOTAL SOURCES OF FINANCING	<u>326,570</u>	<u>326,570</u>	<u>327,964</u>
RESERVES			
Pine Tree Ranch Reserve	77,700		
Insurance Reserve		180,000	
Capital Reserve			1,309,000
Residential Board Meal Program Surplus Reserve	85,000	93,337	229,000
TOTAL SOURCES FROM RESERVES	<u>162,700</u>	<u>273,337</u>	<u>1,538,000</u>
TOTAL SOURCES OF CASH	<u>6,750,381</u>	<u>7,728,625</u>	<u>8,374,834</u>
USES OF CASH			
CAPITAL EXPENDITURES			
University Village	553,000	304,189	696,000
Bookstore	25,000		40,000
Dining Services	1,081,000	1,139,000	717,500
Kellogg West	212,000	212,000	1,000,000
Real Estate	192,500	27,000	325,000
Agricultural Units	125,000	100,000	504,000
Continuing Education	10,000		310,000
Administration	270,000	227,800	232,000
Prior Year Carryover	332,300		488,503
TOTAL CAPITAL EXPENDITURES	<u>2,800,800</u>	<u>2,009,989</u>	<u>4,313,003</u>
INVESTING			
University Village Bond payment - 2005A & B	570,000	570,000	595,000
CTTi Bond payment - 2007	180,000	180,000	185,000
TOTAL USES OF FINANCING	<u>750,000</u>	<u>750,000</u>	<u>780,000</u>
RESERVES			
Agriculture Program Reserve @ 55% net Annual Surplus	54,181	24,855	31,545
Cafeteria State Share Reserve			
Capital Reserve @ 1.75% of Gross Auxiliary Revenues	868,803	753,135	771,814
Emergency Reserve			
Indirect Cost Disallowance Reserve			
Innovation Village Demo Reserve	82,693	46,487	8,130
Insurance Reserve	60,950	60,950	109,109
Pine Tree Ranch Reserve @ 50% net Annual Surplus	3,037	8,386	9,607
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%	62,398	219,500	110,653
Venture Capital/Real Estate Reserve @ 1.0% of Gross Rev.	21,451	430,363	441,037
TOTAL RESERVE CONTRIBUTIONS	<u>2,173,513</u>	<u>2,563,676</u>	<u>2,501,895</u>
TOTAL USES OF CASH	<u>5,724,313</u>	<u>5,323,665</u>	<u>7,594,898</u>
NET SOURCES & (USES) OF CASH	<u>1,026,068</u>	<u>2,404,960</u>	<u>779,936</u>
BEGINNING OF THE YEAR WORKING CAPITAL LESS CONTINGENCY		<u>6,871,276</u>	<u>9,276,236</u>
NET WORKING CAPITAL AVAILABLE END OF YEAR - Note 2		<u>9,276,236</u>	<u>10,056,172</u>
Minimal Two Months Working Capital Reserve Required		<u>5,622,351</u>	<u>5,829,713</u>

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

	Balance as of 6/30/2012	Forecast Fiscal 12/13	Proposed Budgeted 13/14	Net End of 6/30/2014	Goal
Sources of Funds:					
Fund Balance (Unrestricted)	27,782,505	2,440,748	1,486,778	31,710,031	
Restatement of Fund Balance due to OPEB GASB	10,251,600			10,251,600	
Current & Long term debt					
University Village Series 2005	25,555,000	(570,000)	(595,000)	24,390,000	
CTTI Bonds Series 2007	3,150,000	(180,000)	(185,000)	2,785,000	
Excess of Accounts Receivable over Accounts Payable	2,826,838			2,826,838	
Post Retiree Medical Benefits - Note 1	1,847,759	899,363	1,025,290	3,772,412	3,772,412
Total Available	71,413,702	2,590,111	1,732,068	75,735,881	
Uses of Funds					
Investment in fixed assets	94,798,749	2,009,989	4,313,003	101,121,741	
Depreciation	(38,953,067)	(3,788,607)	(3,996,802)	(46,738,476)	
Inventory	2,669,900			2,669,900	
Reserves :					
Board Designated Reserves					
Agriculture Program Reserve	75,000	24,855	31,545	131,400	75,000
Cafeteria State Share Reserve	182,062			182,062	
Capital Reserve	3,014,905	753,135	(537,186)	3,230,854	6,000,000
Emergency Reserve	120,152			120,152	
Indirect Cost Dissallowance Reserve	404,656			404,656	492,195
Innovation Village Demo Reserve		46,487	8,130	54,617	
Insurance Reserve	137,448	(119,050)	109,109	127,507	
Pine Tree Ranch Reserve	140,886	8,386	9,607	158,879	75,000
Auxiliaries Multiple Employer VEBA Trust - Note 1		1,000,000	1,000,000	2,000,000	
Research & Sponsored Programs	74,521	20,000	20,000	114,521	
Residential Board Meal Program Surplus Res	1,159,764	126,163	(118,347)	1,167,580	
Venture Capital/Real Estate Reserve	477,007	430,363	441,037	1,348,407	6,000,000
Other	22,461			22,461	
LOANS:					
Loan to College of ENV for modular building shop	217,982	(26,570)	(27,964)	163,448	
Alternative Investments - Innovation Village Infrastructure Ph I		(300,000)	(300,000)	(600,000)	
Total Uses	64,542,426	185,151	952,132	65,679,709	
Available for Working Capital	6,871,276	2,404,960	779,936	10,056,172	
Net Working Capital - Note 2	6,871,276	9,276,236	10,056,172	10,056,172	
Minimal Two Months Working Capital Reserve Required	4,903,281	5,622,351	5,829,713	5,829,713	

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
	2012-2013	2012-2013	2013-2014	2012-2013	2012-2013	2013-2014	2012-2013	2012-2013	2013-2014
GENERAL ACTIVITIES:									
ADMINISTRATION	3,869,369	3,524,669	3,905,179	4,689,704	4,642,488	4,823,244	(820,335)	(1,117,819)	(918,065)
REAL ESTATE	2,801,494	2,878,661	3,025,784	2,495,506	2,607,427	2,634,571	305,988	271,234	391,213
INVESTMENTS	632,828	1,198,189	502,900	22,289	18,166	49,519	610,539	1,180,023	453,381
TOTAL GENERAL ACTIVITIES	7,303,691	7,601,519	7,433,863	7,207,499	7,268,081	7,507,334	96,192	333,438	(73,471)
ENTERPRISE ACTIVITIES:									
Bookstore									
BRONCO BOOKSTORE	10,241,960	10,495,871	10,395,560	9,934,926	10,192,957	10,083,344	307,034	302,914	312,216
Total Bookstore	10,241,960	10,495,871	10,395,560	9,934,926	10,192,957	10,083,344	307,034	302,914	312,216
Dining Services									
FOUNDATION MAINTENANCE	0	0	0	2	0	1	(2)	0	(1)
POLY TROLLEY	0	0	295,000	0	0	290,051	0	0	4,949
FRESH ESCAPES	94,593	95,000	94,454	92,023	85,428	84,077	2,570	9,572	10,377
CARL'S JR.	458,423	453,374	455,596	360,634	378,397	384,284	97,789	74,977	71,312
PONY EXPRESS - CCMP	540,050	566,085	568,625	430,107	444,597	455,821	109,943	121,488	112,804
PONY EXPRESS - CLA	188,385	195,027	195,725	162,973	178,288	180,396	25,412	16,739	15,329
CTTI CAFÉ	152,400	105,591	111,317	149,264	144,523	159,000	3,136	(38,932)	(47,683)
POLY FRESH	399,000	415,000	410,004	354,681	384,741	366,398	44,319	30,259	43,606
PONY EXPRESS - ENV	54,460	50,200	51,460	50,116	45,793	48,429	4,344	4,407	3,031
STARBUCKS COFFEE	871,200	870,233	882,050	787,796	784,125	790,936	83,404	86,108	91,114
PANDA EXPRESS	127,700	126,000	127,700	12,228	12,280	13,008	115,472	113,720	114,692
KIKKA SUSHI	81,200	78,100	75,268	37,995	40,722	39,658	43,205	37,378	35,610
LOS OLIVOS	4,422,498	4,716,865	4,831,575	4,094,750	4,214,353	4,431,024	327,748	502,512	400,551
VISTA CAFÉ	1,222,038	1,265,572	1,268,483	1,199,105	1,239,966	1,237,586	22,933	25,606	30,897
DENNY'S	900,388	852,319	821,835	853,289	905,160	823,842	47,099	(52,841)	(2,007)
VENDING	125,400	96,200	298,220	103,414	104,120	250,593	21,986	(7,920)	47,627
QDOBA	289,606	555,351	619,000	266,263	437,117	522,634	23,343	118,234	96,366
SUBWAY	758,003	850,000	831,860	625,790	725,280	720,328	132,213	124,720	111,532
ROUND TABLE	394,300	396,000	372,403	301,208	307,897	297,858	93,092	88,103	74,545
DINING ADMINISTRATION	0	0	0	860,984	921,661	999,122	(860,984)	(921,661)	(999,122)
EINSTEIN'S BAGELS	543,079	346,441	349,500	516,246	354,500	342,878	26,833	(8,059)	6,622
PONY EXPRESS AT CBA	702,185	755,379	1,012,144	655,057	637,071	777,166	47,128	118,308	234,978
FRESHENS/PURA VIDA	198,500	206,576	202,000	176,500	198,324	194,823	22,000	8,252	7,177
TACO BELL	289,606	257,749	261,648	230,192	203,799	217,520	59,414	53,950	44,128
BRONCO BUCKS CARD OFFICE	137,996	138,240	144,516	136,063	138,240	144,520	1,933	0	(4)
BSC & CAMPUS CENTER/OVERHEAD	0	0	0	0	0	0	0	0	0
SCE LOBBY SHOP	85,955	83,896	84,755	72,800	78,641	74,957	13,155	5,255	9,798
KW - CATERING/CONF. FOODS	1,811,267	1,596,638	1,762,355	1,846,112	1,756,098	1,857,803	(34,845)	(159,460)	(95,448)
Total Dining Services	14,848,232	15,071,836	16,127,493	14,375,592	14,721,121	15,704,713	472,640	350,715	422,780
K.W. Conference Ctr. & Lodge	1,431,126	1,411,756	1,547,482	1,405,760	1,371,207	1,543,384	25,366	40,549	4,098
University Village	8,126,675	8,445,299	8,599,252	6,978,241	6,700,708	7,186,337	1,148,434	1,744,591	1,412,915
TOTAL ENTERPRISE ACTIVITIES	34,647,993	35,424,762	36,669,787	32,694,519	32,985,993	34,517,778	1,953,474	2,438,769	2,152,009
TOTAL GENERAL & ENTERPRISE ACTIVITIES	41,951,684	43,026,281	44,103,650	39,902,018	40,254,074	42,025,112	2,049,666	2,772,207	2,078,538

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
	2012-2013	2012-2013	2013-2014	2012-2013	2012-2013	2013-2014	2012-2013	2012-2013	2013-2014
DESIGNATED GIFTS - University	0	0	0	1,273,096	1,127,451	1,626,664	(1,273,096)	(1,127,451)	(1,626,664)
SURPLUS (DEFICIT) AFTER DESIGNATED GIFTS	41,951,684	43,036,281	44,103,650	41,175,114	41,391,525	43,651,776	776,570	1,644,756	451,874
SUPPLEMENTAL PROGRAMS									
RESEARCH OFFICE	160,000	1,350,000	1,360,178	114,844	1,304,398	1,314,582	45,156	45,602	45,596
AGRICULTURE UNITS	3,129,118	2,940,559	3,276,681	3,025,086	2,880,121	3,201,133	104,032	60,438	75,548
CONTINUING EDUCATION	2,965,070	3,429,085	3,767,358	2,513,394	2,739,133	2,853,598	451,676	689,952	913,760
UNRESTRICTED FOUNDATION PROGRAMS	1,017,696	793,304	793,308	1,017,696	793,304	793,308	0	0	0
TOTAL SUPPLEMENTAL	7,271,884	8,512,948	9,197,525	6,671,020	7,716,956	8,162,621	600,864	795,992	1,034,904
TOTAL SURPLUS (DEFICIT) UNRESTRICTED	49,223,568	51,549,229	53,301,175	47,846,134	49,108,481	51,814,397	1,377,434	2,440,748	1,486,778
RESTRICTED:									
Endowments/Investments	5,042,982	17,434,785	13,747,569	3,594,230	2,324,316	4,262,917	1,448,752	15,110,469	9,484,652
FDN Programs	0	7,720,593	7,720,596	0	5,542,228	5,542,224	0	2,178,365	2,178,372
TOTAL RESTRICTED	5,042,982	25,155,378	21,468,165	3,594,230	7,866,544	9,805,141	1,448,752	17,288,834	11,663,024
TOTAL	54,266,550	76,704,607	74,769,340	51,440,364	56,975,025	61,619,538	2,826,186	19,729,582	13,149,802

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

DEPRECIATION & AMORTIZATION
Revised Current Proposed
Budget Forecast Budget
2012-2013 2012-2013 2013-2014

Carryover CAPITAL REQUESTS
Revised Current Prior Proposed
Budget Forecast Years Budget
2012-2013 2012-2013 Carryover 2013-2014

NET CASH GENERATED
Revised Current Proposed
Budget Forecast Budget
2012-2013 2012-2013 2013-2014

GENERAL ACTIVITIES:

ADMINISTRATION	158,544	133,222	156,852	305,000	227,800	77,200	232,000	(966,791)	(1,212,397)	(1,070,413)
REAL ESTATE	888,123	992,189	1,000,140	192,500	27,000	13,000	325,000	1,001,611	1,236,423	1,053,353
INVESTMENTS	0	0	0					610,539	1,180,023	453,381
TOTAL GENERAL ACTIVITIES	1,046,667	1,125,411	1,156,992	497,500	254,800	90,200	557,000	645,359	1,204,049	436,321

ENTERPRISE ACTIVITIES:

Bookstore

BRONCO BOOKSTORE	136,176	137,808	142,176	25,000			40,000	418,210	440,722	414,392
Total Bookstore	136,176	137,808	142,176	25,000	0	0	40,000	418,210	440,722	414,392

Dining Services

FOUNDATION MAINTENANCE	3,600	3,600	3,600					3,598	3,600	3,599
POLY TROLLEY	0	0	30,000	300,000	300,000			(300,000)	(300,000)	34,949
FRESH ESCAPES	4,452	4,500	4,452					7,022	14,072	14,829
CARL'S JR.	18,132	20,226	17,304					115,921	95,203	88,616
PONY EXPRESS - CCMF	4,212	5,400	4,212					114,155	126,888	117,016
PONY EXPRESS - CLA	3,936	4,000	3,936					29,348	20,739	19,265
CTTI CAFÉ	10,200	8,400	8,400	25,000	11,000			(11,664)	(41,532)	(39,283)
POLY FRESH	25,368	24,070	23,880					69,687	54,329	67,486
PONY EXPRESS - ENV	1,380	400	400	5,000		5,000		724	4,807	(1,569)
STARBUCKS COFFEE	41,796	25,000	20,520					125,200	111,108	111,634
PANDA EXPRESS	372	370	1,152					115,844	114,090	115,844
KIKKA SUSHI	21,672	21,660	21,672					64,877	59,038	57,282
LOS OLIVOS	100,968	101,471	100,968	85,000	97,000		229,000	343,716	506,983	272,519
VISTA CAFÉ	4,020	4,018	4,020	16,000	10,000		10,600	10,953	19,624	24,317
DENNYS	9,000	5,894	5,892					56,099	(46,947)	3,885
VENDING	3,168	3,168	9,996				50,000	25,154	(4,752)	7,623
QDOBA	42,672	37,835	49,800	300,000	312,000			(233,985)	(155,931)	146,166
SUBWAY	28,452	28,452	28,092				5,400	160,665	153,172	134,224
ROUND TABLE	7,380	9,300	9,300				18,000	100,472	97,403	65,845
DINING ADMINISTRATION	105,948	102,000	105,948	30,000	14,000	16,000	147,500	(785,036)	(833,661)	(1,056,674)
EINSTEIN'S BAGELS	17,700	36,620	32,076	142,100	40,000			(97,567)	(11,439)	38,698
PONY EXPRESS AT CBA	35,420	35,420	22,800	100,000	60,000			(17,452)	93,728	257,778
FRESHENS/PURA VIDA	26,820	22,500	22,428					48,820	30,752	29,605
TACO BELL	13,726	13,368	14,616				23,000	73,140	67,318	35,744
BRONCO BUCKS CARD OFFICE	0	0	0					1,933	0	(4)
BSC & CAMPUS CENTER/OVERHEAD	0	0	0					0	0	0
SCE LOBBY SHOP	2,280	2,280	2,280					15,435	7,535	12,078
KW - CATERING/CONF. FOODS	36,965	36,998	31,493	187,500	295,000		234,000	(185,380)	(417,462)	(297,955)
Total Dining Services	569,639	556,950	579,237	1,190,600	1,139,000	21,000	717,500	(148,321)	(231,335)	263,517
K.W. Conference Ctr. & Lodge	64,800	76,544	84,000	212,000	212,000		1,000,000	(121,834)	(94,907)	(911,902)
University Village	1,912,344	1,840,618	1,923,120	573,000	304,189	235,303	696,000	2,487,778	3,281,020	2,404,732
TOTAL ENTERPRISE ACTIVITIES	2,682,959	2,611,920	2,728,533	2,000,600	1,655,189	256,303	2,453,500	2,635,833	3,395,500	2,170,739
TOTAL GENERAL & ENTERPRISE ACTIVITIES	3,729,626	3,737,331	3,885,525	2,498,100	1,909,989	346,503	3,010,500	3,281,192	4,599,549	2,607,060

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
	2012-2013	2012-2013	2013-2014	2012-2013	2012-2013	Carryover	2013-2014	2012-2013	2012-2013	2013-2014
DESIGNATED GIFTS - University	0	0	0	0	0	0	0	(1,273,096)	(1,127,451)	(1,626,664)
SURPLUS (DEFICIT) AFTER DESIGNATED GIFTS	3,729,626	3,737,331	3,885,525	2,498,100	1,909,989	346,503	3,010,500	2,008,096	3,472,098	980,396
SUPPLEMENTAL PROGRAMS										
RESEARCH OFFICE	0	0	0					45,156	45,602	45,596
AGRICULTURE UNITS	38,163	30,357	52,458	292,700	100,000	132,000	504,000	(150,505)	(9,205)	(507,994)
CONTINUING EDUCATION	19,006	20,919	58,819	10,000		10,000	310,000	460,682	710,871	652,579
UNRESTRICTED FOUNDATION PROGRAM	0	0	0					0	0	0
TOTAL SUPPLEMENTAL	57,169	51,276	111,277	302,700	100,000	142,000	814,000	355,333	747,268	190,181
TOTAL SURPLUS (DEFICIT) UNRESTRICTED	3,786,795	3,788,607	3,996,802	2,800,800	2,009,989	488,503	3,824,500	2,363,429	4,219,366	1,170,577
RESTRICTED:										
Endowments/Investments								1,448,752	15,110,469	9,484,652
FDN Programs								0	2,178,365	2,178,372
TOTAL RESTRICTED								1,448,752	17,288,834	11,663,024
TOTAL	3,786,795	3,788,607	3,996,802	2,800,800	2,009,989	488,503	3,824,500	3,812,181	21,508,200	12,833,601

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

Description	Revised 2012-13	Forecast 2012-13	Proposed Budget 2013-14
Change in unrestricted net assets	\$ 1,377,434	\$ 2,440,748	\$ 1,486,778
Add Back:			
University Designated Expenses	1,273,096	1,127,451	1,626,664
Surplus (Deficit) before Designated Expenses - see Note	\$ 2,650,530	\$ 3,568,199	\$ 3,113,442
Add Back:			
Depreciation and amortization	3,786,795	3,788,607	3,996,802
Interest (see detail below)	1,365,955	1,365,955	1,317,876
Available for Debt Service	\$ 7,803,280	\$ 8,722,761	\$ 8,428,120
Maximum Annual Debt Service *			
2005 Series Bonds	1,830,625	1,830,625	1,830,625
2007 Series Bonds	332,750	332,750	332,750
Total Debt Service	\$ 2,163,375	\$ 2,163,375	\$ 2,163,375
Total Debt Service before Designated Expenses - see Note	3.61	4.03	3.90
Total Debt Service after Designated Expenses	3.02	3.51	3.14
Note: Bond covenants require the Foundation to not incur a deficit in any two consecutive years after adding back the designate gifts and a debt coverage ratio of at least 1.25.			
* Maximum annual debt service is reported as the total amount of scheduled debt service during the year in which the debt service is scheduled to be highest during the life of the Bonds			
Interest Detail			
2005 Series Bonds - Interest	1,218,855	1,218,855	1,192,024
2007 Series Bonds - Interest	147,100	147,100	125,852
Total Interest Expense	\$ 1,365,955	\$ 1,365,955	\$ 1,317,876

CAPITAL BUDGETS

**CAL POLY POMONA FOUNDATION, INC.
2013-14 PROPOSED CAPITAL BUDGET**

		Prior Years Remaining	Proposed Detail 2013-14	Proposed Total 2013-14	
Enterprise Activities					
Foundation Housing					
	University Village	235,303	696,000		Security camera system replacement (\$100,000), Security gate system replacement (\$80,000), Refurbish Phase II (\$155,000), Bathroom vanities Phases I and II (\$61,000), Kitchen cabinets Phase II (\$275,000), Carpet replacement-various apts (\$25,000)
	Total Foundation Housing			696,000	
Bronco Bookstore					
	Bookstore	-	40,000	40,000	Sales floor space (\$30,000), Repair atrium doors (\$10,000)
Dining Services					
	Dining	16,000	147,500		POS upgrade (\$10,000), Bldg 97 generator hookup (\$18,000), Bldg 97 lighting retro (\$60,000), Bldg 97 fire alarm (\$30,000), Kikka workstation (\$4,500), Mobile implementation project (\$10,000), Jamba Juice equipment (\$15,000)
	ENV Café	5,000			Tables and chairs for patio with umbrellas
	Vending		50,000		Shop 24 infrastructure
	Los Olivos		229,000		Server refresh- counters, floor, abatement, cabinets, paint, lights, add vegan station, ceiling
	Vista Market		10,600		Magellan 8405 scanner/scale, sapphire glass, produce rail (\$4,600), Office space optimization (\$6,000)
	Kellogg West Dining		234,000		Truck (\$15,000), Walk in doors, paint kitchen and PDR's, stone tops for 2 cabinets, curtains for dining room, upgrades to dining area (\$219,000)
	Subway		5,400		Turbo chef oven
	Round Table Pizza		18,000		Install booths
	Taco Bell		23,000		Brand refresh- license fees, prepare for new contract
	Total Dining Services			717,500	
Kellogg West Conference Center & Lodge					
	Kellogg West Rooms & Conference		1,000,000		Crestview Bldg 77 exterior and courtyard update
	Total Kellogg West			1,000,000	
Facilities					
	Facilities	-			No capital budget requested
	Total Facilities			-	
Real Estate Activities					
	CTTI Buildings	13,000	192,000		Patch & paint exterior (\$110,000), LED wall lights (\$11,000), Repair and resurface decks and stairways (\$63,000), HVAC compressor replacement (\$8,000)
	Innovation Village		50,000		Master planning consultant fees
	Bldg 97		31,000		Fire alarm system replacement
	Bldg 66		52,000		Exterior paint (\$17,000), Energy management system (\$7,000), Fan motor replacement (\$10,000), Atrium furniture and trash containers (\$8,000), Door repair (\$10,000)
	Total Real Estate Activities			325,000	

**CAL POLY POMONA FOUNDATION, INC.
2013-14 PROPOSED CAPITAL BUDGET**

		Prior Years Remaining	Proposed Detail 2013-14	Proposed Total 2013-14	
College of Ag					
	Spadra/Westwind Ranch		59,000		Pickup truck (\$29,000), John Deere Gator (\$15,000), Tropic Breeze wind machine R/R (\$15,000)
	Pine Tree Ranch	77,000	60,000		Repairs to residence/Phase 2
	Farm Store	55,000	255,000		Re-location of Farm Store entrance
	Arabian Horse Center		50,000		Digital X-ray machine
	Vet Clinic		80,000		Stationary X-ray machine
				504,000	
College of Science					
	Chemistry Agilent Project	10,000		-	Computer Equipment
College of Extended University					
	CPELI Standard		310,000	310,000	48'x60' modular building (\$165,000), Concrete slab (\$75,000), Signage for building and CPELI complex area (\$50,000), Electrical, plumbing, and utility set up (\$20,000)
Administration					
	Human Resources		12,000		3 Kronos touch terminals
	Marketing		10,000		Wide format printer z6200
	Admin	15,000	70,000		Bldg 55 HVAC units (\$60,000), Exterior paint Bldg 55 (\$10,000)
	Management Info Systems		45,000		Kronos updates- expansion of services and upgrade from 6.1 to 6.3. Wrap up interface work related to upgrade
	Management Info Systems		15,000		SAN storage expansion- to ensure adequate space for disaster recovery, disk-to-disk recovery and anticipated growth in data services
	Management Info Systems		15,000		Disaster recovery equipment migration to hosted- project costs for the movement of equipment and services to co-location and sync DR data
	Management Info Systems	12,200			Disk to Disk Back-up solution- For enterprise backup and recover as well as disaster recovery capability
	Management Info Systems		15,000		Mobile device lab- preproduction testing environment to provide mobile file access and security improvements
	Management Info Systems		30,000		VM VDI hardware/software purchases- to expand virtual desktops to reduce desktop hardware costs
	Management Info Systems	50,000			OneSolution/Endowment Software Upgrade- To provide more efficient processing of donations and endowments
	Management Info Systems		20,000		Security log monitoring software
				232,000	
Total Administration				232,000	
Prior Years and Proposed Capital Budget		488,503		3,824,500	
Total Prior Years and Proposed Capital Budget				4,313,003	

Note - the proposed capital budget assumes funding of \$1,309,000 from the Capital Reserve, \$229,000 from the Residential Board Meal Program Surplus Reserve and \$1,104,997 from the operations of the units.

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.

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

Management Information Systems

Computer/Network Systems

Reduced the risk of network security breaches via greater network segmentation, tighter pass through controls, pro-active logging and monitoring of systems. Additional actions include automation of monitoring, logging, and regular external scanning. Improvements to physical security of equipment include consolidation of applications to the Foundation data center, automated fire suppression, and police monitored card entry system for the computer room. PCI training was provided to all staff who handle credit cards, or administer credit card systems.

Business Continuity

Hardware and software redundancy has been increased in mission critical computer systems via virtualization and secondary disaster recovery systems. Data center protection has been improved in the areas of electrical infrastructure, generator installation for the computer room, redundant cooling, and redundant environmental controls. A formal disaster recovery plan has been integrated with the university plan to provide coordinated response and recovery.

Employment Services

A Kronos system upgrade has been performed to version 6.3 which allows encryption of personnel data. In addition, system components have been migrated to an externally hosted solution to provide optimized security and recoverability.

Real Estate

Provisioning of network and telephone for tenants is shifting to external vendors where improvements in reliability and cost reduction can be sustained.

Dining Services

Video systems were installed at Los Olivos and the College of Business Convenience Store to monitor assets.

Kellogg West

The RDP hotel management software will be migrated from the premises to the Foundation Data Center to improve security and recoverability.

University Village

The StarRez housing management software was migrated from the University Village to the Foundation Data Center to improve security and recoverability.

Bronco Bookstore

Fire, life, safety, intrusion systems, smoke detector systems maintained and tested, all fire and alarm system that were inspected were up to date. Tests were completed with the Police department to ensure fire and safety alarms were communicating correctly. The primary system server is now located in Bldg. #55 and maintained by MIS. Documentation has been received confirming emergency system replacement within 24 hours. Safe combination administration and controls should be reviewed.

Dining Services

In general, Dining Services operations are well organized and following best practices to minimize risk in its operations. Video systems were installed at Los Olivos and the College of Business Convenience Store to monitor assets. Operations are in need of PCI training for all applicable employees, as well as reviews on safe combination administration and controls.

Kellogg West Conference Center and Hotel

The Kellogg West facilities were well maintained and the staff was courteous and knowledgeable. Accounting procedures have been reviewed and revised to improve cash handling during the past year. After hours security procedures have also been updated, in lieu of a security camera system. The RDP hotel management software will be migrated from the premises to the Foundation Data Center to improve security and recoverability. Safe combination administration and controls should be reviewed.

University Village

The University Village grounds are well maintained and aesthetically pleasing. The StarRez housing management software was migrated from the University Village to the Foundation Data Center to improve security and recoverability. Safe combination administration and controls should be reviewed.

Facilities Maintenance

The Facilities Maintenance building has been maintained well, although it could benefit from basic organization. A structured inventory control program and tool control program would be advised.

Real Estate

The Real Estate Department in the past has been solely focused on the sale of housing and ground lease real estate at Innovation Village. The Department has expanded to include the oversight of marketing and managing CTTi, management of buildings 66 and 97 and other ad-hoc assignments. Although asset protection is inherent in the day to day responsibilities of property management, we have begun the process of formalizing the Asset Protection and Risk Management of these facilities.

Risk Management Review Check List				Needs		Improvement	Accomplish
Last Review:		N/A	Adequate	Improvement	Type Threats	Assignments	By Date
A. Personal Safety							
1	Employees knowledgeable personal safety Employees know the location of blue light emergency phones, fire extinguishers, alarm pull stations and fire hose. Know police # 3070.						
2	After hours oversight, communication Employees plan to leave together, responsibility for securing premises are assigned, emergency contacts in place.						
3	How to help a customer w/safety problem Staff trained on how to respond to common issues, seek emergency help, etc.						
4	Lockers, employee/customer Policy, procedure and practice exist for proper use of lockers.						
	COMMENTS:						
B. Physical Safety and Security							
1	Building perimeter						
2	Fire, life, safety, intrusion systems, smoke detector systems maintained and tested Work groups know where utility shut offs are, which phones will work with emergency power, where radio, flashlights & first aid kits are.						
3	Egress Employees are knowledgeable about the exit plan and where to meet						
4	Safety devices in place and maintained Safety guards, eye protection/wash, mats maintained, wet floor signs available						
5	Video system maintained, staff trained, access limited to authorized personnel, policy and procedure in place Periodic tested to make sure they are working. Know to report to Executive Director if out of order more than 48 hours.						
6	Fire extinguishers/hoses Annually inspected and employees trained in how to use them						
	COMMENTS:						
C. Cash and Valuables							
1	Management oversight in place, responsibilities assigned						
2	Cash handling procedures/practice See Foundation Procedures "CR - 370 Cash Receipts" on the web site.						
3	Reporting any shortages of cash or discrepancies (over/short) in cash; if over \$50 report to Foundation Admin. See Foundation Procedures "CR - 370 Cash Receipts", item 370-1C3 on the web site. Foundation Fixed Assets over \$5,000 (portable) is audited by Foundation Accounting every two years (See Fixed Asset Policy).						
5	Valuable paperwork protected, tracked and accounted for Original documents that would generate a billing are controlled						
6	Accountability: separation of duties						
7	Safe type, access, combo changes Safe type is generally adequate. See Foundation Procedures "CR - 370 Cash Receipts", item 370-8 on the web site.						
8	Timely processing, deposit, billing, etc. See Foundation Procedures "CR - 370 Cash Receipts", item 370-3 Timely Deposits on the web site.						

Risk Management Review Check List					Needs		Improvement	Accomplish
Last Review:			N/A	Adequate	Improvement	Type Threats	Assignments	By Date
9	Check & card acceptance							
		See Foundation Procedures "CR - 370 Cash Receipts", item 370-9 Check Acceptance Procedures on the web site.						
10	Limit exposure, access, transportation of valuables							
		See Foundation Procedures "CR - 370 Cash Receipts", item 370-1 Section C5 on the web site.						
11	Reconciliations made to original docs.							
		COMMENTS:						
D. Vehicle Safety								
1	Drivers authorized							
		Foundation employees must be authorized in advance by Foundation Admin to drive Foundation vehicles. See CSURMA Policy 1-AORMA						
2	Vehicles safe, maintained, seat belts in place.							
3	Registration, insurance info.							
		Centralized handling Foundation car registration in administration office. Also, updating Foundation vehicles list, obtain insurance for new vehicles and reporting the sale of the cars to Insurance Co. is done by Administration office.						
4	Management controls use of vehicles and keys							
		Compliance with Foundation Policy and if the Foundation or unit Policy is adhered to?						
		COMMENTS:						
E. Liability Risks								
1	Screening, hiring employees							
		Background check for employees handling cash prior to employment. DMV check for employees driving Foundation Vehicles.						
2	Proper wage, salary, OT, etc.							
		Compliance with Human Resources Policies						
3	Trips, falls, clutter hazards							
		Compliance with government and industry regulations.						
4	Food sanitation							
		Compliance with Health Department requirements.						
5	Alcohol served							
		Compliance with Campus alcohol Policy, alcohol secured						
6	Sexual harassment							
		Staff is aware that management must be informed and investigate any alleged sexual harassment						
7	Employees trained on discrimination							
		Provide periodic training by Human Resources to supervisors						
8	Minimize litigation and legal							
		Employees trained in different areas (interviewing, hiring, discipline, termination, sexual harassment, etc) can minimize litigation and liabilities.						
9	Reviewing Foundation Contracts - (Indemnification Clause, Insurance Clause)							
		Standard indemnification clauses and Insurance requirement for agreement are posted in Foundation Website						
		COMMENTS:						

Risk Management Review Check List				Needs		Improvement	Accomplish
Last Review:		N/A	Adequate	Improvement	Type Threats	Assignments	By Date
F. Data Security							
1	Social Security Numbers not recorded						
2	Credit card numbers are not recorded without protection						
3	Data bases protected At present, the staff have access to those data bases (i.e. accounting module) that related to their job function. Back ups performed.						
4	Operating system and access to server The server kept in a secure room with access limited to authorized to people need to have access to it.						
5	Unique log-ins practiced, enforced Mandatory periodic change of password on critical systems. Passwords are not shared.						
	COMMENTS:						
G. Best Practices in Place							
1	Mandatory vacations						
2	Ethics policy, code of conduct 5/06- Ethic Policy is approved and it is in Website						
3	Employee complaint mechanism 5/06- Ethic Policy is approved and it is in Website						
4	Audit findings resolved Review contracts for indemnification clause & insurance. MOUs with Univ. up to date. Prior audit findings resolved.						
5	Staff evaluations are up to date						
	COMMENTS:						
	GENERAL COMMENTS:						
	Unit Director/Manager Signature	Date	Auditing Director/Manager	Date			

DESIGNATED GIFTS



**CAL POLY POMONA FOUNDATION, INC.
PROPOSED GIFTS BUDGET
FISCAL YEAR 2013-2014**

DESIGNATED GIFTS

	<u>Revised 2012-2013</u>	<u>Forecast 2012-2013</u>	<u>Proposed 2013-2014</u>
Designated Gifts to the University	\$ 1,256,475	\$ 1,114,225	\$1,610,100
Faculty/Staff Café	16,621	13,226	16,564
Designated Gifts	\$ 1,273,096	\$ 1,127,451	\$1,626,664

**President's Public Relations/Designated Gifts
Request for Funding 2013-14**

Public Relations 190060	Object	Amount
Petty Cash	1030	\$200
Advertising	7015	\$25,000
Books and Subscriptions	7025	\$800
Donations (Including \$25,000 to PIQE)	7070	\$30,000
Dues and Memberships	7075	\$750
Employee Development	7090	\$1,200
Equipment Purchases (IT)	7104	\$1,500
Equipment Purchases	7105	\$2,000
Flowers (MH dinners/Holiday), Staff/Student/Donor special events	7117	\$5,000
Furniture Purchases	7125	\$2,000
Maintenance/Grounds: Plants	7172	\$1,200
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
Fall Conference Expenses (Reception is covered by State)	7185	\$2,750
Commencement Expenses (Includes funds for 75th Anniversary)	7185/7186	\$11,500
Postage	7225	\$1,000
Printing/Copying	7230	\$1,500
Supplies and Services (office and kitchen)	7324/26/28	\$16,000
Public Relations: Administrative Fund for Students	7245	\$5,000

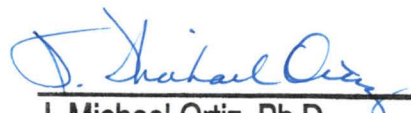
**President's Public Relations/Designated Gifts
Request for Funding 2013-14**

Public Relations 190060	Object	Amount
Public Relations: Fund for the Chancellor	7245	\$15,000
Public Relations: Gifts/gift packs	7245	\$40,000
Public Relations: Rose Float Expenses (game tickets/parking/float gift)	7245	\$5,500
Public Relations: Other University events supported by the President's Office (Academic Senate Retreats/AHIMSA)	7245	\$10,000
Public Relations: Staff Council	7245	\$15,000
Public Relations: Student Outreach	7245	\$5,000
Rental of Rooms	7258	\$1,500
Prizes/Awards	7281	\$500
Advancement Legal Fees	7290	\$50,000
Services, other (carpet cleaning/vector control)	7291	\$8,500
Telephone	7345	\$100
Travel Local (In-State) & Fund for Students	7355	\$5,000
Travel (Out-of-State)	7356	\$12,000
Travel (International)	7357	\$4,500
<i>Subtotal</i>		<i>\$335,000</i>
Additional Designated Gifts Request		
Athletics	19330R	\$55,000
<i>Subtotal</i>		<i>\$55,000</i>
Center for Technology Transfer (to fund position)	460400	\$150,000

**President's Public Relations/Designated Gifts
Request for Funding 2013-14**

Public Relations 190060	Object	Amount
<i>Subtotal</i>		<i>\$150,000</i>
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>		<i>\$100,000</i>
Grand Total		\$640,000

Approved:


J. Michael Ortiz, Ph.D. 3/4/13
 President Date



Executive Director
Foundation Services

Memorandum

MAR 12 2013

Cal Poly Pomona
Foundation Inc.

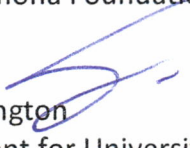
DATE: March 11, 2013

TO: J. Michael Ortiz
President

cc: David Prenovost

Edwin A. Barnes
Vice President for Administrative Affairs

G. Paul Storey
Executive Director
Cal Poly Pomona Foundation

FROM: Scott Warrington 
Vice President for University Advancement

RE: 2013-14 University Advancement Grant Request

Attached please find the Division of University Advancement's proposal for 2013-14 funding support from the Cal Poly Pomona Foundation, Inc.

This proposal is designed to maintain the university's momentum as we enter the closing phase of the comprehensive campaign. Cal Poly Pomona Foundation has played an integral part in the success of this campaign and together with University Advancement, the partnership formed has brought Cal Poly Pomona to the top ranks in CSU fundraising.

The support will continue to provide the assistance needed to reach our goal of raising more funds than ever before and to celebrate what has been accomplished, while we carry on the momentum and build on the future of our fundraising success.

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

Cal Poly Pomona is the second most successful fundraiser among the 23 CSU campuses. Over the past three years, the university has brought in an average of \$31.5 million each year. Critical support from the Cal Poly Pomona Foundation made these achievements possible. The Foundation's investment in the Division of University Advancement (UAD) has paid extraordinary dividends, including: keeping the university on track to achieve its \$150 million campaign goal, 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.

Slow recovery from the economic downturn has caused increased costs to connect with alumni, friends and potential donors. The 2013-14 grant request includes an increase to ensure that we stay on track to meet the university's goals as well as address pressing needs in closing the campaign. The primary focus of UAD's grant request is:

- **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 all concerned the flexibility they need to build and strengthen relationships towards major gifts.
 - **Dean's development training.** Many of the university's deans assumed their positions after the launch of the comprehensive campaign. Considering their key role in fundraising for the university, University Advancement would like to provide a training to set the colleges up for continued fundraising success.
 - **Increased legal assistance.** A successful planned giving campaign has necessitated additional legal assistance. We anticipate continued growth in development and planned giving and request an increase in funding for legal fees.
 - **Campaign Closure.** Milestones must be recognized. In the 75th anniversary year, the university will also celebrate the successful close of the \$150 million comprehensive campaign. University Advancement requests support to properly steward the community of individuals who helped the university raise more money than has ever been raised for Cal Poly Pomona.
- **Publications.** Our award-winning publications provide the university an outlet to maintain relationships with our stakeholders, which has played a direct role in securing new gifts. The number of active alumni addresses grows every year, as does the rising cost of postage. In addition, the university's 75th anniversary takes place 2013-14. An expanded Panorama magazine would help the university engage its alumni during a milestone year.
- **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.

- **New multistate filing requirements.** New legislation now requires all 501(c)(3) nonprofits to register with the state's Department of Charitable Solicitations before soliciting the state's residents for contributions. As a result, Cal Poly Pomona Foundation, as the financial institution of the university's donations, is required to register in 39 states and provide identifying information along with varied levels of registration fees. The new line item "Multi-state Filing Project" represents the fee for the organization identified to prepare all of the required registration forms and the actual fees payable to the various states. In addition, section 13 of the Foundation's 990 form also requires that a list of registered states be included.

Conclusion:

Cal Poly Pomona is on track for a banner 75th anniversary year. We are prepared to close out the campaign and continue our efforts to increase support for the university. This proposal reflects those goals. We appreciate 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	
		2012/13	2013/14
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
Comprehensive Campaign Wrap Up		0	165,000
Comprehensive Campaign Campus Community		0	37,000
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		10,000	10,000
Consultant Fees (planned giving, foundations, general development)		40,000	75,000
Student Annual Fund caller wages		10,000	10,000
Multi-state solicitation filing project		0	4,000
Subtotal		191,500	432,500
Internal and External Communications			
PolyTrends (2 issues annual) publication and mailing		54,875	55,300
Panorama (2 issues annual to alumni and donor database) publication/ mailing		94,000	104,000
Electronic Newsletters: poly@lumni (emailed 9X/year to alumni) and polyfriends (emailed 4X/year to parents)		4,000	4,000
President's Annual Report and Donor Honor Roll, publication and mailing		12,600	12,800
Travel for story interviews for various publications		2,000	2,000
Editorial Support		9,000	9,000
Publication award application fees		2,500	2,500
Subtotal		178,975	189,600
Advancement Infrastructure and Capacity-Building			
Divisional retreat, quarterly meetings for strategic planning of goals and objectives		5,000	5,000
Dean's Development Training (on-campus)		0	20,000
Data Research and/Marketing Pieces to cultivate non-donor alumni		20,000	20,000
Subtotal		25,000	45,000
University-Wide Events			
Participation in on-campus events/programs		11,000	11,000
Subtotal		11,000	11,000
TOTAL		406,475	678,100
Historical Summary of Foundation Support Grants to University Advancement:			
2012-13 Grant Support	\$406,475		
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		



MAR 28 2013

Associate Vice President for Research

Cal Poly Pomona
Foundation Inc.

March 12, 2013

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: 2013-2014 CPP Foundation Designated Gift Request

This is a proposal from the Office of Research for continuation of a previously-funded program designed to increase grant and contract activity, and strengthen the training of teacher-scholars. **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. This is a program that has been meeting all of the objectives and targets set by Donald Hoyt in his original proposal in 2006 (attached).

The cost would be \$110,000 for the 2013-14 fiscal year.

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

Since the program began in 2006-07, a total of 77 Cal Poly faculty have participated in the program. Three subsequently left so a total of 74 current faculty have been in the program with the following being a summary of their distribution:

Summary of the number of past participants:

Cohort	women	men	Total
1	11	11	22
2	3	8	11
3	5	7	12
4	7	4	11
5	6	5	11
6	4	6	10
Total	36	41	77

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

College	Assoc.	Asst.	Grand Total
Agriculture		1	1
BUS	1	2	3
CEIS	1	6	7
CLASS	2	22	24
Collins		3	3
Engineering	6	4	10
ENV	1	2	3
Science	6	20	26
Total	17	60	77

The ten members of the sixth cohort will be joined by ten more who will be selected to comprise the seventh cohort. The new applicants will start working on their CDAs in Spring of 2013. The stipends that will be provided to the sixth and seventh cohorts for the summer of 2013 will be funded by the Designated Gift approved by the Foundation last year.

The funds requested for the 2013-14 fiscal year (\$110,000) will be used to provide the 10 members of the eighth cohort with stipends of \$5,000 and the 10 continuing members of the seventh 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, 2014, 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 during the three year time period following the initial award.

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 during the three year time period following the initial award.

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

Fourth Cohort: Of the 11 participants, five people submitted a total of seven projects for \$2,109,497. Four 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 13 projects for \$1,860,037. Nine of them are still pending, three 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 year.

Sixth Cohort: Of the 10 participants, four people has so far submitted a total of 7 projects for \$1,218,407. Two of the projects were not funded, and two are still pending. Three of the projects were funded for a total of \$805,509.

Overall: 74 of 77 original participants are still here (only the 74 still at CPP are included in the following summary):

34 people submitted no applications for external funding.

40 people have submitted a total of 109 applications for \$27.9 M yielding 33 awards to 21 people for \$5.04 M

The program has cost \$770,000 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 (see attached financial summary). This is higher than the five-fold ROI estimated in Dr. Hoyt's original proposal for a designated gift that was submitted in March 2006. This does not include the full effects of successful career launches brought on by the program, since many faculty continue to submit successful proposals for years after they have completed their Provost's Teacher Scholar participation.

The original proposal (2006 from Dr. Donald Hoyt) is attached. A more detailed summary of applications for external funding from the three most recent cohorts can be found in the attached summary.

**Provost's Teacher Scholar Award
Program
Financial summary
as of March 2013**

cohort	applications			funded		
	people	appls	\$ mill	people	appls	\$ mil
1	14	48	13.5	9	11	3.0
2	7	18	5.5	3	3	0.3
3	6	16	3.7	3	12	0.3
4	5	7	2.1	2	2	0.6
5	4	13	1.9	1	1	0.1
6	4	7	1.2	3	4	0.8
	40	109	27.888	21	33	\$5.039

Total cost of program: \$ 0.770 million
 Grant funding garnered: \$5.039 million
Return on investment: 6.54 X

Recent Provost Teacher Scholar Proposal Submissions

Cohort of 2012 - #6

Proposal Submissions July 2012-March 2013

Last Name	First Name	College	Date Submitted	Title	Sponsor	Amount Requested	Status
Chen	Kun	CLASS					
Hu	Jing	BUS					
Ocampo	Anthony	CLASS					
Osborn	Stephen	SCI	3/14/2012	SRN: Routes to Sustainability for Natural Gas Development & Water and Air Resources in the Rocky Mountain Region	University of Colorado, Boulder	\$ 750,000	Awarded
			1/17/2012	Acquisition of a Water Isotope Analyzer	National Science Foundation (NSF)	\$ 143,053	Not Funded
			2/15/2013	Acquisition of a Picarro 2130-I Isotopic (Oxygen and Hydrogen) for Analyzer for Hydrogeological and Biological Research	National Science Foundation (NSF)	\$ 150,369	Pending
Questad	Erin	SCI	2/1/2012	Community and Ecosystem Responses to Elevated Nitrogen in Managed Grassland Ecosystems	The Regents of the University of California, Office of the President, MESA	\$ 10,000	Awarded
Salik	Ertan	SCI	1/30/2012	Real-Time Foodborne Pathogen Detection with Tapered Fiber Optic Biosensors	Agricultural Research Initiative	\$ 45,509	Awarded
Seong	Jaehoon	EGR					
Valdes	Angel	SCI	1/23/2012	Biogeography, Cryptic Diversity and Molecular Evolution of Pleurobranchidae Sea Slug (Opisthobranchia: Notaspidea)	PADI Foundation	\$ 9,855	Not Funded
			7/30/2012	RUI: Discovering Cryptic Diversity of Benthic Opisthobranch Sea Slugs in the Tropical Western Atlantic Ocean	National Science Foundation (NSF)	\$ 109,621	Pending
Von Glahn	Nicholas R.	CLASS					
Tamar Van	Rachel	CLASS					

Cohort of 2011 - #5

Proposal Submissions July 1, 2011 - March 2013

First Name	Last 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
			3/29/2012	Empirical Bayes-Estimated OTS Collision Rankings for Different Cities and Counties	California Office of Traffic Safety	\$ 100,000	Pending
			4/17/2012	Integration of Gas Emission Congestion Relief and Safety Through Traffic Simulation and Transportation Planning	UC Berkeley	\$ 150,000	Not Funded
			11/28/2012	National Summer Transportation Institute Program (Fiscal Year 2013)	U. S. Department of Transportation (DOT)	\$ 35,000	Pending
			1/7/2013	Investigation on Casual Factors for Different Types of Motorcyclist-Involved Collisions in CA	California Office of Traffic Safety	\$ 100,000	Pending
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 Distract of Southern CA	\$ 10,000	Pending
			5/22/2012	Are You Water Smart? Enhancing the Undergraduate Life Long Learning Experience Through the Development of a Water Wise Community on Campus	National Science Foundation (NSF)	\$ 198,189	Pending
			11/26/2012	Fate and Transport, and Dynamics of Microbial Quality of Irrigation Water During Storage and Delivery to Agricultural Fields	U.S. Department of Agriculture (USDA)	\$ 576,198	Pending
			2/1/2013	Bridging Environmental Engineering and Agricultural Sciences Undergraduate Education: Food Safety and Microbiological Quality of Irrigation Water	U.S. Department of Agriculture (USDA)	\$ 249,996	Pending
Small	Alex	SCI	11/2/2011	Superresolution Imaging for Tracking Antifungal Nanoparticles in Live Fungal Cells	Research Corporation	\$ 100,000	Pending
			1/11/2013	Superresolution Imaging for Tracking Antifungal Nanoparticles in Live Fungal Cells	Research Corporation	\$ 100,000	Pending
Tucker	Ericka	CLASS					
Zhang	Jian	COLLINS					

Cohort of 2010 - #4

Proposal Submissions July 1, 2010 - March 2013

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
			2/28/2013	Modeling and Validation of Postural Mechanisms in Fall Risk	National Institutes of Health	\$ 422,853	Pending
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	Not Funded
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

FACULTY_STAFF_CAFE

CONSOLIDATED BUDGET COMPARISON SUMMARY
 FOR PROPOSED BUDGET YEAR 13-14
 CURRENT FISCAL YEAR 12-13

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

EXPENDITURES-CONTROLLABLE				
SUPPLIES	1,480	1,450	1,480	30
OTHER	<u>624</u>	<u>625</u>	<u>624</u>	<u>(1)</u>
TOTAL EXPENDITURES-CONTROLLABLE	2,104	2,075	2,104	29
EXPENDITURES NON-CONTROLLABLE				
BANK CARD FEES	0	0	0	0
OTHER	<u>250</u>	<u>250</u>	<u>250</u>	<u>0</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	250	250	250	0
LABOR COSTS				
SALARIES & WAGES	13,225	9,815	13,017	3,202
EMPLOYEE BENEFITS	<u>1,042</u>	<u>1,086</u>	<u>1,197</u>	<u>111</u>
TOTAL LABOR COSTS	<u>14,267</u>	<u>10,901</u>	<u>14,214</u>	<u>3,313</u>
TOTAL EXPENSES	<u>16,621</u>	<u>13,226</u>	<u>16,568</u>	<u>3,342</u>
NET INCOME	(16,621)	(13,226)	(16,568)	(3,342)
	=====	=====	=====	=====

CAL POLY POMONA FOUNDATION, INC.

Memorandum



Date: February 16, 2013

To: J. Michael Ortiz
President

From: G. Paul Storey
Executive Director

Subject: 2013-2014 Designated Gift Request

The Foundation is requesting a designated gift of \$82,000 for the fee to administer the operating endowment accounts from the W. K. Kellogg Foundation. As you may recall, the W.K. Kellogg Foundation awarded a \$42 million Grant named the "Kellogg Legacy Project Endowment", a \$40 million endowment and an operating endowment of \$2 million. The W.K. Kellogg Foundation has promised to pay the endowment over a five year period. To date, \$24 million has been received for the endowment and \$2 million for operating accounts. The Grant provides Cal Poly Pomona Presidents flexibility to apply annual endowment earnings to the most timely and pressing institutional needs each year.

The goals and objectives of the W.K. Kellogg Legacy Project Endowment include:

Engage the geographic region and beyond by serving the local region as a center for scholarly activity and research.

Enhance the University's commitment to a population that reflects the diversity of California by preparing the students for success in diverse global communities.

Maintain existing and developing new facilities which will enable the University to be a leader in environmental stewardship.

Partner with political leaders to increase state support, develop a comprehensive campaign to increase philanthropic giving, and support applied research to increase grant funding.

Per the terms and conditions of the Kellogg Foundation Grant agreement, the administrative fee will be the lower of the two methods: (1) not to exceed \$50,000 per year (inflation adjusted based on the trailing "CPI" Consumer Price Index) or (2) 0.75 percent (75 basis points) of the "endowment value." In addition, these administrative fees can never be deducted from the principle balance of the endowment.

At the time the Grant was accepted, it was understood that the administrative fees would be earned by the Foundation for the administration of the endowment and therefore netted from the endowment earnings before the earnings are distributed to operating endowments.

Due to the requirements of this Grant, Foundation management decided the Foundation would administer the operating endowments in the Grants and Contracts Department. Currently the Foundation charges an administrative fee of 4.5 percent on all funds administered in grant and contract accounts at the time the funds are expended.

The Foundation is requesting a designated gift for the fee to administer the operating endowments. Based on the estimated spending of the distributed endowment earnings for FYE 2013/2014 of approximately \$1.8 million, the Foundation requests a designated gift for the administrative fee of \$82,000 for FYE June 30, 2014.

CAL POLY POMONA FOUNDATION, INC.
Schedule of Grants
July 1, 2012 through December 31, 2012

Period of Award	Due Date	Account Number	Account Name	Awarding Agency	Previous Award Amount	New Awards 12-13	Total Award Amount	School	Project Director	Total Expenditures 7/01/12-12/31/12	Total Expenditures Thru 12/31/12
2/11-6/13	CLOSED	060010	Phenotypic and Molecular Characterization of Clostridium Specie	W.K. Kellogg Foundation	12,000		12,000	AG	Shelton Murinda	-	12,000.00
2/11-6/12	CLOSED	060020	Tools for Biology at the Mesoscale: DNA Claws That Can Bind	W.K. Kellogg Foundation	7,000		7,000	SCI	Phillip Lukeman	-	6,411.37
7/10-6/13	CLOSED	060030	Investigation of Histone Ubiquitination/Deubiquitination in Cank	W.K. Kellogg Foundation	12,000		12,000	SCI	Junjun Liu	-	12,000.00
7/10-6/13	CLOSED	060040	Proximate Analysis and Identification of Native Oil Rich Algal St	W.K. Kellogg Foundation	5,000		5,000	SCI	Marcia Murry-Ewers	1,344.02	5,000.00
7/10-6/13	CLOSED	060050	Breaking Barriers: How do Sea Slugs Cross the Pacific Ocean	W.K. Kellogg Foundation	12,000		12,000	SCI	Angel Valdes	-	12,000.00
7/10-6/13	06/30/13	060060	School Robotics Initiative	W.K. Kellogg Foundation	2,700		2,700	CLASS	Jill Nemiro	957.54	2,762.73
7/10-6/13	06/30/13	060070	Structure-Function Analysis of a Bacterial Virulence Factor	W.K. Kellogg Foundation	5,000		5,000	SCI	Christos Stathopoulos	-	4,980.66
7/10-6/13	CLOSED	060080	Effect of Taper Thickness on the Sensitivity of Tapered Fiber Op	W.K. Kellogg Foundation	7,000		7,000	SCI	Ertan Salik	-	7,000.00
7/10-6/13	06/30/13	060090	Removal of Contaminants from Surface Water: A Natural Treatm	W.K. Kellogg Foundation	12,000		12,000	ENG	Monica Palomo	-	11,982.62
7/10-6/13	CLOSED	060100	Paleoseismology and Megathrust Earthquake Hazards of the Nicc	W.K. Kellogg Foundation	12,000		12,000	SCI	Jeffrey Marshall	-	12,000.00
7/10-6/13	CLOSED	060110	A Decadal View of Turtle Abundance and Consumption Patterns	W.K. Kellogg Foundation	5,779		5,779	CLASS	Kristen Conway-Gomez	-	5,779.00
7/10-6/12	CLOSED	060120	Nature of Employee Boredom: A Meta-Analytic and Theoretical R	W.K. Kellogg Foundation	12,000		12,000	BA	David Walker	-	-
7/10-6/13	06/30/13	060130	Graduation Initiative	W.K. Kellogg Foundation	108,000	48,000	156,000	ACCAFF	Claudia Pinter-Lucke	15,686.40	59,788.80
7/10-6/13	06/30/13	060140	Synthesis of Photoconductive Liquid Crystals for Organic Solar C	W.K. Kellogg Foundation	12,000		12,000	SCI	James Rego	7,831.44	11,479.87
7/10-6/13	CLOSED	060150	Parent Institute for Quality Education (PIQE)	W.K. Kellogg Foundation	50,000	25,000	75,000	PRES	J. Michael Ortiz	-	50,000.00
7/10-6/13	CLOSED	060160	Measuring Acceptability of Urban Agriculture and Local Food Pr	W.K. Kellogg Foundation	5,000		5,000	ENV	Susan Mulley	5,000.00	5,000.00
7/10-6/13	06/30/13	060170	Student Success Dashboard	W.K. Kellogg Foundation	62,000		62,000	I&IT	Kathleen Street	-	60,743.00
7/11-6/13	06/30/13	060180	Minorities Study Group Project	W.K. Kellogg Foundation	60,000	20,000	80,000	EDU	Sandra Dixon	30,517.99	54,745.14
7/11-6/13	06/30/13	060190	Bronco Activity Record-Promoting, Measuring, and Enhancing Si	W.K. Kellogg Foundation	100,000	30,000	130,000	STUAF	Rebecca Gutierrez-Keeto	9,640.53	95,784.90
7/11-6/13	06/30/13	060210	Enhancement of Difficult Courses to Increase Successful Student	W.K. Kellogg Foundation	40,000	60,000	100,000	ACCAFF	Claudia Pinter-Lucke	1,370.97	39,278.77
7/11-6/13	06/30/13	060220	Enrollment Communication Plan	W.K. Kellogg Foundation	50,000	30,000	80,000	STUAF	Kathleen Street	3,364.34	14,767.96
7/11-6/13	06/30/13	060230	Foster Supportive Learning Environment For Diverse Students in	W.K. Kellogg Foundation	50,000	30,000	80,000	ENG	Winnie Dong	953.13	25,666.56
7/11-6/13	06/30/13	060240	First Year Experience Program Review	W.K. Kellogg Foundation	35,000		35,000	ACCAFF	Claudia Pinter-Lucke	-	-
7/11-6/13	06/30/13	060250	Kellogg Distinguished Public Lecture Series	W.K. Kellogg Foundation	70,000	70,000	140,000	SCI	Sepehr Eskandari	19,187.21	60,153.66
7/11-6/13	06/30/13	060260	Introduction of Learning Communities at Cal Poly Pomona	W.K. Kellogg Foundation	50,000	30,000	80,000	ACCAFF	Claudia Pinter-Lucke/Vic	8,687.70	13,423.70
7/11-6/13	06/30/13	060270	University Library Hispanic Serving Institutional Match	W.K. Kellogg Foundation	110,000	-	110,000	LIB	Ray Wang	-	110,000.00
7/11-6/13	06/30/13	060280	Expansion of the Maximizing Engineering Program (MEP) Stude	W.K. Kellogg Foundation	60,000	37,500	97,500	ENG	Milton Randle	1,934.45	61,867.72
7/11-6/13	CLOSED	060290	Provost's Awards	W.K. Kellogg Foundation	8,000	11,000	19,000	ACCAFF	Marten denBoer	-	8,000.00
7/11-6/13	06/30/13	060291	Provost's Awards--Elise Wirschafter	W.K. Kellogg Foundation	3,000	-	3,000	CLASS	Elise Wirschafter	-	3,000.00
7/11-6/13	06/30/13	060292	Provost's Awards--Kristine Hartney	W.K. Kellogg Foundation	5,000		5,000	SCI	Kristine Hartney	-	4,020.59
7/11-6/13	06/30/13	060293	Provost's Awards--Barbara Burke	W.K. Kellogg Foundation	3,000		3,000	SCI	Barbara Burke	-	2,652.49
7/11-6/13	06/30/13	060294	Provost's Awards--Jill Adler Moore	W.K. Kellogg Foundation	3,000		3,000	SCI	Jill Adler-Moore	678.68	2,629.74
7/11-6/13	06/30/13	060300	Reading to Improve Writing	W.K. Kellogg Foundation	40,000		40,000	ACCAFF	Allison Douglas-Chicoye	2,918.47	12,390.45
7/11-6/13	06/30/13	060310	Renaissance Scholars	W.K. Kellogg Foundation	100,000	100,000	200,000	STUAF	Monique Allard	16,793.20	99,757.20
7/11-6/13	06/30/13	060320	SEES Research and Mentoring Program (S-RaMP)	W.K. Kellogg Foundation	60,000		60,000	SCI	Barbara Burke	1,465.32	38,141.48
7/11-6/13	06/30/13	060330	Student Scholarship Administration	W.K. Kellogg Foundation	25,000	5,000	30,000	STUAF	Diana Minor	2,691.10	26,762.80
7/11-6/13	06/30/13	060340	Summer Bridge	W.K. Kellogg Foundation	60,000		60,000	STUAF	Monique Allard	55,442.92	59,999.11
7/11-6/13	06/30/13	060350	Transformative Undergraduate Research Engagement (Kellogg Fu	W.K. Kellogg Foundation	60,000	40,000	100,000	SCI	Jeffrey Marshall	15,935.18	58,067.48
7/11-6/13	06/30/13	060360	Boots to Broncos-Student Veteran Transition Support	W.K. Kellogg Foundation	55,000	20,000	75,000	STUAF	Kathleen Street	25,226.62	42,063.71
7/11-6/13	06/30/13	060370	Web of Science Subscription and Purchase	W.K. Kellogg Foundation	100,000	65,000	165,000	LIB	Ann Morgan	-	100,000.00
7/11-6/13	06/30/13	060380	WestEd Collaborative with LAUSD High School #16	W.K. Kellogg Foundation	50,000	30,000	80,000	EDU	Ron Leon	4,569.16	16,592.36
7/11-6/13	OPEN	060390	Kellogg Foundation General Expenditure Account	W.K. Kellogg Foundation	2,435	5,000	7,435	PRES	J. Michael Ortiz	5,000.00	7,435.00
7/11-6/13	06/30/13	060400	Genetic and Ecological Investigations into the Mating System of I	W.K. Kellogg Foundation	5,000		5,000	SCI	Paul Beardsley	2,467.39	2,467.39
7/11-6/13	06/30/13	060410	Regenerative Strategies Reference Guide: A Resource for Sustain	W.K. Kellogg Foundation	5,000		5,000	ENV	Kyle Brown	1,132.21	4,715.57
7/11-6/13	06/30/13	060420	Elucidating the Active Component of the Garlic Water Extract	W.K. Kellogg Foundation	2,433		2,433	SCI	Nancy Buckley	-	2,385.38
7/11-6/13	06/30/13	060430	Parents, Diversity, and Voice	W.K. Kellogg Foundation	2,565		2,565	EDU	Myriam Casimir	1,144.06	1,741.06
7/11-6/13	CLOSED	060440	Smoking On Human Oral Bacteria	W.K. Kellogg Foundation	5,000		5,000	SCI	John Chan	-	5,000.00
7/11-6/13	06/30/13	060450	#Temporality: Mashup of the Analog and Digital Realm	W.K. Kellogg Foundation	3,000		3,000	ENV	Melissa Flicker	-	694.86
7/11-6/13	06/30/13	060460	Letterpress Typography	W.K. Kellogg Foundation	1,445		1,445	ENV	Alyssa Lang	565.00	565.00
7/11-6/13	CLOSED	060470	Comparison of the Pollen Deposition Abilities of Honey Bees	W.K. Kellogg Foundation	4,736		4,736	SCI	Joan Leong	-	4,736.00
7/11-6/13	06/30/13	060480	Engineering Properties of Plant-Derived Biopolymers	W.K. Kellogg Foundation	2,433		2,433	AG	Olive Yao Li	-	1,303.00
7/11-6/13	CLOSED	060490	Environmental and Energy Simulation of Haiti Housing Project	W.K. Kellogg Foundation	5,000		5,000	ENV	Juintow Lin	-	5,000.00
7/11-6/13	06/30/13	060500	The Occupy Movement and the Future of American Politics	W.K. Kellogg Foundation	5,000		5,000	CLASS	Denmis Loo	1,174.95	1,174.95
7/11-6/13	06/30/13	060510	Biomechanics in Ataxic Horses	W.K. Kellogg Foundation	5,000		5,000	AG	Yvette Nout	1,943.27	3,373.88
7/11-6/13	06/30/13	060520	Determining Dietary and Behavioral Influences on Growth Perfor	W.K. Kellogg Foundation	5,000		5,000	AG	L. Allen Pettey	2,918.38	3,260.95
7/11-6/13	CLOSED	060530	Time Delayed Control of Structural Systems Using Multiple Actua	W.K. Kellogg Foundation	4,736		4,736	SCI	Hubertus F. von Bremen	-	4,736.00
7/11-6/13	06/30/13	060540	Endowment Effect Experiment Design Refinement	W.K. Kellogg Foundation	4,180		4,180	CLASS	Greg Hunter	-	-
7/11-6/13	CLOSED	060550	Outdoor Unmanned Ground Vehicle Navigation for Robots	W.K. Kellogg Foundation	4,736		4,736	SCI	Fang Tang	-	4,736.00
7/11-6/13	06/30/13	060560	RSCA Summer Stipends for Research Fellows	W.K. Kellogg Foundation	54,736	39,162	93,898	RES	Frank Ewers	-	54,736.00
7/12-6/13	06/30/13	060570	Effectiveness of Resource Discovery On University Library Mobi	W.K. Kellogg Foundation		7,155	7,155	LIB	Suzanna Conrad	-	-
7/12-6/13	06/30/13	060580	Evaluation of Usefulness Lactate Concentrations in Equine	W.K. Kellogg Foundation		4,500	4,500	AG	Yvette S. Nout	-	-
7/12-6/13	06/30/13	060590	Is Earnings Management More Likely to Happen for Firms with	W.K. Kellogg Foundation		4,736	4,736	BA	Nancy M. Fan	-	-
7/12-6/13	06/30/13	060600	From the Strategic to the Sacred: A Landscape Approach to	W.K. Kellogg Foundation		4,900	4,900	CLASS	Claudia Garcia-Des	-	-
7/12-6/13	06/30/13	060610	Grammatical Features in Academic Writing: Comparison Among	W.K. Kellogg Foundation		4,736	4,736	CLASS	Olga Griswold	-	-
7/12-6/13	06/30/13	060620	Success Breeding Success Through Discounted Wages: The	W.K. Kellogg Foundation		4,000	4,000	CLASS	Craig Kerr	-	-
7/12-6/13	06/30/13	060630	Recording and Release of a CD featuring World Premiere	W.K. Kellogg Foundation		5,000	5,000	CLASS	Nadia Shpachenko-	-	-
7/12-6/13	06/30/13	060640	Electrospun Membranes for Membrane Distillation	W.K. Kellogg Foundation		4,500	4,500	ENG	Keith Forward	-	-
7/12-6/13	06/30/13	060650	Electrospinning Composite Nanofibers for Thermoelectric	W.K. Kellogg Foundation		7,200	7,200	ENG	Yong Xue Gan	-	-
7/12-6/13	06/30/13	060660	Investigation of Plug-in Electric Vehicle Travel and Charging	W.K. Kellogg Foundation		9,695	9,695	ENG	Xinkai Wu	-	-
7/12-6/13	06/30/13	060680	Music and Movement for Cognitive and Motor Deficits	W.K. Kellogg Foundation		9,916	9,916	SCI	Hyun Gu Kang	-	-
7/12-6/13	06/30/13	060690	A Microseismicity Study of the Sierra Madre- Cucamonga Fault	W.K. Kellogg Foundation		10,000	10,000	SCI	Jascha Polet	-	-
7/12-6/13	06/30/13	060710	Influence of Obesity on Respiratory Muscle	W.K. Kellogg Foundation		4,500	4,500	SCI	Robert Talmadge	-	-
					1,660,914	776,500	2,437,414			248,541.63	1,336,754.91

CAL POLY POMONA FOUNDATION, INC.
Schedule of Grants
July 1, 2012 through December 31, 2012

Expenditure Activity-Year 1		52,507.25	
Expenditure Activity-Year 2		1,035,706.03	
Expenditure Activity-Year 3		248,541.63	C
		<u>1,336,754.91</u>	B
TOTAL SOURCES OF INCOME:			
Initial Funds Awarded by Kellogg Foundation		2,000,000.00	
RSCA Accounts Closed Due to Faculty Leaving University			
060020		588.63	
060120		12,000.00	
Funds Deposited to Account In Error		1,000.00	
Interest Income Earned on Funds		16,726.26	
IDT215601 1/25/11 RSCA Awards (Reimbursing For Amount Awarded Over \$120,000 Limit For Year 1 per ORSP)		1,479.00	
UET Earning Distribution for 10-11 Fiscal Year		477,108.64	
UET Earning Distribution for 11-12 Fiscal Year		119,816.00	
Total Sources of Income:		<u><u>2,628,718.53</u></u>	A
DESIGNATED GIFT CALCULATIONS:			
Total Sources of Income:		2,628,718.53	A
Total Expended Since Inception Through December 2012		1,336,754.91	B
Estimated Expenditures for January-June 2013		250,000.00	C
Total Estimated Expenditures:		<u>1,586,754.91</u>	
Net Available to Spend		<u><u>1,041,963.62</u></u>	D
Total Endowment Value: February 2013	24,000,000.00		
Total Endowment Earnings: February 2013	<u>3,775,430.49</u>		
	<u><u>27,775,430.49</u></u>		
Total Estimated Distribution 13-14 (5 Percent)		<u>1,388,772.00</u>	E
Total Funds Available to Award:		<u><u>2,430,735.62</u></u>	D+E
Estimated Expenditures in 13-14 (75 Percent of Funds Available to Award)		1,823,052.00	
Total Admin Fee for 13-14 (4.5% of Available Balance)		<u>82,037.34</u>	
Total Designated Gift		<u><u>82,000.00</u></u>	

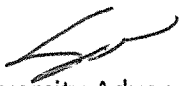


Memorandum

DATE: March 11, 2013

TO: J. Michael Ortiz
President

J. Paul Storey
Executive Director
Cal Poly Pomona Foundation, Inc.

FROM: Scott Warrington 
Vice President, University Advancement
Chair, 75th Anniversary Committee

RE: Support for the 75th Anniversary Celebration

As chair of the 75th Anniversary Committee, I am honored to be participating in the plans for the celebration of the longevity of our campus. The committee is comprised of representatives from all across campus including academic departments, student organizations, and administration. Activities are being planned in each of these areas and include distinguished speaker series, student competitions, a theatre presentation, video projects, open houses and other events to showcase the university.

Since the inception of our campus in 1938 with an all-male enrollment of 110 students we have grown to a prestigious institution of higher education with over 22,000 students and boasting the 4th highest ranked campus in the 15 state western region for diversity. We have much to celebrate as we enter our 75th year of academic excellence.

The theme for the 75h Anniversary Celebration is "Honor the Past. Celebrate the Present. Build the Future." I have attached a complete listing of the many activities planned that encourage the participation of students, faculty, staff, alumni, donor and the surrounding community and are geared to build on the university's mission and core values and sense of pride, as well as highlight all that the university has accomplished.

To implement and coordinate these activities the Cal Poly Pomona Foundation is asked to sponsor \$100,000 in support for the 75th Anniversary Celebration. These funds will be allocated to the various departments for the activities planned and all events are requested to complete an outcomes report. State funding will also be matched by this amount.

Thank you for your consideration of this request and for the continued support Cal Poly Pomona Foundation provides to the university.

75th Anniversary Planned Events*Stories of Successful Learning - Academic Affairs**PolyTeach - Academic Affairs**Civic Engagement - Center for Community Engagement**Student Research Competition - Office of Research and Sponsored Programs**Honors College 10th Anniversary - Kellogg Honors College**Agriculture Ox Fam Dinner**College of Bus Distinguished Speaker**CEIS Open House**CEIS Speaker Series**CLASS Theatre Presentation**CLASS Poly Post Project**Engineering Distinguished Speaker**Engineering Hall of Fame**Engineering Symposium/Showcase**ENV Design Exposition**ENV Design Week**I&IT 75th Anniversary Video**I&IT Augmented Reality**Science Imagineering Contest**Science Oral Legacy Project**Collins 75th Anniversary Dinner**Student Affairs Multi-Events*

OPERATING BUDGETS
GENERAL ACTIVITIES

ADMINISTRATION

ADMINISTRATION

CONSOLIDATED BUDGET COMPARISON SUMMARY
FOR PROPOSED BUDGET YEAR 13-14
CURRENT FISCAL YEAR 12-13

ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
REVENUE				
ADMINISTRATIVE FEES	3,867,742	3,508,519	3,887,875	379,356
OTHER	-	100	-	(100)
SALES	1,627	16,050	17,304	1,254
TOTAL REVENUE	<u>3,869,369</u>	<u>3,524,669</u>	<u>3,905,179</u>	<u>380,510</u>
EXPENDITURES-CONTROLLABLE				
UTILITIES	44,740	30,200	31,440	1,240
INSURANCE	120	82	-	(82)
REPAIRS & MAINTENANCE	190,660	185,373	186,457	1,084
MEALS & REFRESHMENTS	8,668	12,571	13,701	1,130
POSTAGE & FREIGHT	13,944	13,625	14,530	905
ADVERTISING	67,189	72,652	95,921	23,269
RENT/COMMISSIONS	1,200	400	1,200	800
SERVICES	219,064	330,679	290,396	(40,283)
SUPPLIES	117,144	119,729	122,345	2,616
TELEPHONE	43,056	31,960	38,664	6,704
TRAVEL	16,920	16,425	21,582	5,157
OTHER	80,998	37,485	37,639	154
TOTAL EXPENDITURES-CONTROLLABLE	<u>803,703</u>	<u>851,181</u>	<u>853,875</u>	<u>2,694</u>
EXPENDITURES NON-CONTROLLABLE				
ADMINISTRATIVE FEES	635	-	23	23
DEPRECIATION	158,544	133,222	156,852	23,630
INSURANCE	48,000	(17,950)	3,955	21,905
INTEREST EXPENSE	1,440	1,000	1,440	440
RENT/COMMISSIONS	10,710	8,000	8,748	748
BANK CARD FEES	60	46	-	(46)
OTHER	77,656	200,105	83,145	(116,960)
TOTAL EXPENDITURES NON-CONTROLLABLE	<u>297,045</u>	<u>324,423</u>	<u>254,163</u>	<u>(70,260)</u>
LABOR COSTS				
SALARIES & WAGES	2,274,180	2,267,778	2,401,949	134,171
EMPLOYEE BENEFITS	1,314,776	1,199,106	1,313,257	114,151
TOTAL LABOR COSTS	<u>3,588,956</u>	<u>3,466,884</u>	<u>3,715,206</u>	<u>248,322</u>
TOTAL EXPENDITURES	<u>4,689,704</u>	<u>4,642,488</u>	<u>4,823,244</u>	<u>180,756</u>
NET INCOME	<u>(820,335)</u>	<u>(1,117,819)</u>	<u>(918,065)</u>	<u>199,754</u>

CAL POLY POMONA FOUNDATION, INC.

ADMINISTRATION FEE SUMMARY

<i>FISCAL YEAR</i>	Current Approved Budget 2012-2013	Forecast Budget 2012-2013	Proposed Budget 2013-2014	Variance
<u>REAL ESTATE:</u>				
TOTAL REAL ESTATE ADMIN FEE	141,019	134,529	134,530	1
<u>ENTERPRISES:</u>				
Bookstore	620,543	641,573	634,840	-6,733
Dining Services	954,464	909,338	989,182	79,844
K.W. Conference Ctr. & Lodge	93,023	131,649	148,129	16,480
University Village	528,234	443,758	488,603	44,845
TOTAL ENTERPRISES ADMIN FEE	2,196,264	2,126,318	2,260,754	134,436
<u>SUPPLEMENTAL AND FDN PROGRAMS</u>				
Endowments/Investments	375,071	267,001	431,430	164,429
Research Office	607,500	507,000	504,225	-2,775
Admin Philanthropic Grants	74,250	32,000	81,996	49,996
Agriculture	125,166	113,311	131,281	17,970
Foundation Programs	202,380	158,042	158,040	-2
Continuing Education	132,472	154,238	169,539	15,301
TOTAL Supplemental & FDN Programs	1,516,839	1,231,592	1,476,511	244,919
TOTAL FOUNDATION ADMIN FEE	3,854,122	3,492,439	3,871,795	379,356

*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	124,127	18,517
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Cal Poly Pomona Foundation
 Cost Allocation Analysis
 For the fiscal year ended June 30, 2012

Fund	2011-12 Computer Transactions	% Accounting	2011-12 Acctg & MIS Actual Allocation	Adjustments For Time	Adjusted 2011-12 Acctg & MIS Actual Allocation	Administrative %	2011-12 Administration Actual Allocation	Human Resources %	2011-12 Human Resources Actual Allocation	2011-12 Actual Total Allocation	2011-12 Foundation Prg. 75% Total Allocation	2011-12 Amount Charged	Overage (Shortage) Variance Amount	Variance %
General	34,701	9.81%	211,485		211,485	9.81%	12,197	1.00%	6,166	229,849		-	(229,849)	-100.00%
Real Estate	12,040	3.40%	73,378		73,378	3.40%	12,197	1.00%	-	85,575		138,189	52,614	61.48%
Grants and Contracts	36,130	10.21%	220,194	59,703	279,897	12.98%	280,539	50.00%	308,324	868,760		556,192	(312,568)	-35.98%
Designated	3,987	1.13%	24,299		24,299	1.13%	-	-	-	24,299		46,607	22,308	91.81%
Enterprise	150,009	42.39%	914,228	(34,003)	880,225	40.81%	756,235	35.00%	215,827	1,852,287		2,183,386	331,099	17.88%
Agriculture	19,185	5.42%	116,923	(3,400)	113,523	5.26%	36,592	3.00%	18,499	168,614		124,323	(44,291)	-26.27%
Endowment	11,712	3.31%	71,379	20,000	91,379	4.24%	36,592	3.00%	-	127,971		222,044	94,073	73.51%
Programs/Scholarships	80,509	22.75%	490,661	(41,600)	449,061	20.82%	42,691	2.00%	12,333	504,085	378,063	254,922	(123,142)	-24.43%
Continuing Education	5,592	1.58%	34,080	(700)	33,380	1.55%	42,691	9.00%	55,498	131,569		146,413	14,844	11.28%
Total	353,865	100%	2,156,625	-	2,156,625	100.00%	1,219,734	100.00%	616,648	3,993,007	378,063	3,672,076	(194,910)	-4.881%

Programs/Scholarships Actual total allocation vs. amount charged (249,163)

Fund	2011-12 Allocated Actual Cost per Transaction	2011-12 Amount Charged per Transaction	Variance
General/Innovation Village	6.62	-	0%
Rental Buildings	7.11	11.48	161%
Grants	24.05	15.39	64%
Designated	6.09	11.69	192%
Enterprise	12.35	14.56	118%
Agriculture	8.79	6.48	74%
Endowment	10.93	18.96	174%
Foundation	6.26	3.17	51%
Continuing Education	23.53	26.18	111%
Avg. per Trans.	11.75	11.99	102%

Average Balance Quarterly

Amount Distributed	Foundation Prgs	Scholarships	Yield Returned	Foundation Prgs	Scholarships	Yield Withheld	Foundation Prgs	Scholarships	Total Withheld
Sept	17,864.00	1,922.00	0.08750%	20,416,000.00	2,196,571.43	0.12500%	25,520.00	2,745.71	28,265.71
Dec	18,149.00	2,324.00	0.08750%	20,741,714.29	2,656,000.00	0.12500%	25,927.14	3,320.00	29,247.14
Mar	17,033.00	2,099.00	0.07750%	21,978,064.52	2,708,387.10	0.12500%	27,472.58	3,385.48	30,858.06
June	14,976.00	1,866.00	0.06750%	22,186,666.67	2,764,444.44	0.12500%	27,733.33	3,455.56	31,188.89
	68,022.00	8,211.00					<u>106,653.06</u>	<u>12,906.75</u>	<u>119,559.81</u>

CAL POLY POMONA FOUNDATION, INC.

ADMINISTRATION

2013-2014

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2013

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Proposed Fiscal Year Budget

A

ADMINISTRATION_EXECUTIVE

CONSOLIDATED BUDGET COMPARISON SUMMARY
FOR PROPOSED BUDGET YEAR 13-14
CURRENT FISCAL YEAR 12-13

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
REVENUE				
ADMINISTRATIVE FEES	3,854,122	3,492,439	3,871,795	379,356
OTHER	0	0	0	0
SALES	<u>327</u>	<u>15,000</u>	<u>16,000</u>	<u>1,000</u>
TOTAL REVENUE	3,854,449	3,507,439	3,887,795	380,356
EXPENDITURES-CONTROLLABLE				
UTILITIES	44,740	30,200	31,440	1,240
REPAIRS & MAINTENANCE	31,360	34,600	36,160	1,560
MEALS & REFRESHMENTS	6,000	10,000	10,800	800
POSTAGE & FREIGHT	260	100	260	160
ADVERTISING	30,640	34,000	40,800	6,800
RENT/COMMISSIONS	1,200	400	1,200	800
SERVICES	46,616	44,300	52,700	8,400
SUPPLIES	30,035	22,300	30,515	8,215
TELEPHONE	36,000	22,000	26,400	4,400
TRAVEL	6,050	3,000	6,050	3,050
OTHER	<u>25,460</u>	<u>26,200</u>	<u>26,260</u>	<u>60</u>
TOTAL EXPENDITURES-CONTROLLABLE	258,361	227,100	262,585	35,485
EXPENDITURES NON-CONTROLLABLE				
ADMINISTRATIVE FEES	0	0	0	0
DEPRECIATION	8,400	12,000	9,000	(3,000)
INSURANCE	48,000	43,000	48,000	5,000
INTEREST EXPENSE	1,440	1,000	1,440	440
RENT/COMMISSIONS	3,000	2,500	3,000	500
BANK CARD FEES	0	0	0	0
OTHER	<u>2,330</u>	<u>2,200</u>	<u>2,330</u>	<u>130</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	63,170	60,700	63,770	3,070
LABOR COSTS				
SALARIES & WAGES	317,064	282,000	335,556	53,556
EMPLOYEE BENEFITS	<u>121,380</u>	<u>123,110</u>	<u>131,842</u>	<u>8,732</u>
TOTAL LABOR COSTS	<u>438,444</u>	<u>405,110</u>	<u>467,398</u>	<u>62,288</u>
TOTAL EXPENSES	<u>759,975</u>	<u>692,910</u>	<u>793,753</u>	<u>100,843</u>
NET INCOME	3,094,474	2,814,529	3,094,042	279,513
=====	=====	=====	=====	=====

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

Forecasted Revenue is anticipated to be approximately \$3,625,125 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 several years ago; bubbler sprinkler heads using less ccfs of water, and scanning, e-forms and workflow 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), a new capital projects for the building is planned for the upcoming fiscal year as the HVAC system desperately needs upgrading; 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:

HVAC system in Building 55 needs complete replacement.

Changes in Staffing:

Add a Director of Hospitality Services to the Foundation's Executive Group

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 2014
* Provide start-up support for the new Technology Transfer and Commercialization Center	Employment Services & Real Estate	July 2014
*Provide information and support to assist Advancement's implementation of Software .	Admin. and Financial Services	July -2014
*Innovation Village: marketing, and options for remaining land. Phase V agreement established.	Admin. & Real Estate	August 2013
*Provide BOD training as related to CSU & non-profit laws and regulations via AOA training program	Admin.	August 2013
*Long-term plan-Kellogg West Conf. Ctr. & Lodge for financial and facility substantiality. Review costs		
for renovation of Main Lodge, additional rooms and inclusion of Collins curriculum.	Admin. & Kellogg West	June 2014
*Increase specialized training for managers including online performance management.	Employment Services	June 2014
*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 2014
*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 2014
* 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 2014
Public Relations campaign-Foundation Gives back to the University	Admin & Marketing	June 2014
*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 2014
Implementations related to National Health Plan	All	January 2014
*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 2014
*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 2014
Reorganization of Foundation Executive Group to include a Director of Hospitality Services	Admin, Dining, KW, Empl Services	August 2013
Assist the University with special planning and marketing associated with 75th Anniversary celebrations	Admin. and Marketing	2014
Review options: Master Planning/Development of Spadra Farm, including student/faculty mixed housing	Univ Facilities/Design, Admin. RE	June 2014
Implement Recommendations from Bookstore Consultant's 2013 Report	Bookstore	June 2014 and beyond

Mission/Vision Statement

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

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

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

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

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

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

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

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

Strengths and Challenges

Strengths

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

Challenges

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

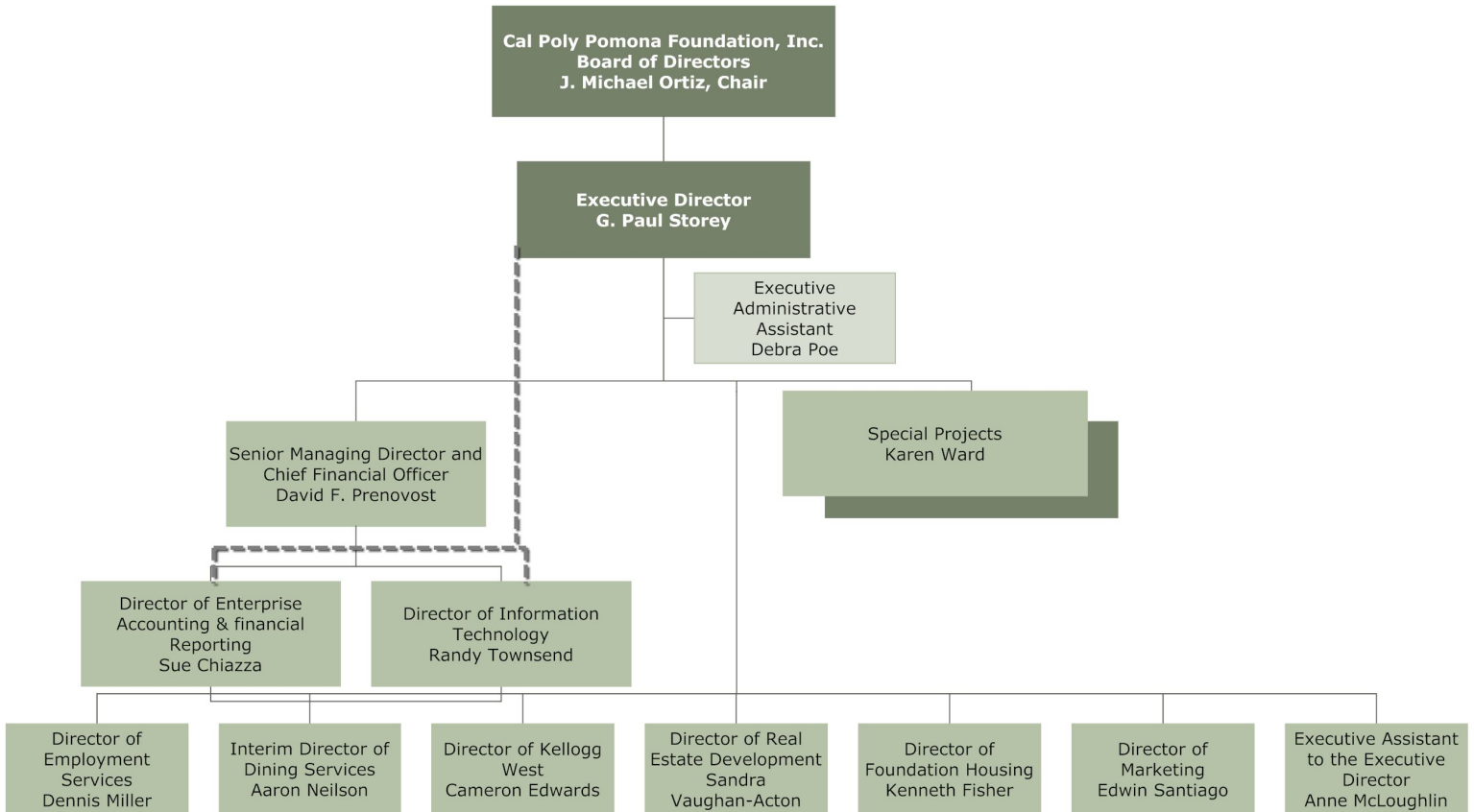
The Foundation has long practiced a conservative approach to risk management and has transferred risk of identifiable hazards to insurers through purchase of comprehensive insurance coverage. This approach and the practices to implement it are integrated into Foundation operations.

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

2013-2014

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2013

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Proposed Fiscal Year Budget

A

FINANCIAL_SERVICES

CONSOLIDATED BUDGET COMPARISON SUMMARY FOR PROPOSED BUDGET YEAR 13-14 CURRENT FISCAL YEAR 12-13

ACCT. ACCOUNT TITLE	CURRENT YEAR		PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
	APPROVED BUDGET	CURRENT YEAR FORECAST		
=====				
REVENUE				
OTHER	0	100	0	(100)
SALES	<u>800</u>	<u>800</u>	<u>804</u>	<u>4</u>
TOTAL REVENUE	800	900	804	(96)
EXPENDITURES-CONTROLLABLE				
INSURANCE	0	0	0	0
REPAIRS & MAINTENANCE	153,100	145,501	144,012	(1,489)
MEALS & REFRESHMENTS	1,543	1,760	1,776	16
POSTAGE & FREIGHT	12,810	12,975	13,620	645
ADVERTISING	3,079	3,132	3,204	72
SERVICES	119,408	201,133	188,662	(12,471)
SUPPLIES	27,154	35,920	37,776	1,856
TELEPHONE	5,256	4,460	4,704	244
TRAVEL	2,100	2,300	4,704	2,404
OTHER	<u>4,688</u>	<u>6,437</u>	<u>6,600</u>	<u>163</u>
TOTAL EXPENDITURES-CONTROLLABLE	329,138	413,618	405,058	(8,560)
EXPENDITURES NON-CONTROLLABLE				
DEPRECIATION	144,048	114,178	142,116	27,938
RENT/COMMISSIONS	7,710	5,500	5,748	248
BANK CARD FEES	60	46	0	(46)
OTHER	<u>75,326</u>	<u>77,905</u>	<u>80,815</u>	<u>2,910</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	227,144	197,629	228,679	31,050
LABOR COSTS				
SALARIES & WAGES	1,244,196	1,160,590	1,258,965	98,375
EMPLOYEE BENEFITS	<u>450,389</u>	<u>424,369</u>	<u>488,790</u>	<u>64,421</u>
TOTAL LABOR COSTS	<u>1,694,585</u>	<u>1,584,959</u>	<u>1,747,755</u>	<u>162,796</u>
TOTAL EXPENSES	<u>2,250,867</u>	<u>2,196,206</u>	<u>2,381,492</u>	<u>185,286</u>
NET INCOME	(2,250,067)	(2,195,306)	(2,380,688)	(185,382)
	=====	=====	=====	=====

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

190010:

Computer equipment/computer purchases (7103 and 7104) has increased due to a number of new computers/IPad's purchased in Financial Services.

Licenses and permits (7158) has increased due to the University charging more for the Glacier Software License Fee.

Rental Land and Building (7258) has decreased due to the storage company charging less for the monthly box storage fees.

Audit Services (7285) has increased due to Vicenti, Lloyd and Stutzman charging an additional \$5,000 for GASB conversion and CSU Audit Fee increasing \$5,000 from budget.

190030:

Services/Consultant (7286) has increased due to staff turnover in the IT area.

Explanation of Proposed Fiscal Year Budget:

190010:

Salary expense has increased 7 percent due to 3 percent increase in July 2013, one full-time staff employee being on maternity leave for 4 months with limited compensation during FYE 12-13, actual vacation accrual for FYE 12-13 being less than 2 percent of budgeted salaries, and a 30 hour employee increasing to 40 hours a week.

Staff benefit expense has increased 10 percent due to increased number of full-time employees getting insurance through Foundation vs getting cash in lieu of benefits, and a 30 hour employee increasing to full-time benefits.

Conference expense has increased due to staff attending CPE courses, AOA conference, 1099 conference, and NACAS conference.

Depreciation expense has decreased due to all assets being fully depreciated.

Travel expense has increased due to the AOA conference in Sacramento and staff attending the NACAS conference.

190030:

In the coming year there will be a continued reduction in the cost of computer maintenance and power consumption through the completion of projects to finish virtualizing the server farm in building 55 and to move disaster recovery/administrative equipment to university co-location and/or hosted services. Vendor software maintenance will remain consistent.

Salary expense has increased due to 3 percent increase in July 2013.

Increases related to current labor charges are expected to continue in the coming fiscal year as Foundation IT staff increase skills and value in competition with equivalent private sector jobs. Training expense has increased to insure staff are well educated in IT trends and competitive with peers.

Expenses associated with the wireless will increase as more tablets and smartphone devices become strategic to business processes.

Changes in Programs and Services for Proposed Fiscal Year:

190010: The Foundation will be implementing the web-based accounting system including analyzing the functionality of new system and automating processes to improve efficiency.

190030:

Where fiscally and operationally advantageous to Foundation business there will be a move toward co-location and/or internal hosting of administrative applications on university equipment as part of the Data Center Initiative. Changes will be based on mutually agreed upon industry standard service level agreements and MOU's written to insure separation of duties. This will be done in partnership with the university using shared computer room equipment.

Explanation of Proposed Fiscal Year Capital Requests:

190030:

1. SAN storage expansion to insure adequate space for disaster recovery, disk-to-disk recovery and anticipated growth in data services.
2. The upgrade of disk-to-disk backup and recovery software to provide faster recovery times.
3. Migration project costs for the movement of equipment and services to co-location and internal hosting.
4. Mobile device lab and pre-production testing environment to provide mobile file access and security improvements.
5. Hardware/software purchases to expand VDI capability to Foundation desktop support to allow desktop cost reductions.
6. The purchase of PCI compliance automation software.
7. The purchase of security logging and monitoring software.

Changes in Staffing:

An increase in hours from 20 to 30 and a change from student to part-time PC support specialist position.

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 (2014-2016) 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, implementing office automation with workflow tools, increasing server virtualization, extending the financial system capability, improving disaster recovery, and extending wireless capability. We are anticipating further reductions in maintenance costs related to desktop hardware as the migration to smaller less expensive equipment and virtualization proceeds. Increased need for security monitoring and logging of mobile and terrestrial data. 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 10 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 21 responses who totally agree, 45 responses who agree, 22 responses who disagree, 8 responses who totally disagree and 1 responses who didn't know.

Financial Services received an overall score for 12-13 of 2.78 versus 11-12 of 2.71, 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 2012-13, the following totally agree or agree:

- 90% believe their supervisor considers them to be an important factor to their department's success;
- 80% feel they are treated with fairness, respect and equality as a whole;
- 50% feel other departments or employees react quickly to meet the needs of the other employees/departments;
- 70% feel there is a high level of trust between employees and direct supervisors;
- 70% feel there is a good level of trust between employees and upper management;
- 80% feel goals are communicated to all employee levels;
- 40% feel teamwork and communication within Foundation Financial Services is good;
- 40% feel their salary plus benefits is appropriate for the requirement of their position;
- 60% Foundation management is interested in their future and does all it can to develop their skills; and
- 80% enjoy working for Foundation Financial Services;

Customer Survey

There were 19 responses where we have used the same scale as the employee survey from 0 to 4. We received an overall score of 2.77 in 12-13 versus 3.17 in 11-12, 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 317 responses of which 48 totally agree, 148 responses who agree, 75 responses who disagree, 22 responses who totally disagree and 24 responses who didn't know.

The following totally agree or agree:

- 63%--employees are courteous, helpful, knowledgeable and service oriented;
- 68%--faced with new projects or demands, Financial Services reacts quickly to meet the needs of the customer;
- 63%--produces a consistently superior level of accuracy in all of the work we perform;
- 63%--consistently completes assignments on time;
- 47%--incorporates current technology in servicing our customers;
- 53%--organized, professional organization that conducts transactions in a business-like manner;
- 79%--the services provided is an asset to the University;
- 58%--forms are easy to understand and use;
- 63%--the staff is always efficient when answering their questions;
- 63%--computer information is current and accessible;
- 53%--computer systems are fast, reliable and efficient;
- 53%--MIS staff respond to service requests in a timely manner;

Foundation Financial Services Procedures are comprehensible:

- 61%--Wells Fargo Purchasing Card
- 67%--Disbursement Voucher Form
- 44%--Travel Form
- 83%--Deposit
- 70%--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

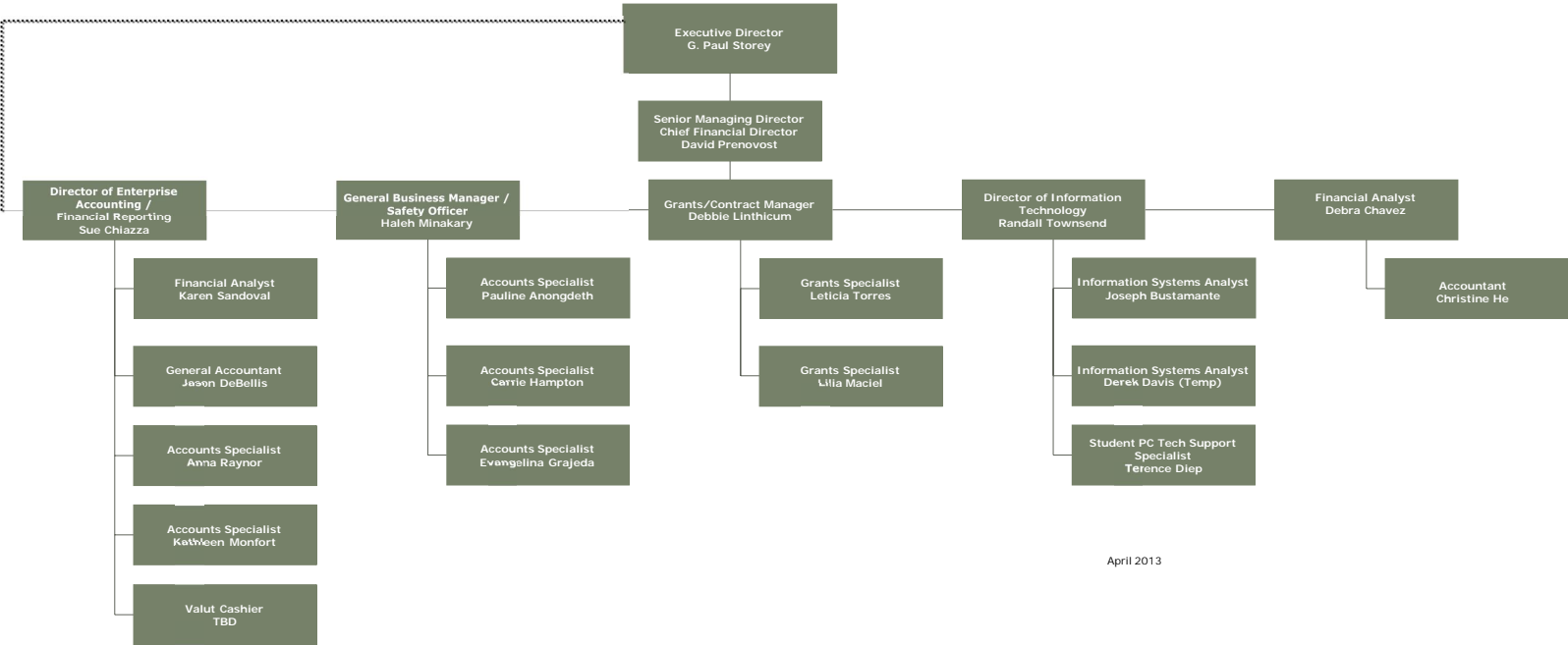
1. Mitigating the risk of network security breaches. Corrective action includes use of monitoring software, log management, pro-active scanning and improvements to physical security of equipment.
2. Business continuity risk management. Corrective action includes hardware and software redundancy in mission 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



April 2013

CAL POLY POMONA FOUNDATION, INC.

EMPLOYMENT SERVICES

2013 - 2014

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2013

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Proposed Fiscal Year Budget

A

EMPLOYMENT_SERVICES

CONSOLIDATED BUDGET COMPARISON SUMMARY
FOR PROPOSED BUDGET YEAR 13-14
CURRENT FISCAL YEAR 12-13

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
=====				
REVENUE				
SALES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REVENUE	0	0	0	0
EXPENDITURES-CONTROLLABLE				
INSURANCE	120	82	0	(82)
REPAIRS & MAINTENANCE	300	638	300	(338)
MEALS & REFRESHMENTS	900	500	900	400
POSTAGE & FREIGHT	120	350	300	(50)
ADVERTISING	1,620	519	720	201
SERVICES	49,200	35,800	73,200	37,400
SUPPLIES	6,000	10,251	6,000	(4,251)
TELEPHONE	1,200	2,500	2,400	(100)
TRAVEL	900	4,759	1,200	(3,559)
OTHER	<u>50,100</u>	<u>28,033</u>	<u>27,600</u>	<u>(433)</u>
TOTAL EXPENDITURES-CONTROLLABLE	110,460	83,432	112,620	29,188
LABOR COSTS				
SALARIES & WAGES	298,116	421,000	395,252	(25,748)
EMPLOYEE BENEFITS	<u>100,386</u>	<u>190,583</u>	<u>197,016</u>	<u>6,433</u>
TOTAL LABOR COSTS	<u>398,502</u>	<u>611,583</u>	<u>592,268</u>	<u>(19,315)</u>
TOTAL EXPENSES	<u>508,962</u>	<u>695,015</u>	<u>704,888</u>	<u>9,873</u>
NET INCOME	(508,962)	(695,015)	(704,888)	(9,873)
	=====	=====	=====	=====

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

The 2012 - 2013 budget year was unlike prior fiscal years. This year we upgraded our Kronos system which provides for additional functionality and much desired added security. Additionally, we transferred in a full time project manager into our department from another Foundation department, which has allowed us to move forward with several important projects and also created the situation of being over budget. This transferred in position is expected to be vacated prior to the end of the 2013 - 2014 budget year.

Employment Services also completed its first full year of having an option for the self-insured healthcare benefit program, and at least initially, this new program seemed to be a good decision for Foundation, overall.

Due primarily to the transferred position, we expect to end the fiscal year over budget by about \$94,000. In return, we will implement several important projects and deliver much needed services to Foundation employees.

Explanation of Proposed Fiscal Year Budget:

Other than the addition of the project manager position, there will be no other major changes to the budget for the upcoming year.

Changes in Programs and Services for Proposed Fiscal Year:

We have added a flex dollars program which gives benefited employees a \$50 credit to use based on their needs to offset healthcare premiums, parking fees, or to supplement the tuition reimbursement program. We are sun-setting the "Cash for Benefits" program. We have also added a new CalPERS retirement benefit formula, which is the 2% at 62 plan.

The Kronos Performance Management module will become operational and the Kronos Touch Terminal will also become available for use in various Foundation locations. We will test the Kronos Mobile licenses (for smart devices) for possible limited use.

Explanation of Proposed Fiscal Year Capital Requests:

Kronos Touch Terminals. In February 2013 we upgraded the Kronos platform. 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. We currently have 6 "Touch Terminals" which are multi-purpose devices intended to provides employees the tools to manage their Kronos information (via Self-Service) and these devices are also used to allow employees to clock in/out with its biometrics function. These devices are mini-computers and extremely easy to use - and one example is the built-in multi-language functionality where the user can choose from a pre-selected list of 10 different common languages to use when operating the Touch Terminal, which will certainly assist our diverse employee population.

We plan to add 3 additional Touch Terminals and this will have a cost of about \$12,000.

Changes in Staffing:

In 2013 we plan to replace our 2 part time payroll employees with one full time employee. It is also expected that the project management position will be vacated prior to the end of the 2013 - 2014 budget year.

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

During the near term there will be minor changes. Overall, there is optimism with our state budget which will directly impact Foundation and all its employees and long term planning is becoming less important at this juncture. During the next 2-3 years Employment Services will continue to pursue its efforts on employee development both within its department and for Foundation supervisory employees, and will continue to remain efficient and cost effective for Foundation. Sustaining the training and development for the next generation of supervisory employees is our most critical long term objective.

Looking ahead the next 4 - 7 years, the economy should continue its recovery path which should not directly impact Employment Services any more or less than during the last year. Health Care Reform will continue to evolve and will impact Foundation employees and supervisory education has already commenced in this area to help plan for these changes. We anticipate a material loss of talent (Foundation wide) during the next 2 to 5 years in key positions.

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 and more customer centric 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.

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.

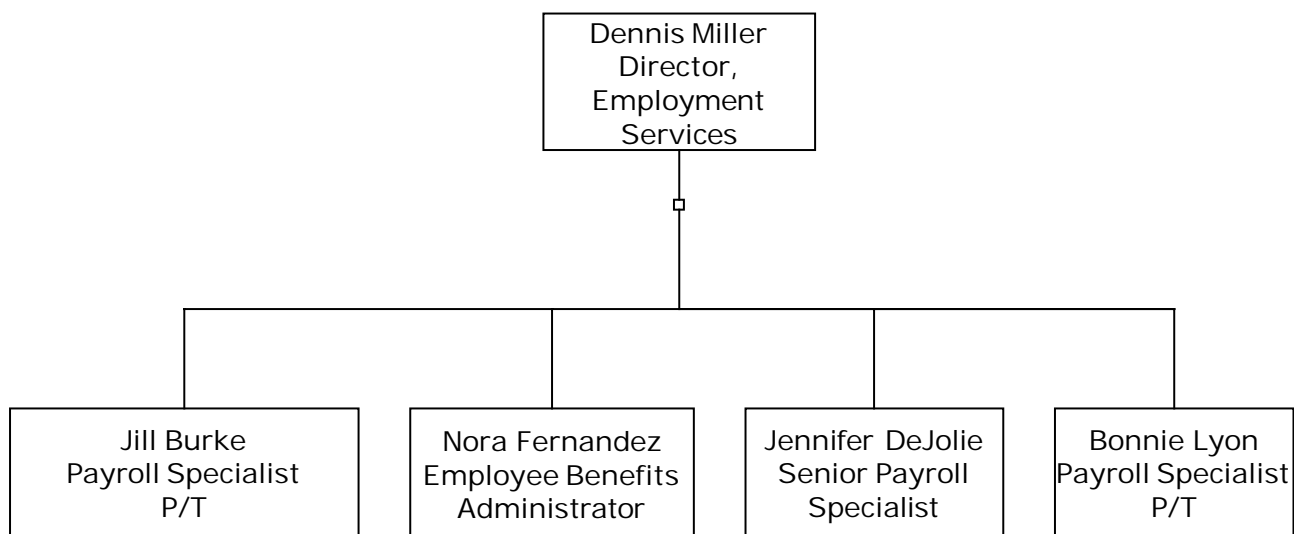
Offer and deliver services to operational units that assist them toward achieving their business objectives.

Asset Protection/Risk Management

Organization Chart



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



April 2013

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

During the next 1 - 5 years, employee retention in key positions at mid and senior level positions will continue to be in a state of flux mainly due to stagnant compensation within Foundation over the last 5 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 in and of itself, 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 - 3 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. As a broad forecast, up to 75% of those currently eligible to retire will do so at some point during the next 7 - 8 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 in a possible negative manner, this same situation will create an unusually high number of "upward mobility" opportunities for current employees. We are optimistic that a high percentage of our mid level employees filling supervisory roles will benefit from the supervisory / management development program we initiated earlier this year, and thus have the tools and experiences necessary to be competitive for internal promotional opportunities when positions become available.

Continued - No Continuations

CAL POLY POMONA FOUNDATION, INC.

MARKETING

2013-2014

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2013

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Proposed Fiscal Year Budget

A

MARKETING

CONSOLIDATED BUDGET COMPARISON SUMMARY
FOR PROPOSED BUDGET YEAR 13-14
CURRENT FISCAL YEAR 12-13

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>500</u>	<u>250</u>	<u>500</u>	<u>250</u>
TOTAL REVENUE	500	250	500	250
EXPENDITURES-CONTROLLABLE				
REPAIRS & MAINTENANCE	5,900	4,634	5,985	1,351
MEALS & REFRESHMENTS	150	261	150	(111)
POSTAGE & FREIGHT	250	100	250	150
ADVERTISING	31,150	34,351	50,497	16,146
SERVICES	2,090	2,771	3,884	1,113
SUPPLIES	52,155	49,305	46,604	(2,701)
TELEPHONE	0	1,800	3,720	1,920
TRAVEL	5,720	4,300	5,828	1,528
OTHER	<u>400</u>	<u>517</u>	<u>2,029</u>	<u>1,512</u>
TOTAL EXPENDITURES-CONTROLLABLE	97,815	98,039	118,947	20,908
EXPENDITURES NON-CONTROLLABLE				
ADMINISTRATIVE FEES	23	0	23	23
DEPRECIATION	4,596	5,500	4,236	(1,264)
BANK CARD FEES	0	0	0	0
OTHER	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	4,619	5,500	4,259	(1,241)
LABOR COSTS				
SALARIES & WAGES	254,112	250,634	263,028	12,394
EMPLOYEE BENEFITS	<u>99,726</u>	<u>98,422</u>	<u>106,716</u>	<u>8,294</u>
TOTAL LABOR COSTS	<u>353,838</u>	<u>349,056</u>	<u>369,744</u>	<u>20,688</u>
TOTAL EXPENSES	<u>456,272</u>	<u>452,595</u>	<u>492,950</u>	<u>40,355</u>
NET INCOME	(455,772)	(452,345)	(492,450)	(40,105)
	=====	=====	=====	=====

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

We should be within our budget by the end of fiscal year 2012-2013. We have completed most of our major purchases and have been very conservative with overtime wages for hourly staff. During summer orientation, we had to hire student assistants to assist us with projects. But we were able to cut back on other purchases.

We continued to run more promotions and campaigns than ever - Hot Dog Caper attendance was at a record high as far as attendance, but we were able to control expenses. We were over budget by \$3,000, but managed to cut back on other expenses.

We are under budget in most line items including supplies. With the increased use of Social Media, e-mail marketing and our web presence, we should be able to reduce our expense on ink and paper.

Explanation of Proposed Fiscal Year Budget:

The only fluctuation should be under Staff Salaries. We gave a 10% increase salary for both Lily Ly and Darren Isomoto effective December 2012.

We went over by \$3,700 on Hot Dog Caper due to the high attendance. Majority of this fluctuation can be attributed to the ice cream expense. We also did a lot more decorations than previous years and photo booth.

Changes in Programs and Services for Proposed Fiscal Year:

Marketing plans on promoting BroncoChannel.com to campus community more for 2013-2014.

Explanation of Proposed Fiscal Year Capital Requests:

We will be purchasing a poster printer this coming year (\$9500 + \$2,500 Warranty)

Changes in Staffing:

We are hiring part time student employees for summer orientation outreach totaling \$800.

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

1. Promote the new campus Food truck
2. Increase use of Social Media (Facebook/Twitter/YouTube) to increase awareness to the campus community.
3. Reach 40% occupancy rate for University Village during Summer '13 and 99% remainder of the year
4. Increase event bookings at KHP by 30%
5. Increase ATT Commission by 20%
6. Increase BroncoGear sales by 20% and Gift Card sales by 30%
7. Increase occupancy and conference sales at KW Hotel by 15%
8. Increase bookstore ONLINE sales by 20% and computer sales by 30%
9. Increase Los Olivos Special Luncheon attendance by 15%
10. Promote BroncoChannel.com
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/Amanda	Sept
Summer Orientations	Amanda	July/Aug
Update Advertising Book	Edwin	December
Computer and technology sales at Bookstore	Edwin/Alex	Ongoing
Redesign Innovation Village Website	Edwin/Alex	January
Update faulty/staff/student email database	Alex	Oct
Priest Scholarship and Pepsi Scholarship 2013 Marketing	Amanda	Oct
NACUFS Dining Customer Service Survey	Alex	Oct
Biennial Report	Edwin/Amanda	July
Wellness Campaign	Edwin/Amanda	June
Campus Map	Edwin	June
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
Wedding at KH Campaign	Edwin/Amanda	Nov
Promote Peet's Coffee & Einstein	Lily/Darren	June
Engineering Open House	Amanda/Donna	Feb
KW Bridal Fair	Amanda/Alex	April
Back-end application for employees to upload files to Foundation website	Alex	April
New openings of Dining venues	Darren/Lily	ongoing
Wellness Fair/HealthFest	Amanda	Oct
Village CA Selection	Alex	Jan
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 promotions

Employee Survey

An employee survey was not conducted



Customer Survey

Marketing Customer Survey was not conducted

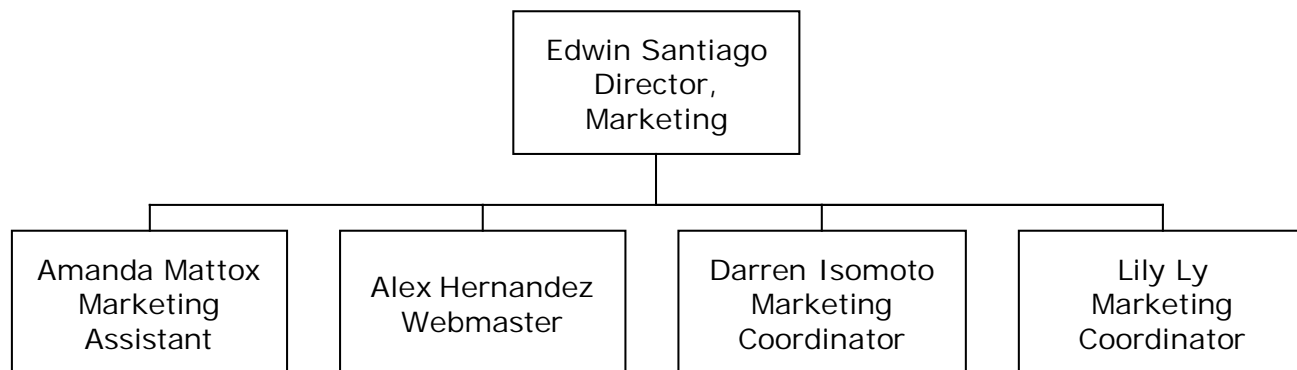
Business Controls and Vital Factors

H

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

Asset Protection/Risk Management

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



April 2013

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

4 to 10 years and beyond:

1. Enter CACS, NACUFS and Loyal Horton competitions and win more awards
2. Win web awards for our websites
3. Increase use of new forms of media in order to market to students on campus
3. Standardize branding for all websites
4. Maintain bookstore's market share in the face of evolving technology by increasing online sales and digital book sales
5. Partnership with Alumni Affairs, ASI and Athletics
6. Use social media/web/internet/e-mail more efficiently for all marketing campaigns
7. Increase social media likes by 30%
8. Support the President's Climate Commitment by reducing print collateral
9. A continuous Foundation image campaign
10. Develop branding standards for all units
11. Broaden BroncoChannel.com

Continued -No Continuations

CAL POLY POMONA FOUNDATION, INC.

REAL ESTATE ADMINISTRATION

2013-2014

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2013

Proposed Fiscal Year Budget

A

REAL_ESTATE_ADMIN

CONSOLIDATED BUDGET COMPARISON SUMMARY
 FOR PROPOSED BUDGET YEAR 13-14
 CURRENT FISCAL YEAR 12-13

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
REVENUE				
ADMINISTRATIVE FEES	<u>13,620</u>	<u>16,080</u>	<u>16,080</u>	<u>0</u>
TOTAL REVENUE	13,620	16,080	16,080	0
EXPENDITURES-CONTROLLABLE				
REPAIRS & MAINTENANCE	0	0	0	0
MEALS & REFRESHMENTS	75	50	75	25
POSTAGE & FREIGHT	504	100	100	0
ADVERTISING	700	650	700	50
SERVICES	1,750	2,275	1,950	(325)
SUPPLIES	1,800	1,953	1,450	(503)
TELEPHONE	600	1,200	1,440	240
TRAVEL	2,150	2,066	3,800	1,734
OTHER	<u>350</u>	<u>931</u>	<u>350</u>	<u>(581)</u>
TOTAL EXPENDITURES-CONTROLLABLE	7,929	9,225	9,865	640
EXPENDITURES NON-CONTROLLABLE				
ADMINISTRATIVE FEES	612	0	0	0
DEPRECIATION	<u>1,500</u>	<u>1,544</u>	<u>1,500</u>	<u>(44)</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	2,112	1,544	1,500	(44)
LABOR COSTS				
SALARIES & WAGES	160,692	153,554	149,148	(4,406)
EMPLOYEE BENEFITS	<u>63,171</u>	<u>51,267</u>	<u>59,361</u>	<u>8,094</u>
TOTAL LABOR COSTS	<u>223,863</u>	<u>204,821</u>	<u>208,509</u>	<u>3,688</u>
TOTAL EXPENSES	<u>233,904</u>	<u>215,590</u>	<u>219,874</u>	<u>4,284</u>
NET INCOME	(220,284)	(199,510)	(203,794)	(4,284)
	=====	=====	=====	=====

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

Real Estate

Overview of Current Fiscal Year:

With a few exceptions, the Real Estate projects are tracking within a small variance to budget. The exceptions being CTTi, which is likely to end the year with a net loss of \$209,000 vs. a budgeted loss of \$140,330. This is primarily due two things - one was an aggressive budget assumption last year that anticipated lease-up that did not transpire and the second was an error in accounting for accounts receivable which was found to be overstated. The market appears to be improving for commercial real estate and we are confident that CTTi will have its highest occupancy since it's development in the coming year with a deficit of only \$128,600. Innovation Village continues to operate as anticipated in the budget and we will see the first 5 year CPI increase on the Phase III building in the next fiscal year. Common area expenses continue to stay within budget and will have a very small increase next year. Buildings 66 and 97 continue to generate revenue with rents increasing as they do annually based on the CPI. The Real Estate Administration will come in under budget due to changes in staffing.

Explanation of Proposed Fiscal Year Budget:

CTTi is expected to experience its highest level of occupancy next year with the signing of two new leases recently and another two anticipated in the coming months. With these in place, CTTi is moving closer to covering its operating expenses and may reach stabilization in another two years as we hope commercial rents to increase over time. We have stabilized expenses as much as we can to keep the quality in place while providing services in a more efficient and effective way. Innovation Village is not expected to experience an increase in product developed in the next fiscal year. The Administrative functions of the Real Estate Department will likely continue at the same pace as this past year, even with the addition of one new entry level staff member at the beginning of the fiscal year. The faculty staff housing program will not likely see any major changes while the market continues to stabilize. We hope to sell a few of the homes in our inventory next year, despite the difficulties we are facing in the lending environment today.

Changes in Programs and Services for Proposed Fiscal Year:

The only change anticipated for the year in the Real Estate Department will be the addition of an entry level staff member to replace the former Property Manager at CTTi. We have realigned job responsibilities in the department to deal with the manager's departure, however, we must replace her with an assistant property manager in order to maintain the level of service to all our clients, include those who purchase faculty/staff housing from us.

In addition, Innovation Village will begin funding a reserve account for eventual demolition of facilities at the end of the ground leases which likely will coincide with the end of their useful lives.

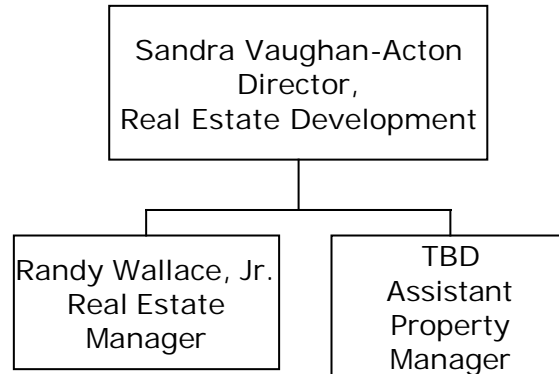
Explanation of Proposed Fiscal Year Capital Requests:

Exterior Paint for both CTTi and building 66 are included in the capital budget for this year. Both were removed from the budget last year and do need to be completed. In addition, the fire alarm at building 97 needs to be replaced due to its age. Parts are no longer available for the system and it is currently not operating in its full capacity. This is a priority project for the coming year. Finally, there are a few other minor capital requests for CTTi and building 66, including furnishings for common areas.

Changes in Staffing:

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

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



April 2013

OPERATING BUDGETS
GENERAL ACTIVITIES
∞∞∞
POST RETIREMENT
MEDICAL BENEFITS

POST_RETIREMENT_MEDICAL_BENEFITS

CONSOLIDATED BUDGET COMPARISON SUMMARY
 FOR PROPOSED BUDGET YEAR 13-14
 CURRENT FISCAL YEAR 12-13

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
=====				
LABOR COSTS				
EMPLOYEE BENEFITS	<u>479,724</u>	<u>363,555</u>	<u>381,732</u>	<u>18,177</u>
TOTAL LABOR COSTS	<u>479,724</u>	<u>363,555</u>	<u>381,732</u>	<u>18,177</u>
TOTAL EXPENSES	<u>479,724</u>	<u>363,555</u>	<u>381,732</u>	<u>18,177</u>
NET INCOME	(479,724)	(363,555)	(381,732)	(18,177)
	=====	=====	=====	=====

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 (GASB 43 and 45) 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 \$363,555 using the Foundation Cap and excluding the implicit subsidy based upon the actuarial report dated July 1, 2011. In addition, the actuarial report includes a forecast to accrue \$833,724 and we expect to achieve this by charging 9% of salaries for full time benefited employees and funded \$1.0 mil to the VEBA Trust in September 2012.

Explanation of Proposed Fiscal Year Budget:

We are budgeting the Foundation's obligation of the retiree's premium to be \$381,733 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 \$786,178 based upon the actuarial report dated July 1, 2011 and we expect to achieve this by charging 9% of salaries for full time benefited employees and funded \$1.0 mil to the VEBA Trust in October 2013. This would be the fourth year of our annual contribution to the VEBA Trust, as of January 31, 2013, the value of the Foundation's sub-account in the VEBA is \$3,340,098.

OPERATING BUDGETS
GENERAL ACTIVITIES
∞∞∞
REAL ESTATE DEVELOPMENT

CAL POLY POMONA FOUNDATION, INC.

REAL ESTATE DEVELOPMENT

2013-2014

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2013

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Proposed Fiscal Year Budget

A

REAL ESTATE

CONSOLIDATED BUDGET COMPARISON SUMMARY

ACCT. ACCOUNT TITLE	2012-2013 APPROVED BUDGET	2012-2013 CURRENT YEAR FORECAST	2013-2014 PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
REVENUE				
INTEREST INCOME	74,160	71,380	69,996	-1,384
OTHER	81,371	64,223	72,468	8,245
SALES - see Note 1	2,645,963	2,743,058	2,883,320	140,262
TOTAL REVENUE	2,801,494	2,878,661	3,025,784	147,123
TOTAL COST OF GOODS SOLD	49,980	85,000	49,980	(35,020)
GROSS MARGIN	2,751,514	2,793,661	2,975,804	182,143
EXPENDITURES-CONTROLLABLE				
UTILITIES	296,502	324,530	338,832	14,302
AGR/RE Fees	50,004	30,000	24,996	-5,004
REPAIRS & MAINTENANCE	134,789	152,647	162,484	9,837
MEALS & REFRESHMENTS	200	100	0	-100
POSTAGE & FREIGHT	120	80	120	40
ADVERTISING	6,550	5,318	5,350	32
RENT/COMMISSIONS	9,000	4,500	6,000	1,500
SERVICES	277,982	287,606	283,554	-4,052
SUPPLIES	22,220	20,884	23,420	2,536
TELEPHONE	9,600	8,793	9,600	807
TRAVEL	1,950	1,681	2,050	369
OTHER CONTROLLABLE	95,950	87,419	95,702	8,283
TOTAL CONTROLLABLE	904,867	923,558	952,108	28,550
EXPENDITURES NON-CONTROLLABLE				
ADMINISTRATIVE FEES	140,384	134,529	134,507	(22)
DEPRECIATION	888,123	992,189	1,000,140	7,951
INSURANCE	43,932	49,173	55,188	6,015
INTEREST EXPENSE	174,588	166,184	149,852	(16,332)
OTHER NON-CONTROLLABLE	80,680	73,699	82,700	9,001
TOTAL NON-CONTROLLABLE	1,327,707	1,415,774	1,422,387	6,613
LABOR COSTS				
SALARIES & WAGES	152,112	134,896	146,748	11,852
EMPLOYEE BENEFITS	60,840	48,199	63,348	15,149
TOTAL LABOR COSTS	212,952	183,095	210,096	27,001
TOTAL EXPENSES	2,445,526	2,522,427	2,584,591	62,164
NET INCOME	305,988	271,234	391,213	119,979

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 is both a blessing and a curse for our faculty/staff housing program due primarily to the tight lending market we face and the fact that our buyers can go outside our program and purchase homes for close to our pricing and obtain FHA financing with low down payments.

In the current fiscal year we continued to shift our affordable housing focus from 100% sale program to approximately 30% 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.

Expenses for the most part are steady with some exception in Innovation Village Common Area maintenance due to unanticipated tree and plant losses due to the infestations and frost during winter not friendly to the native plant materials.

Explanation of Proposed Fiscal Year Budget:

All Real Estate operations are anticipated to operate in 2013-14 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 options, 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 one year extensions to those who wish to remain in their homes to avoid forcing sales where homeowners are happy and willing to remain.

We anticipate a similar number of new hires at the University 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 2012-13. 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 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.

Innovation Village is holding steady. Phase 3 rent is scheduled for its first CPI increase this fiscal year, giving a nice boost to the rental income for this property. American Red Cross steadily increases each year with CPI as well. CTTi has seen an increase in occupancy and our occupancy will reach an all time high this year - approaching 90% by year end based on negotiations in the pipeline at this time.

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 and making repairs to the exterior decking which it has needed for the last few years.

Changes in Staffing:

With movement of Letty Vasquez to Employment Services, we will be looking for an Assistant Property Manager to support the department beginning with the fiscal year. In addition, one of the two current staff members taking voluntary furlough has come off furlough in order to handle the work load at this time.

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 beyond the proposed Assistant Manager position 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 2004-2007 ever again. As such, affordable housing is much more prevalent in the marketplace today at levels our faculty and staff can now afford. It is possible that the University will desire more work force housing closer to the campus to support the President's climate commitment, however, and we believe there may be room for work force rental housing in the future.

Mission/Vision Statement

E

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
- Community involvement in Pomona and surrounding areas

Challenges

- More demands on our time due to an ever changing real estate market and internal administrative/management changes.
- Required to take on new projects (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

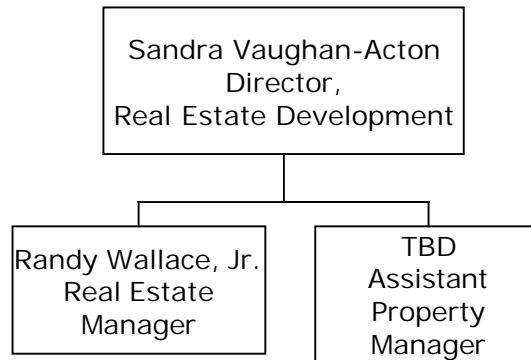
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- Business Plan
- 30 day goals
- Capital and operating budgets
- Board of Director input
- Monthly P&L reports and management review
- Periodic updates to budget forecast
- Bi-weekly one on one meetings with Executive Director
- Monthly department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

Asset Protection/Risk Management

Real Estate Department in the past has solely been focused on for sale housing and ground lease real estate at Innovation Village. As the Department has expanded to include oversight of marketing and managing CTTi, management of buildings 66 and 97, 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 2013

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

INNOVATION VILLAGE: On the commercial real estate side at Innovation Village, we continue to market the remaining acreage for development and discussions continue with various users interested in locating at Innovation Village. It is possible we could land a deal for a build to suit by 4th quarter of the next fiscal year, however, much depends on the competitive market we face. There is still existing product to be absorbed in the Inland Empire, however, some of it is now being taken off the market with transactions. 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	2011-12	2011-12	Actual YTD	2012-13	2012-13	2013-14	
		03/31/12	2011-12 Actual	Forecast	Approved Budget	3/31/13	Forecast	Approved Budget	Proposed Budget
REAL ESTATE DEVELOPMENT									
220080	Center for Training Technology & Incubation	(697)	(113,797)	(41,288)	(36,215)	(65,869)	(220,172)	(140,204)	(112,799)
220010	Innovation Village - see Note 1	359,126	433,548	428,332	443,447	384,764	433,079	418,789	454,211
220050	Innovation Village/American Red Cross	(3,586)	(3,461)	-	-	368	-	-	-
220052	Innovation Village/Tramel Crow	(1,910)	(443)	-	-	12	-	-	-
220070	Innovation Village Common Areas	(53,727)	-	-	1	(69,870)	1	6	4
459540	Spadra Solar Farm	-	-	-	-	-	-	-	-
Total Real Estate Development		299,206	315,847	387,044	407,233	249,405	212,908	278,591	341,416
RENTAL Buildings									
200660	Building # 66 - Classrooms & Offices	79,022	109,055	93,630	118,601	61,872	111,384	110,359	108,356
190970	Building # 97 - Offices	90,711	109,579	116,018	112,998	75,994	126,446	113,316	121,002
200220	CTTi Building # 220A - College of ENV Studio	(79,231)	(103,052)	(93,154)	(96,199)	(80,791)	(101,308)	(96,199)	(102,476)
190330	Downtown Pomona Building	(275)	(275)	-	-	-	-	-	-
Total Rental Buildings		90,227	115,307	116,494	135,400	57,075	136,522	127,476	126,882
FACULTY/STAFF HOUSING									
Fund 11	Faculty/Staff Housing	(19,469)	(72,220)	(25,653)	(148,557)	(4,089)	(78,196)	(100,079)	(77,085)
Total Faculty/Staff Housing		(19,469)	(72,220)	(25,653)	(148,557)	(4,089)	(78,196)	(100,079)	(77,085)
GRAND TOTAL REAL ESTATE		369,964	358,934	477,885	394,076	302,391	271,234	305,988	391,213

OPERATING BUDGETS
GENERAL ACTIVITIES
∞∞∞
INVESTMENTS

GENERAL_INVESTMENTS

CONSOLIDATED BUDGET COMPARISON SUMMARY
 FOR PROPOSED BUDGET YEAR 13-14
 CURRENT FISCAL YEAR 12-13

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
REVENUE				
INTEREST INCOME	632,828	1,198,189	502,900	(695,289)
SALES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REVENUE	632,828	1,198,189	502,900	(695,289)
EXPENDITURES NON-CONTROLLABLE				
OTHER	<u>22,289</u>	<u>18,166</u>	<u>49,519</u>	<u>31,353</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	<u>22,289</u>	<u>18,166</u>	<u>49,519</u>	<u>31,353</u>
TOTAL EXPENSES	<u>22,289</u>	<u>18,166</u>	<u>49,519</u>	<u>31,353</u>
NET INCOME	610,539	1,180,023	453,381	(726,642)
	=====	=====	=====	=====

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

GENERAL INVESTMENT PORTFOLIO

Overview of Current Fiscal Year:

For the first nine months of this fiscal year 2012-13, the fixed income portion of this portfolio was managed by Bondlogistix and the last three months by Graystone Consulting, a division of Morgan Stanley Smith Barney. We are forecasting the general investment portfolio to generate a net surplus of \$1,180,023. The equity portion of the portfolio is invested in the Common Fund Multi Strategy Portfolio. We have forecasted the equity investments to generate a surplus of \$1,069,165 with no additional investments using a modest 1.25% return for the remaining five months the portfolio's value will be \$7.0 million. In addition there will be capital calls to the private equity portfolios and returns on those investments that are not budgeted. The fixed income portfolio is forecasted to generate a net surplus \$110,858 and increasing the yield from approximately 75 basis points to 3.19% by extending the yield curve (duration) from 1.75 to 2.62 and lowering the average investment grade rating of the securities from AA to AA- ending the year at a value of \$24.4 million. Net interest earnings are forecasted to be \$204,439 from the ENV Studio Loan, Innovation Village Infrastructure investment, fixed income portfolio, LAIF and Sweep account. Quarterly interest distributions to the scholarship and program accounts are forecasted to be \$279,717. Year to date realized losses of \$75,415 are forecasted through the remainder of the year.

Explanation of Proposed Fiscal Year Budget:

The proposed budget for investments will generating a surplus of \$453,381. The equity portfolio is budgeted to generate a surplus of \$286,908 using an annualized return of 4% with no additional investments the portfolio's value will be \$7.3 million by June 2014. The fixed income portfolio is budgeted to generate a net surplus \$166,472 assuming a yield of approximately 3.19% with a yield curve (duration) of 2.62 and an average investment grade rating of AA- ending the year at a value of \$25.2 million. Net interest earnings are forecasted to be \$215,991 from the ENV Studio Loan, Innovation Village Infrastructure investment, fixed income portfolio, LAIF and Sweep account. Quarterly interest distributions to the scholarship and program accounts are forecasted to be \$667,802.

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 13-14
CURRENT FISCAL YEAR 12-13

ACCT. ACCOUNT TITLE =====	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET =====
REVENUE				
INVESTMENT EARNINGS	3,982,982	8,683,348	5,087,569	(3,595,779)
DONATIONS	<u>1,060,000</u>	<u>8,751,437</u>	<u>8,660,000</u>	<u>(91,437)</u>
TOTAL REVENUE	5,042,982	17,434,785	13,747,569	(3,687,216)
EXPENDITURES-CONTROLLABLE				
ENDOWMENT DISTRIBUTIONS	<u>2,932,236</u>	<u>1,904,107</u>	<u>3,534,499</u>	<u>1,630,392</u>
TOTAL EXPENDITURES-CONTROLLABLE	2,932,236	1,904,107	3,534,499	1,630,392
EXPENDITURES NON-CONTROLLABLE				
ADMINISTRATIVE FEES	425,071	267,001	431,430	164,429
INVESTMENT ADVISOR FEES	<u>236,923</u>	<u>153,208</u>	<u>296,988</u>	<u>143,780</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	661,994	420,209	728,418	308,209
TOTAL EXPENSES	<u>3,594,230</u>	<u>2,324,316</u>	<u>4,262,917</u>	<u>1,938,601</u>
NET INCOME	<u><u>1,448,752</u></u>	<u><u>15,110,469</u></u>	<u><u>9,484,652</u></u>	<u><u>(5,625,817)</u></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 surplus of \$15.1 million mainly due to the equity earnings and donations. The endowment portfolio's value is forecasted to be \$70.7 million as of June 2013. Working with our investment advisor at Graystone Consulting a division of Morgan Stanley Smith Barney, we have forecasted an annual return of 5.9% for the equity portion of the portfolio excluding dividends. Dividends and interest are forecasted to return 2.4% and 3.2% 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. Donations are forecasted to be \$8.7 million per Scott Warrington, Vice President Division of Advancement and includes the \$8.0 million from the Kellogg Foundation's pledge payment. We have included the 5% or \$1.9 million endowment earnings distribution from October 2012.

Explanation of Proposed Fiscal Year Budget:

The proposed budget generates a surplus of \$9.4 million mainly due to the equity earnings and donations. The endowment portfolio's value is projected to be \$80.2 million as of June 2014. Working with our investment advisor at Graystone Consulting a division of Morgan Stanley Smith Barney, we have proposed an annual return of 5.9% for the equity portion of the portfolio excluding dividends. Dividends and interest are forecasted to return 2.4% and 3.2% 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. Donations are projected to be \$8.6 million per Scott Warrington, Vice President Division of Advancement and includes the \$8.0 million from the Kellogg Foundation's pledge payment. We anticipate a 5% or \$3.5 million endowment earnings distribution in October 2013.

Changes in Programs and Services for Proposed Fiscal Year:

No changes are anticipated

Explanation of Proposed Fiscal Year Capital Requests:

No capital budget requested

Changes in Staffing:

No changes are anticipated

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

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

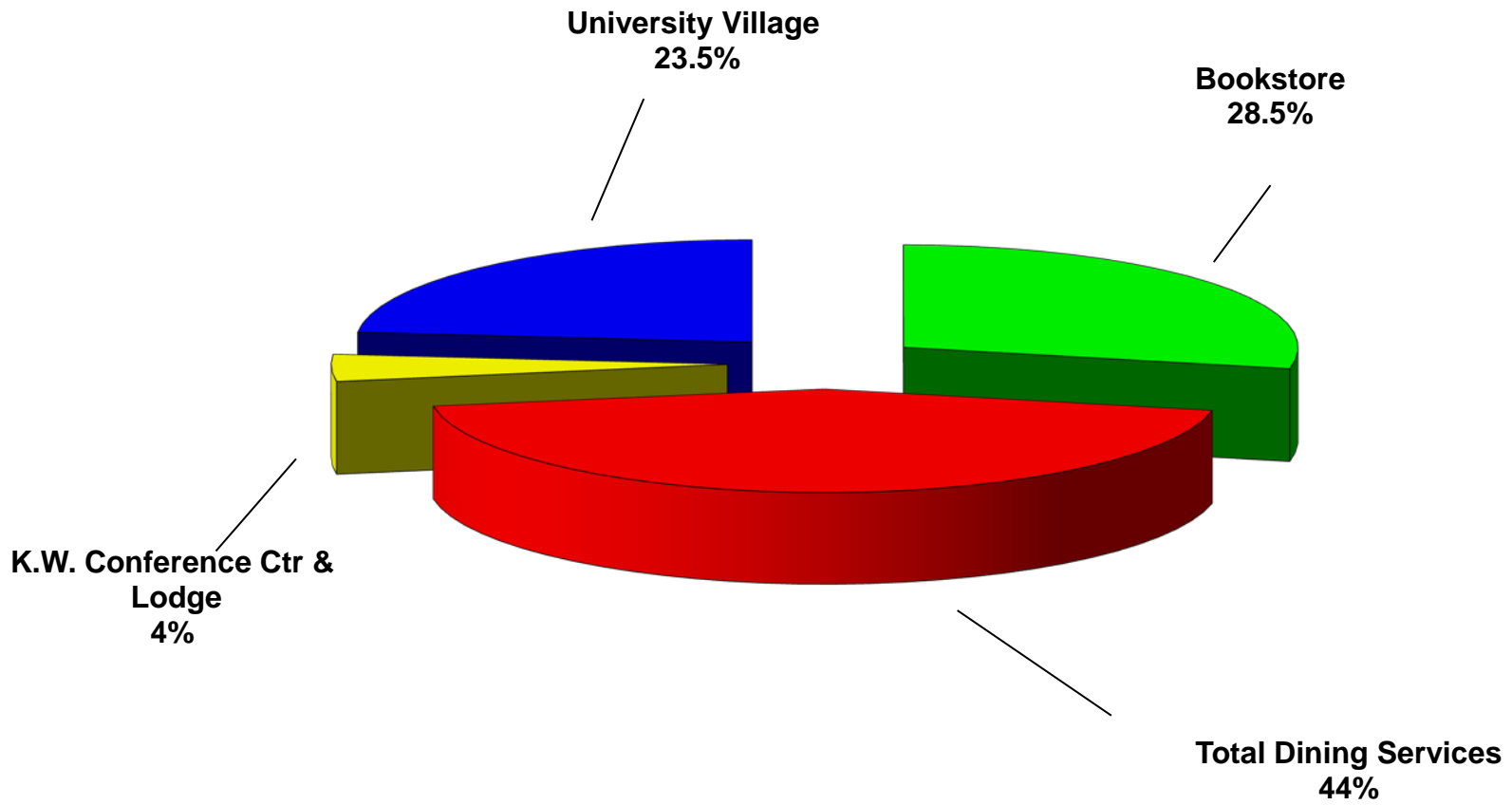
OPERATING BUDGETS ENTERPRISES


ENTERPRISES

CONSOLIDATED BUDGET COMPARISON SUMMARY
FOR PROPOSED BUDGET YEAR 13-14
CURRENT FISCAL YEAR 12-13

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
REVENUE				
OTHER SALES	528,800	489,921	615,956	126,035
TOTAL REVENUE	<u>34,119,193</u>	<u>34,934,841</u>	<u>36,053,831</u>	<u>1,118,990</u>
COST OF GOODS SOLD				
COST OF GOODS SOLD	12,812,548	13,257,204	13,448,875	191,671
TOTAL COST OF GOODS SOLD	<u>12,812,548</u>	<u>13,257,204</u>	<u>13,448,875</u>	<u>191,671</u>
GROSS MARGIN	21,835,445	22,167,558	23,220,912	1,053,354
EXPENDITURES-CONTROLLABLE				
UTILITIES	1,221,071	1,097,814	1,183,823	86,009
AGR/RE Fees	-	5,975	6,300	325
INSURANCE	1,764	36	-	(36)
REPAIRS & MAINTENANCE	580,038	633,524	620,446	(13,078)
MEALS & REFRESHMENTS	8,572	13,519	8,351	(5,168)
POSTAGE & FREIGHT	54,559	30,952	52,603	21,651
ADVERTISING	64,455	45,095	73,169	28,074
RENT/COMMISSIONS	404,264	426,187	458,681	32,494
SERVICES	503,041	573,999	738,875	164,876
SUPPLIES	675,734	683,834	729,379	45,545
TELEPHONE	314,540	335,224	346,925	11,701
TRAVEL	22,474	16,253	27,276	11,023
LAUNDRY	148,954	168,561	170,470	1,909
OTHER	192,297	239,234	225,533	(13,701)
TOTAL EXPENDITURES-CONTROLLABLE	<u>4,191,763</u>	<u>4,270,207</u>	<u>4,641,831</u>	<u>371,624</u>
EXPENDITURES NON-CONTROLLABLE				
ADMINISTRATIVE FEES	2,196,264	2,126,318	2,260,754	134,436
DEPRECIATION	2,682,959	2,611,920	2,728,533	116,613
INSURANCE	195,693	196,169	198,915	2,746
INTEREST EXPENSE	1,221,052	1,227,518	1,227,600	82
RENT/COMMISSIONS	514,671	502,459	517,057	14,598
BANK CARD FEES	464,936	384,786	402,541	17,755
OTHER	481,114	511,444	506,098	(5,346)
TOTAL EXPENDITURES NON-CONTROLLABLE	<u>7,756,689</u>	<u>7,560,614</u>	<u>7,841,498</u>	<u>280,884</u>
LABOR COSTS				
SALARIES & WAGES	6,064,158	6,096,559	6,503,880	407,321
EMPLOYEE BENEFITS	1,869,361	1,801,409	2,081,694	280,285
TOTAL LABOR COSTS	<u>7,933,519</u>	<u>7,897,968</u>	<u>8,585,574</u>	<u>687,606</u>
TOTAL EXPENSES	<u>19,881,971</u>	<u>19,728,789</u>	<u>21,068,903</u>	<u>1,340,114</u>
NET INCOME	<u>1,953,474</u>	<u>2,438,769</u>	<u>2,152,009</u>	<u>(286,760)</u>

Enterprise Proposed Budget Revenues



OPERATING BUDGETS
ENTERPRISES

BOOKSTORE

CAL POLY POMONA FOUNDATION, INC.

BRONCO BOOKSTORE

2013-2014

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2013

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Proposed Fiscal Year Budget

A

BOOKSTORE

CONSOLIDATED BUDGET COMPARISON SUMMARY FOR PROPOSED BUDGET YEAR 13-14 CURRENT FISCAL YEAR 12-13

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
=====				
REVENUE				
OTHER	151,000	146,703	156,234	9,531
SALES	<u>10,090,960</u>	<u>10,349,168</u>	<u>10,239,326</u>	<u>(109,842)</u>
TOTAL REVENUE	10,241,960	10,495,871	10,395,560	(100,311)
COST OF GOODS SOLD				
COST OF GOODS SOLD	<u>7,505,712</u>	<u>7,823,467</u>	<u>7,601,273</u>	<u>(222,194)</u>
TOTAL COST OF GOODS SOLD	<u>7,505,712</u>	<u>7,823,467</u>	<u>7,601,273</u>	<u>(222,194)</u>
GROSS MARGIN	2,736,248	2,672,404	2,794,287	121,883
EXPENDITURES-CONTROLLABLE				
UTILITIES	54,630	55,604	51,900	(3,704)
INSURANCE	0	0	0	0
REPAIRS & MAINTENANCE	26,880	18,919	25,033	6,114
MEALS & REFRESHMENTS	0	316	0	(316)
POSTAGE & FREIGHT	51,530	27,109	49,680	22,571
ADVERTISING	10,200	12,317	10,255	(2,062)
RENT/COMMISSIONS	14,400	11,948	13,806	1,858
SERVICES	57,900	43,757	54,716	10,959
SUPPLIES	35,800	28,774	33,166	4,392
TELEPHONE	10,800	10,895	10,800	(95)
TRAVEL	0	(1,081)	1,200	2,281
OTHER	<u>12,225</u>	<u>10,995</u>	<u>12,148</u>	<u>1,153</u>
TOTAL EXPENDITURES-CONTROLLABLE	274,365	219,553	262,704	43,151
EXPENDITURES NON-CONTROLLABLE				
ADMINISTRATIVE FEES	620,543	641,573	634,840	(6,733)
DEPRECIATION	136,176	137,808	142,176	4,368
INSURANCE	12,192	13,227	12,181	(1,046)
BANK CARD FEES	179,233	168,967	181,923	12,956
OTHER	<u>240</u>	<u>498</u>	<u>220</u>	<u>(278)</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	948,384	962,073	971,340	9,267
LABOR COSTS				
SALARIES & WAGES	919,630	907,699	953,166	45,467
EMPLOYEE BENEFITS	<u>286,835</u>	<u>280,165</u>	<u>294,861</u>	<u>14,696</u>
TOTAL LABOR COSTS	<u>1,206,465</u>	<u>1,187,864</u>	<u>1,248,027</u>	<u>60,163</u>
TOTAL EXPENSES	<u>2,429,214</u>	<u>2,369,490</u>	<u>2,482,071</u>	<u>112,581</u>
NET INCOME	307,034	302,914	312,216	9,302
=====				

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

Although 2012-2013 revenues have been impacted by continuing challenges from the state budget crisis and sluggish economy, Bronco Bookstore expects to finish this year very close to budget.

The decline of Course Materials sales continued, but not as steeply as in previous years - in spite of the free e-book pilot for Fall quarter, overall text sales to date this year are down 5% in dollars to date, but only 1.5% in units. Flat enrollment, student price sensitivity and online competition continue to be factors, but bookstore participation in Affordable Learning initiatives including Rent Digital, and new sourcing and pricing strategies have helped win back some market share. Used units sold/rented to date are actually up 5.8%. While digital book sales are still not yet a significant percentage of course materials sales, they have doubled this year compared to prior years. Close monitoring of student buying behavior and technological changes will be key in the next year as more students have access to mobile devices, and new digital platforms join the Rent Digital program.

Computer/technology sales are holding steady - demand for iPads has dropped off but we continue to pursue individual sales of laptops. Sales in categories relying on more discretionary income (Soft Goods, Gifts, and Supplies) are flat to prior year to date in spite of lower textbook sales and the store anticipates another strong sales season for commencement. We continue close monitoring of expenses and labor costs. Retirements have continued the trend of using more part time/student labor.

Explanation of Proposed Fiscal Year Budget:

Textbook affordability and marketplace competitive pressures on course materials will continue to affect Bronco Bookstore revenue for 2013-14, but the passage of Prop. 30 may create more breathing room in the state budget. As noted above, combined sales and rentals have continued to decline but not as fast as 2-3 years ago, and new textbook pricing/sourcing strategies should help retain market share. The store's higher-margin categories have remained strong, which has helped maintain net income. The Bookstore is forecasting a 3% net income that is the same as last year.

General Merchandise areas rely on more discretionary income but 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 be just slightly higher than 12-13. Food areas are planned to be flat, while health and beauty will up 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 adding more diverse selection in accessories.

Repair of the atrium door lock mechanisms is the only major building expense anticipated other than that no major changes in the expense category. Tight controls on all other expenses will be maintained. Labor will continue to be a focus, but with major staff transitions there will need to be some resources devoted to staff development.

Changes in Programs and Services for Proposed Fiscal Year:

Expansion of CSU Rent Digital program
Implement selected consultant recommendations regarding merchandise options, lay-out

Explanation of Proposed Fiscal Year Capital Requests:

1. Building 66 needs its outer walls to be repainted
2. Repair of atrium doors

Changes in Staffing:

A retirement at the end of 2012 triggered the following position changes:
Our custom Publications coordinator was promoted to receiving manager.
We hired a new custom publishing coordinator.
A part time clerical/office position was created to handle A/P credit and invoice data entry and processing for textbooks, and to assist with e-commerce fulfillment.

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, as well as more customized and faculty-created material. Increased interest in customized materials may represent an opportunity for expanding coursepack sales through the bookstore. Increased student reliance on e-commerce vs. in-store shopping will also impact staffing and business practices. Changes in textbook sourcing, pricing and supply chain will probably accelerate. All of this will affect revenue and gross margin going forward. Expenses will need to adjust 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

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, online competition, student price resistance
State/Federal 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 has not been completed since 2010. Last results included.

- 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

A new survey format needs to be established and sent to bookstore staff for 2014-2015 BP.

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 3.71 (on a scale of 1 (lowest) - 5 (highest)) compared to 4.03 last year. This year Bronco Bookstore ranked slightly behind industry average ratings 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 "competitively priced textbooks" at 2.68 out of 5.

The ranking from the Faculty Survey was 3.78 compared to an industry average 4.01. The store is largely regarded as friendly, knowledgeable and helpful, but "communication regarding potential course material issues", "convenient store hours" and "selection of university apparel/insignia merchandise" came up as areas for improvement.

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

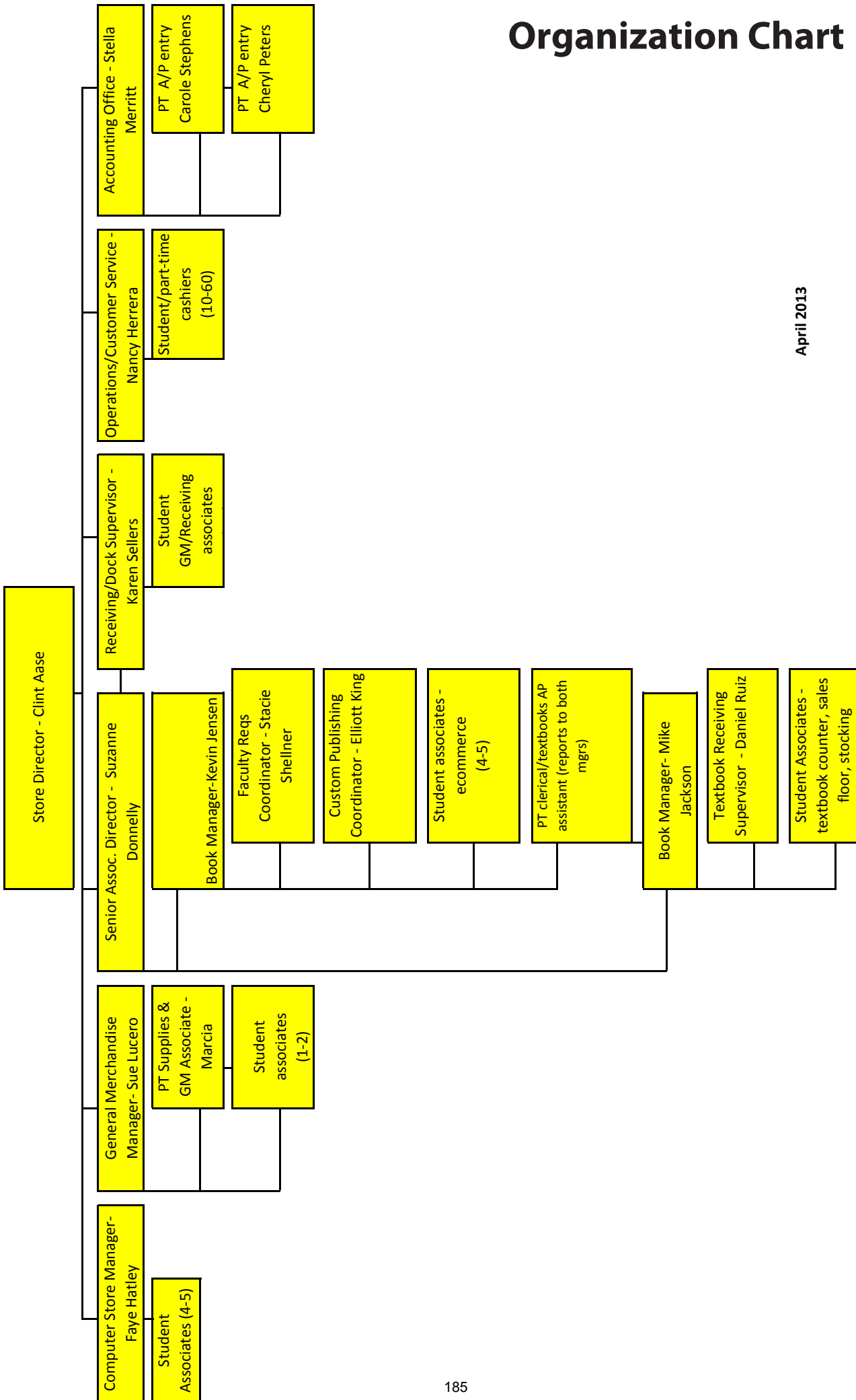
- 1 Fire, life, safety, intrusion systems, smoke detector systems maintained and tested
All fire and alarm system that were inspected were up to date. Completed tests with the Police department to ensure fire and safety alarms were communicating correctly.
- 2 Safety devices in place and maintained.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

Bronco Bookstore 2013-2014 Organization Chart



April 2013

OPERATING BUDGETS
ENTERPRISES

DINING SERVICES

CAL POLY POMONA FOUNDATION, INC.

FOUNDATION DINING SERVICES

2013-2014

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2013

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Proposed Fiscal Year Budget

A

DINING_SERVICES

CONSOLIDATED BUDGET COMPARISON SUMMARY FOR PROPOSED BUDGET YEAR 13-14 CURRENT FISCAL YEAR 12-13

ACCT. ACCOUNT TITLE	CURRENT YEAR		PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
	APPROVED BUDGET	CURRENT YEAR FORECAST		
REVENUE				
OTHER	334,300	310,368	311,356	988
SALES	<u>14,513,932</u>	<u>14,761,468</u>	<u>15,816,137</u>	<u>1,054,669</u>
TOTAL REVENUE	14,848,232	15,071,836	16,127,493	1,055,657
COST OF GOODS SOLD				
COST OF GOODS SOLD	<u>5,305,856</u>	<u>5,432,437</u>	<u>5,847,602</u>	<u>415,165</u>
TOTAL COST OF GOODS SOLD	<u>5,305,856</u>	<u>5,432,437</u>	<u>5,847,602</u>	<u>415,165</u>
GROSS MARGIN	9,542,376	9,639,399	10,279,891	640,492
EXPENDITURES-CONTROLLABLE				
UTILITIES	386,015	342,787	377,250	34,463
INSURANCE	24	36	0	(36)
REPAIRS & MAINTENANCE	109,375	173,284	135,360	(37,924)
MEALS & REFRESHMENTS	4,662	5,369	4,041	(1,328)
POSTAGE & FREIGHT	319	1,416	300	(1,116)
ADVERTISING	35,629	18,283	36,560	18,277
RENT/COMMISSIONS	382,255	403,239	430,510	27,271
SERVICES	256,996	342,358	370,057	27,699
SUPPLIES	523,653	548,250	581,218	32,968
TELEPHONE	29,137	32,852	33,803	951
TRAVEL	14,924	11,530	14,808	3,278
LAUNDRY	101,026	111,918	104,874	(7,044)
OTHER	<u>30,476</u>	<u>52,563</u>	<u>30,550</u>	<u>(22,013)</u>
TOTAL EXPENDITURES-CONTROLLABLE	1,874,491	2,043,885	2,119,331	75,446
EXPENDITURES NON-CONTROLLABLE				
ADMINISTRATIVE FEES	954,464	948,436	1,036,726	88,290
DEPRECIATION	566,039	553,350	575,637	22,287
INSURANCE	40,372	35,524	37,905	2,381
INTEREST EXPENSE	0	0	0	0
RENT/COMMISSIONS	508,071	500,959	516,457	15,498
BANK CARD FEES	126,667	156,594	148,003	(8,591)
OTHER	<u>323,887</u>	<u>343,584</u>	<u>344,212</u>	<u>628</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	2,519,500	2,538,447	2,658,940	120,493
LABOR COSTS				
SALARIES & WAGES	3,649,396	3,739,514	3,905,216	165,702
EMPLOYEE BENEFITS	<u>1,026,347</u>	<u>966,838</u>	<u>1,173,623</u>	<u>206,785</u>
TOTAL LABOR COSTS	<u>4,675,743</u>	<u>4,706,352</u>	<u>5,078,839</u>	<u>372,487</u>
TOTAL EXPENSES	<u>9,069,734</u>	<u>9,288,684</u>	<u>9,857,110</u>	<u>568,426</u>
NET INCOME	472,642	350,715	422,781	72,066

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

With the opening of QDoba, Einstein's Bagel, and Pony Express in CBA in the Bronco Student Center last fall, we have seen a YTD Feb increase in revenue over the prior year of \$338k, \$308k of which is generated by QDoba. However, we have seen a combined increase in food and labor costs of \$495k YTD. This diminishing return is telling of a market that is at or over the saturation point. We look with a cautious eye to the opening of Jamba in the BRIC in the fall of 2014.

While our convenience stores are performing well, it appears to be to the detriment of our vending operations which are down 36% in revenue vs. budget and prior year. With the exception of Subway, our other retail operations are seeing a reduction in revenue anywhere between 8% and 15%. It will be important for our front line managers and supervisors to monitor their staffing levels to accommodate for this reduction in revenue.

Though not ideal, Kellogg West dining continues to improve on their year-over-year performance, putting over \$50k more on the bottom line YTD February than the previous year.

At this time, it looks like we should be at or slightly below budgeted contribution for FY 2012-2013 of 3.1%

Explanation of Proposed Fiscal Year Budget:

The upcoming Fiscal year we will be challenged with managing our food and labor costs. With inflation approaching 2.4% currently, and unemployment figures dropping, managing the middle of the page will be critical, particularly with our retail saturation of the current market. Again, with the exception of Subway, our other retail operations are seeing a reduction in revenue anywhere between 8% and 15%. I don't anticipate enrollment increases to assist in addressing this issue.

Our fall 2012 NACUFS satisfaction survey shows the need for additional and more comfortable seating We look to the addition of outdoor seating at Einstein's and booth seating in Round Table Pizza. We moved over 100 chairs for the Kellogg West surplus to Campus Center Marketplace. Speed of service is also an opportunity for improvement. We are implementing a restaurant style pager alert system at Denny's that will alert customers when their food is ready. If this is successful, we may extend this program to other retail operations.

The upgrade to the Odyssey system will allow us to implement a number of innovative technologies. From mobile ordering apps to adding Bronco Bucks to your account will be rolled out over the coming year. I see voluntary participation in our Bronco Bucks program being one of our biggest opportunities for growth. We will be working with the card office to develop promotions at our units that will drive traffic during slower periods, and rewarding our customers every time they use Bronco Bucks to pay for their purchases.

Taco Bell will undergo a moderate refresh as we renew their contract. We also look to renew our Pepsi contract that will better enhance the Pepsi contribution to scholarships.

The addition of a Shop 24 automated C-Store at the Village is in the works, and is only made possible by a new profit sharing business model.

Our new food truck is budgeted to break even with a top line contribution of close to \$300k.

Changes in Programs and Services for Proposed Fiscal Year:

Los Olivos:

Servery refresh this summer. replacing the floor, countertops, cabinetry refacing, paint, lighting, and the addition of a vegan station are in the works. We will also focus on getting better allergen information on our menus at this location.

CCMP: The addition of a Jamba Juice smoothie machine at Fresh Escapes

Kellogg West- we will continue with painting the PDR's, some countertops, and perhaps curtains for the dining room

Food Truck

Explanation of Proposed Fiscal Year Capital Requests:

Vista Office Refresh-Produce scales	\$10,600
Village C Store Shop 24	\$40,000
Continue KW Upgrades	\$62,000
Food Truck Infrastructure/POS	\$20,000
Los Olivos Servery Refresh	\$215,000
Vehicle Fleet Plan	\$15,000
Bldg 97 Lighting Retrofit +	\$60,000
Bldg 97 Fire Alarm Replacement	\$35,000
Taco Bell License and Refresh	\$23,000
Bldg 97 Generator hookup	\$16,000
Televisions and Booths for RTP	\$18,000

Changes in Staffing:

With the projected growth in our base operations on campus and the addition of 3 new venues and a Food Truck on campus, we are requesting the following:

1 80% Utility position at Los Olivos. We currently have 1 open FT position, would like to convert this to 2 @ 80% Benefitted

1 BSC Manager to Backfill Sandy Cain's position (See schedule "C"). We are already growing catering out of BSC and Einstein's. For example, we have increased catering sales at Subway by \$17k over the last two years.

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 2017 is already starting. Care must be taken in the programming of the retail given our current saturated state.

We are studying the potential of a Brew Pub at the CTTI location in partnership with Collins College and the College of Agriculture.

Change out Fresh Escapes into a sandwich program

With the BSC Space study, there is the potential of converting Round Table into a Pub

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

Major Projects and Business Goals for Proposed Fiscal Year

D

Action Steps	Person Responsible	Due Date
Address CBA Bagel Odor		
Campus wide App (GET Funds)		
Los Olivos Servery Refresh		
Micro Brewpub design and manu		
Expansion of composting and oil recycling into biodiesel		
Meal plan modeling- Eliminating equivalency		
Implement customer loyalty program		
Bronco Bucks marketing		
Outdoor Furniture for CBA		
Booths/TV's for RTP		
Renegotiate Sodexo contract to simplify and define value		
Taco Bell contract and Refresh		
Pepsi contract		
Digitize blueprints		
Evaluate equipment in storage, sell or scrap		
Continue with Vehicle fleet plan		
CCMP Fire and lighting retrofit		
Kellogg House outdoor lighting retrofit		
Enhance meal plan participation reporting (Contribution Model)		

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;

Challenges

Retail Market saturation, Presidential Order on Use of Foundation Services & Central Support Resources; Technology-POS/reporting systems; managing to the 1000 Hour Rule AND the 25 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); aging infrastructure at CCMP and Los Olivos; 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, profitability of campus catering, Seating quantity and comfort

Employee Survey

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-No employee survey was taken this year

Customer Survey

We had over 1200 respondents to the NACUFS survey making the data gathered valid. We exceeded the scores in all categories when compared to last year AND the year prior. Overall, we scored 4.12 vs. the Pacific Region's 3.87.

The survey shows the need for additional and more comfortable seating. We look to the addition of outdoor seating at Einstein's and booth seating in Round Table Pizza. We moved over 100 chairs for the Kellogg West surplus to Campus Center Marketplace. Speed of service is also an opportunity for improvement. We are implementing a restaurant style pager alert system at Denny's that will alert customers when their food is ready. If this is successful, we may extend this program to other retail operations.

Keys to Success

<u>Keys to Success Items</u>	<u>Rank in Importance 10 to 1</u>
Enhanced customer service	10
Meeting or achieving Financial Goals	9
Training and setting expectations with staff	8
Working as a team toward a common goal	7
Management and supervisors being available to meet with staff and discuss ideas and concerns	6
Communications of Goals and Plans but up and Down including updates and achievement of the goal	5
Learning how to respond to Customers needs and requests to achieve a positive outcome	4
Follow through with suggestions, goals , changes etc. and communication when these are achieved	3
Attentions to detail especially on special events and catering services	2
Providing a varied menu of options that mirror the trends in the marketplace for our resident students	1
Remembering to work with our team and to say "Thanks you" for a job well done.	11

Corporate Culture

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

Business Controls and Vital Factors

H

The primary areas of concern going into FY 13-14 will be market saturation, product cost and labor control, which will be critical to the divisions overall success.

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) Enhance meal plan participation reporting
- 5) Continue to market the variety and services we have available to the campus community.
- 6) Offer daily "deals" and "leaders" to increase traffic during slower day parts.
- 7) Cashier Audits
- 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 have implemented based on the risk management assessment :

Los Olivos: Improvement in employee locker security, building perimeter, building egress, video system, safe combo, authorized drivers, ensuring that current insurance and indemnification language are in all new contracts, data security procedures are in place.

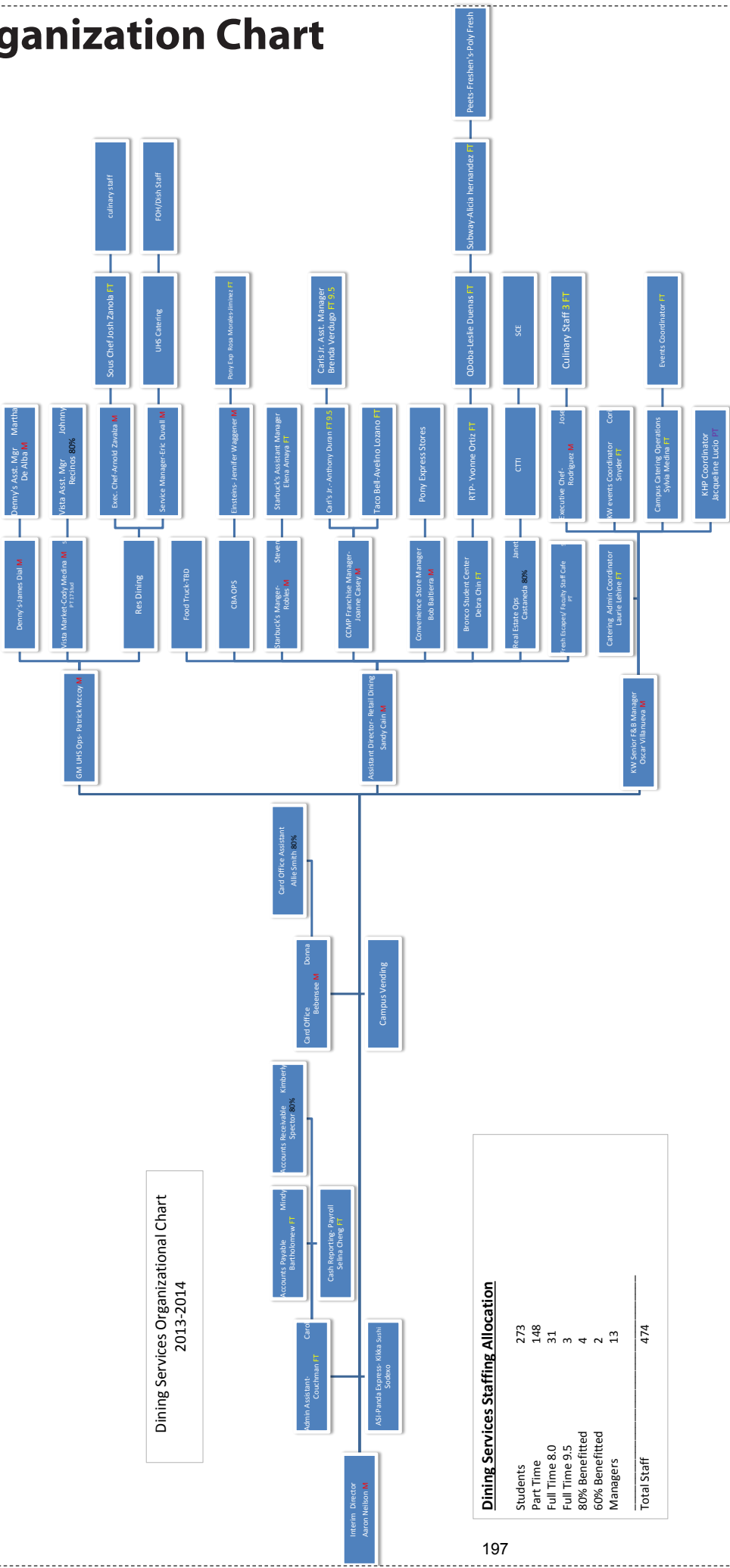
BSC: Repair of equipment in catering room, alarm system, improve billing paperwork, repair equipment in Poly Fresh, All of the above has been address and resolved.

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, installed non-skid floor in Carl's Jr.

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

Organization Chart

Dining Services Organizational Chart
2013-2014



Dining Services Staffing Allocation

Students	273
Part Time	148
Full Time 8.0	31
Full Time 9.5	3
80% Benefitted	4
60% Benefitted	2
Managers	13
Total Staff	474

OPERATING BUDGETS
ENTERPRISES

KELLOGG WEST
CONFERENCE CENTER & LODGE

CAL POLY POMONA FOUNDATION, INC.

Kellogg West Conference Center & Hotel Rooms, Conferences & Sales

2013 - 2014

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2013

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Proposed Fiscal Year Budget

A

KELLOGG_WEST_CONFERENCE_CENTER_AND_LODGE

CONSOLIDATED BUDGET COMPARISON SUMMARY
FOR PROPOSED BUDGET YEAR 13-14
CURRENT FISCAL YEAR 12-13

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
REVENUE				
OTHER	0	850	1,716	866
SALES	<u>1,431,126</u>	<u>1,410,906</u>	<u>1,545,766</u>	<u>134,860</u>
TOTAL REVENUE	1,431,126	1,411,756	1,547,482	135,726
COST OF GOODS SOLD				
COST OF GOODS SOLD	<u>980</u>	<u>1,300</u>	<u>0</u>	<u>(1,300)</u>
TOTAL COST OF GOODS SOLD	<u>980</u>	<u>1,300</u>	<u>0</u>	<u>(1,300)</u>
GROSS MARGIN	1,430,146	1,410,456	1,547,482	137,026
EXPENDITURES-CONTROLLABLE				
UTILITIES	107,193	121,357	132,311	10,954
AGR/RE Fees	0	5,975	6,300	325
INSURANCE	0	0	0	0
REPAIRS & MAINTENANCE	105,363	81,353	92,079	10,726
MEALS & REFRESHMENTS	960	1,734	960	(774)
POSTAGE & FREIGHT	2,290	2,177	2,323	146
ADVERTISING	14,846	10,395	15,254	4,859
RENT/COMMISSIONS	5,569	9,800	12,325	2,525
SERVICES	151,698	160,199	177,961	17,762
SUPPLIES	75,630	50,110	61,070	10,960
TELEPHONE	41,503	43,977	46,422	2,445
TRAVEL	1,430	1,354	1,548	194
LAUNDRY	47,228	56,243	64,996	8,753
OTHER	<u>11,581</u>	<u>7,701</u>	<u>14,085</u>	<u>6,384</u>
TOTAL EXPENDITURES-CONTROLLABLE	565,291	552,375	627,634	75,259
EXPENDITURES NON-CONTROLLABLE				
ADMINISTRATIVE FEES	93,023	92,551	100,585	8,034
DEPRECIATION	64,800	76,544	84,000	7,456
INSURANCE	24,329	25,464	26,309	845
RENT/COMMISSIONS	6,000	0	0	0
BANK CARD FEES	20,036	21,637	21,665	28
OTHER	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	208,188	216,196	232,559	16,363
LABOR COSTS				
SALARIES & WAGES	463,912	437,527	481,118	43,591
EMPLOYEE BENEFITS	<u>167,389</u>	<u>163,809</u>	<u>202,073</u>	<u>38,264</u>
TOTAL LABOR COSTS	<u>631,301</u>	<u>601,336</u>	<u>683,191</u>	<u>81,855</u>
TOTAL EXPENSES	<u>1,404,780</u>	<u>1,369,907</u>	<u>1,543,384</u>	<u>173,477</u>
NET INCOME	25,366	40,549	4,098	(36,451)

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

Through the first half of the 2012-13 fiscal year Kellogg West Rooms & Conferences revenue is up \$29K over prior year and \$12K over budget. Even with revenues up our YTD expenses are \$3K down from budget and only up \$5K from prior year. YTD actual net income is better at (\$29,780) versus a YTD budgeted net income of (\$43,311) and a YTD prior year net income of (\$52,745). 2012-13 EOY net income is forecasted to come in a little higher than the budgeted EOY net income of \$17,367.

As with the past two fiscal years Kellogg West is projected to have an "in the black" EOY net income year despite the rather stagnate economy. Kellogg West also continues to not only control, but decrease expenses.

Explanation of Proposed Fiscal Year Budget:

Kellogg West is budgeting that meeting/conference demand and revenues will continue increasing through 2013-2014 with the continued demand for more affordable facilities that offer the "service" meeting planners expect. As with the past several years Kellogg West continues to see returning clients who at one time "up-scaled" their meetings to higher priced alternatives but who are now, due to budget constraints, coming back to more affordable alternatives such as Kellogg West.

SCE continues to book Kellogg West however, both, the number of meetings as well as the amount spent for those meetings has been significantly scaled back since their initial year and a half on campus.

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

After holding prices for the last 4 years Kellogg West will slightly increase some areas of pricing where costs have greatly increased. As a whole we will only make increases where needed 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:

The noticeable changes of 2011, in guest room decor, the bathroom tub/shower area and the hugely popular improvement in the comfort of our beds continues to have a very positive impact with our Guests. This past years changes at the front desk, in the lobby and conference public areas and in the dining rooms was a huge WOW to say the least. The next step toward keeping and even building our business levels will be with the four-phase, four fiscal year capital improvement project of our facilities. Phase I will consist of a complete exterior makeover of our Crestview guest room building (Bldg.77) from top to bottom including the interior courtyard areas and landscape. This capital project is being requested with this 2013-14 budget. Expected time to complete Phase I is 12 months with a preliminary start date beginning June 2013. Phase II will consist of a complete remodel of all 51 guest rooms in that building (Bldg. 77). Phase III will consist of a complete remodel of all Hillside (Bldg.78) and Woodview (Bldg. 78-B) guest rooms - 34 in total. Phase IV will be the complete exterior makeover of the Main Conference Center (Bldg. 77), Hillside (Bldg. 78) and Woodview (Bldg. 78-B).

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 high due to lessons learned during the recent and still ongoing economic downturn as well a continued "tight" budgets and even tighter "audits".

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

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 need for a complete renovation of an aging Kellogg West and, of course, the University Master Plan, all of which could or already impact Kellogg West as a whole.

Mission/Vision Statement

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

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

Strengths and Challenges

Strengths

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

Challenges

In order to drive the increased revenues Kellogg West will have to continue driving increased sales. Kellogg West will also need to continue working as "lean" as we did during the past two fiscal years by doing more with less and doing it just as good. In addition to maintaining the unprecedented savings of these past couple of years, Kellogg West will need to keep controllable expenses to absolute "bare-bones" operational necessities. However, the bigger challenge for Kellogg West will be in providing a modern, updated facility that looks as good as the service we have and will always continue to provide. New product continues to become available in our market areas. Many "older" properties (albeit much newer than Kellogg West) have either undergone extensive renovations or have already approved plans to do so. -Kellogg West will need to undergo major capital improvements or be left behind.

Employee Survey

F

Kellogg West Conference Center & Hotel employee satisfaction continues to be high due, for the most part, to Management's continued communications to and from employee and also because of the present Director's daily involvement and "roll up the sleeves" work ethics in helping when help is needed. Not to mention that age-old philosophy and practice of treating others as you would want to be treated. -We're a Team and all in this together so that's the way we work. Management has no plans to change this "team work" philosophy, attitude and work ethics.

Customer Survey

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. Guests surveys continue to show that they will likely or definitely stay at this property when they return to this area and that they will likely or definitely recommend Kellogg West to a friend. Almost unanimously Guests surveys 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

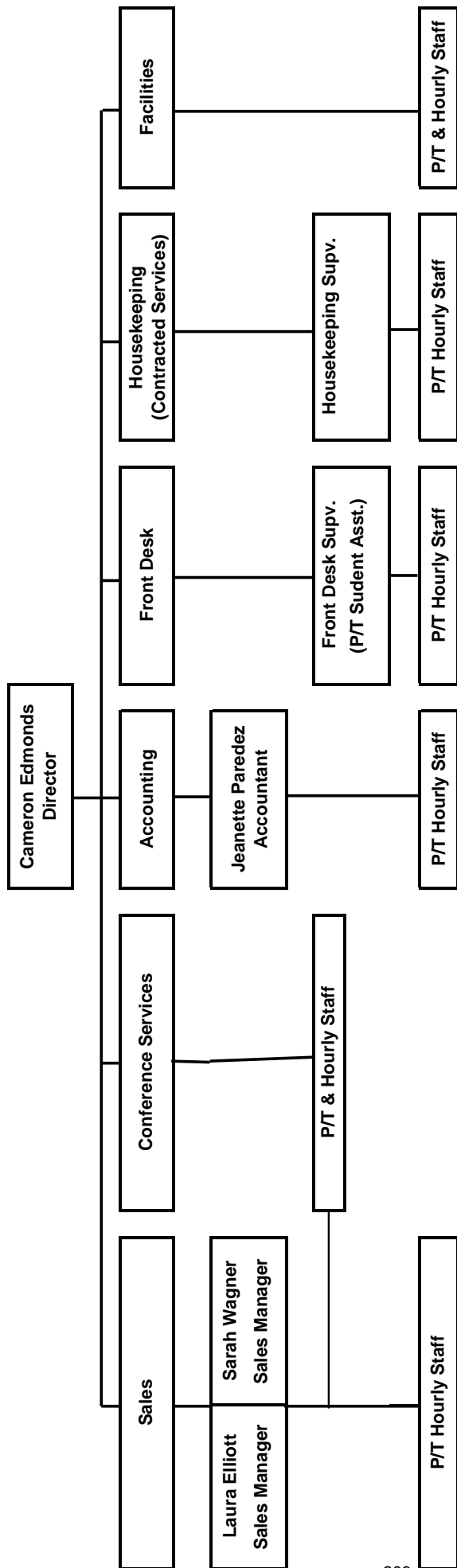
Vital factors are primarily (1) Actual Costs compared to budgets and schedules and (2) Occupancy comparisons and analysis (ADR & Rev Par)

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. Separation of duties with KW Director - Completed with KW Accountant placing orders and Director reviewing/approving.
4. 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".
5. 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 2013 Organizational Chart



OPERATING BUDGETS
ENTERPRISES

FOUNDATION HOUSING SERVICES

CAL POLY POMONA FOUNDATION, INC.

Foundation Housing Service

2013-2014

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2013

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Proposed Fiscal Year Budget

A

FOUNDATION_HOUSING_SERVICES

CONSOLIDATED BUDGET COMPARISON SUMMARY
FOR PROPOSED BUDGET YEAR 13-14
CURRENT FISCAL YEAR 12-13

ACCT. ACCOUNT TITLE	CURRENT YEAR		PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
	APPROVED BUDGET	CURRENT YEAR FORECAST		
=====				
REVENUE				
OTHER	43,500	32,000	146,650	114,650
SALES	<u>8,083,175</u>	<u>8,413,299</u>	<u>8,452,602</u>	<u>39,303</u>
TOTAL REVENUE	8,126,675	8,445,299	8,599,252	153,953
EXPENDITURES-CONTROLLABLE				
UTILITIES	673,233	578,066	622,362	44,296
INSURANCE	0	0	0	0
REPAIRS & MAINTENANCE	320,780	347,468	350,334	2,866
MEALS & REFRESHMENTS	2,650	3,700	3,050	(650)
POSTAGE & FREIGHT	420	250	300	50
ADVERTISING	3,780	4,100	11,100	7,000
RENT/COMMISSIONS	1,800	1,000	1,800	800
SERVICES	441,984	387,085	467,012	79,927
SUPPLIES	34,951	51,300	48,225	(3,075)
TELEPHONE	229,200	239,000	249,900	10,900
TRAVEL	6,000	4,200	9,600	5,400
LAUNDRY	700	400	600	200
OTHER	<u>136,815</u>	<u>167,775</u>	<u>167,550</u>	<u>(225)</u>
TOTAL EXPENDITURES-CONTROLLABLE	1,852,313	1,784,344	1,931,833	147,489
EXPENDITURES NON-CONTROLLABLE				
ADMINISTRATIVE FEES	528,234	443,758	488,603	44,845
DEPRECIATION	1,912,344	1,840,618	1,923,120	82,502
INSURANCE	118,800	120,854	120,780	(74)
INTEREST EXPENSE	1,221,052	1,227,518	1,227,600	82
BANK CARD FEES	139,000	37,588	50,950	13,362
OTHER	<u>156,987</u>	<u>167,362</u>	<u>161,666</u>	<u>(5,696)</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	4,076,417	3,837,698	3,972,719	135,021
LABOR COSTS				
SALARIES & WAGES	778,550	785,819	957,046	171,227
EMPLOYEE BENEFITS	<u>270,961</u>	<u>292,847</u>	<u>324,739</u>	<u>31,892</u>
TOTAL LABOR COSTS	<u>1,049,511</u>	<u>1,078,666</u>	<u>1,281,785</u>	<u>203,119</u>
TOTAL EXPENSES	<u>6,978,241</u>	<u>6,700,708</u>	<u>7,186,337</u>	<u>485,629</u>
NET INCOME	1,148,434	1,744,591	1,412,915	(331,676)
	=====	=====	=====	=====

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

The current fiscal year has been surprising, challenging and gratifying. We were once 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 100% during the fall quarter but has dipped to around 96% during this current academic term. It's been less of a challenge recruiting/retaining 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. We even housed about 60 (wait listed) students in the Shilo/s this fall. 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 III has resulted again in greater customer satisfaction and a notable 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" since instituted.

Changes in personnel, job descriptions, terms of service and newly developed student services brought significant success to our organization this year. Overall, this staff has been the most productive group in memory. Reorganization and enhancements to our services (IT, Community Development and the Business Office) have proven to be very impactful.

Explanation of Proposed Fiscal Year Budget:

The 2013-2014 budget has been designed to continue the growth and development experienced over the past several years while increasing the use of "best practices" and also 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 II for the summer months to allow for painting, cleaning, and general repairs. We expect full or nearly full occupancy during 2013-2014 however, it's important to consider changes in the University, national and international economy, enrollment and subsequent budget "cuts" etc. and also allow for some "cushioning" against any sudden economic and budgetary downturns. The 2013-2014 budget is based (largely) on the end of year forecast provided for 2012-2013. We've maintained "sensible" spending however we have added staff to lead our new programs and services. The units did reasonably well with spending this year. We'll continue to enhance all existing and recently added services for our students including the Tech. Center, laundry room and a new food purchasing option called Shop 24. We'll also be retrofitting the old maintenance building (34) as a rec. center multi-purpose building and annex.

In light of our Major Goals, 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 2013-2014 budget is somewhat less "lean" than recent budget submissions. We've restored some funding for professional staff hiring, 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 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. All Phases are increasingly in need of costly on-going maintenance. Phase III (8 years old) is quickly deteriorating due to faulty workmanship and inferior construction materials. 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. We've also decided in 2013-2014 to offer our students full use of the laundry room by including a \$10 monthly fee as part of their license fees. The laundry room will be completely redeveloped with brand new water saving top loading machines and front loading dryers. We'll also still provide apt. cleaning, and on-going restoration and refurbishment of apartment furniture and appliances while stressing economic efficiency and sustainability. 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:

In 2013-2014 we plan on continuing to develop computer support services for all Village students through the enhancement of the Village help desk located in the Recreation Center. Staffed by the Technology Manager and trained assistants, the Tech CTR provides customer support with service issues, diagnostics, light repair, loading of antivirus 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. Additional services will be added (academic and computer related supplies). The new Community Dev. Program will have two full time professional staff members dedicated to the development of student leaders, student governance, programming, sustainability initiatives, campus involvement and student advocacy. The positions, CDS and Assist. Dir. for Leadership Development, are an expansion of existing positions. Additional student staff have also been added to this area focusing on Wellness programming, special interest housing and leadership development.

Explanation of Proposed Fiscal Year Capital Requests:

Capital projects for 2013-2014 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 II will be closed for the summer for "cosmetic" and structural upgrades. This work is critical in order to maintain the "appeal" of Phase II housing as well as to reduce the effects of wear and tear on the facility. 2013-2014 projects are listed below in priority order:

- *Scheduled refurbishing/painting and repair of all Phase II apartments. (155k)
- *Replace all kitchen cabinets in Phase II. (275k)
- *Replace bathroom vanities in Phases I and II. (61k)
- *Upgrade and install state of the art security camera system.(100k)
- *Replace the electronic entry gate systems at both entrances. (80k)
- *Replace carpet in various apartments.(25k)

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. We plan to build a new complex (to house the aforementioned) in stages and over the next several years on University land. 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
Participate in activities associated with the development of additional housing options.	Ken Leads	On-Going
Upgrade security camera system.	Owen Leads	9/13
Develop opportunities to "link" the Village to the larger campus community.	David Leads	On-Going
Develop measurable objectives for conference/summer housing program.	Regina/Sherry/Ken Lead	12/13
Establish "Shop 24" in the Village	Owen Leads	9/13
Develop File Maker/Star Rez mobile check-out program.	Owen Leads	9/13
Refurbish and repaint Phase II.	Ken/Steve Lead	9/13
Replace existing entry gate management system.	Owen Leads	9/13
Develop "in place shelter" plan for the University Village.	Ken/Debbie McFall Lead	12/13
Tech Center develops "DIY" informational workshops and computer based activities.	Owen/Ryan	On-Going
Develop Res. Ed training link-video recorded topics available on line.	Kyle/Owen Lead	On-Going
Assess all operations processes for paperless conversion.	Owen/Sherry Lead	6/13
Attend ACUHO-I, WACUHO, ACPA, NACAS and NASPA Conferences.	David Leads	2013-2014
Increase computer diagnostic and "advise" giving services in the Tech Center	Ryan/Owen Lead	2013-2014
Upgrade all laundry room equipment and services.	Owen Leads	9/13
Plan and facilitate Village staff customer service training.	David/Sherry	12/13
Organize all professional staff development sessions for 2013-2014.	David/Sherry	9/13
Replace kitchen cabinets in Phase II and Bathroom Vanities in Phases I and II	Steve/Ken/Sherry Lead	9/13
Evaluate current staffing structure and space utilization and develop a plan for the Tech. Center.	Owen/Ryan/Ken	12/13
Hold Quarterly Village All-Hands Meetings.	David/Sherry Lead	Quarterly
Write multi-year plan for technology assisted door lock project.	Owen/Steve Lead	12/13
Research and write 2 year project list for IT services within all Village operations.	Owen & IT Team	12/13
Update and reorganize University Village share drive.	Owen/Sherry Lead	12/13
Recover sofa units and repair/restore all "hard" furniture pieces in all Phases.	Ken/Steve	On-Going
Promote sustainability within all Village functions. Support/Promote sustainability garden.	CDS/Sustainability Advisors	6/14
Research and purchase emergency evacuation notification system/horns.	Owen/Debi McFall Lead	6/13
Develop proposal for use of Bldg. 34.	Kyle/CDS	9/13
Enhance Wellness Program through newly hired Health and Wellness Advisors.	CDS/Kyle Lead	On-Going
Continue development and integration of tablet/mobile devices into all Village operations.	Owen Leads	On-Going
Research and develop 1-2 year plan for intentional housing communities (LLC) in Foundation Housing.	Kyle/CDS	12/13
Plan for capital projects: car-port storage and multi-use bldg over pool.	Steve/Sherry Lead	12/13
Research and revise resident student survey process.	David/Sherry/Owen	12/13
Develop mission statement and goals for the Community Development Unit.	CDS/Kyle Lead	12/13

Mission/Vision Statement

By focusing on the interpersonal relationships with our residents, we strive to create a safe, respectful and inclusive community where one will find:

- *Valuable, clean, well-maintained and furnished accommodations.
- *Active customer service with open and timely interaction.
- *A dynamic environment working to continually adapt to residential needs.
- *An educational experience that empowers residents to participate and take ownership of their community.

Strengths and Challenges

Strengths

*quality of staff *financially responsible and profitable*affordable housing*technology/help desk with full-time manager
 *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

F

There were a total of 23 responses. The employee survey was administered to all staff (on-line) during 2013. RESULTS:

Out of a possible total score for each question of 100%:

*Effective Management-83%*Respect for Management-83%*Staff Integrity-83%*Opinions and Ideas are Validated-74%
*Training is Adequate-98%*Looks Forward to Coming to Work Each Day-87%*Favoritism-Not a Problem-44%*I
Understand How My Job Contributes to the Success of the Village-100%*Cultural Differences are Appreciated-100%*Staff
Members Work Well Together-74%*Teamwork is Valued-91%*Staff Are Helpful to One Another-96%*Management and
Non-Management Work Well Together-83%*I Feel Comfortable Telling the Truth Here-70%*The University Village Values
Honesty and Integrity-74%*University Village Staff Can Be Trusted to Do What We Say We're Going to Do-83%

Overall, the staff survey was well received by both student and professional staff. The Village Management Team will actively look toward raising scores in all areas and to address concerns and perceptions of favoritism.

Customer Survey

The Residential Experience Survey (formally Quality of Life Survey) was administered (on-line) this fall quarter (2012). The survey was again redeveloped and 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, More Study Facilities and Assistance with Technology.

*Maintenance/Cleaning: Satisfied-Recommendations: Improve Communication, Apartment Entry Notification, Split Response on Increasing/Decreasing Cleaning Efforts.

*Safety: Satisfied-Recommendations: Village and Contracted Maintenance Need to Close Apt. Doors When Inside, Balance Lighting in All Phases, Add security to prevent bike stealing, Make Sure Gate System is Operational.

*Condition of Apartments:Satisfied(Especially with Phase Revamp-Recommendations: More cleaning prior to move-in, Continue to rehab/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.

*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: Less 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: More Quiet Study Space, 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.

*Resident 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 More Quiet Study Space in Community Center.

*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,	10
-evaluation, enhancement of the mission statements of the Foundation, Foundation Housing and the University.	
Clear job descriptions and responsibilities led by individual managers.	10
Focus on community and student development.	8

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*Each individual unit area led by a designated manager.

VITAL FACTORS

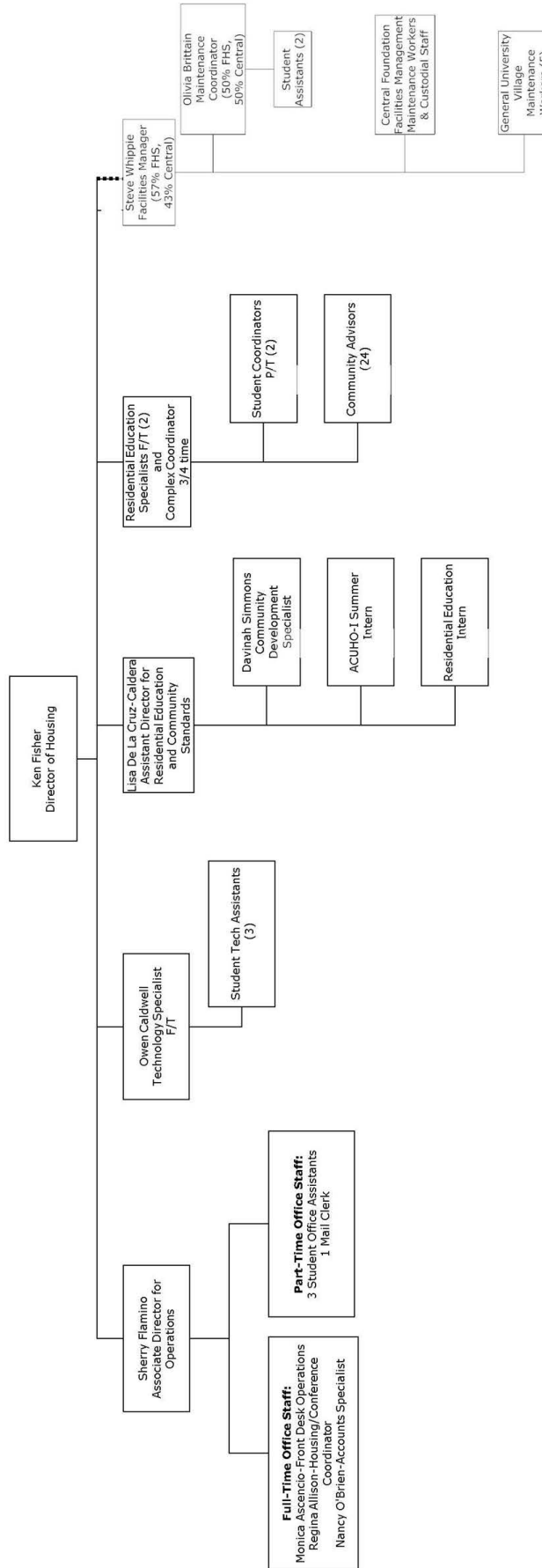
Actual to Budget Comparisons*Net P&L Compared to Budget*Occupancy-Retention and New Applicants*Consistency in Policy Implementation*Resident Accountability-Accountability to Residents (License Agreement-Student Handbook)
*Incident Follow-Up*Follow-Up to student initiated appeals and grievances

Asset Protection/Risk Management

NONE IDENTIFIED IN 2012-2013

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 apply the program's new mission statement 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 to 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 cabinet replacement in Phase II and bathroom vanities in Phases I and II 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 2013-2014 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. 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 facilities. This helps to relieve the "stress" placed on our budget. Lastly, 2013-2014 will see the replacement of the gate entrance system and security camera system. These projects will provide a solid response to students concerns about security in the Village. We'll also continue our three year cycle of repainting and refurbishing a Phase each year.

Continued - Explanation of Proposed Fiscal Year Budget:

*We've continued to "hold the line" on license fees with a minimal 5% increase for 2013-2014.

*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 Manager. In addition, the security camera and entry gate security systems will be upgraded this summer as will the centralized laundry room.

*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 was 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". The Village Tech Team will continue to develop File Maker software to augment the use of mobile devices in the operation of the Village. Additional services will be added to the Tech Center and mobile kiosks. Check-in and check-out will be facilitated through the use of iPads with File Maker and Star Rez working in concert with one another.

*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

2013 - 2014

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2013

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Proposed Fiscal Year Budget

A

FACILITIES_MANAGEMENT

CONSOLIDATED BUDGET COMPARISON SUMMARY
FOR PROPOSED BUDGET YEAR 13-14
CURRENT FISCAL YEAR 12-13

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
=====				
EXPENDITURES-CONTROLLABLE				
INSURANCE	1,740	0	0	0
REPAIRS & MAINTENANCE	17,640	12,500	17,640	5,140
MEALS & REFRESHMENTS	300	2,400	300	(2,100)
POSTAGE & FREIGHT	0	0	0	0
ADVERTISING	0	0	0	0
RENT/COMMISSIONS	240	200	240	40
SERVICES	(405,537)	(359,400)	(330,871)	28,529
SUPPLIES	5,700	5,400	5,700	300
TELEPHONE	3,900	8,500	6,000	(2,500)
TRAVEL	120	250	120	(130)
OTHER	<u>1,200</u>	<u>200</u>	<u>1,200</u>	<u>1,000</u>
TOTAL EXPENDITURES-CONTROLLABLE	(374,697)	(329,950)	(299,671)	30,279
EXPENDITURES NON-CONTROLLABLE				
DEPRECIATION	3,600	3,600	3,600	0
INSURANCE	0	1,100	1,740	640
RENT/COMMISSIONS	<u>600</u>	<u>1,500</u>	<u>600</u>	<u>(900)</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	4,200	6,200	5,940	(260)
LABOR COSTS				
SALARIES & WAGES	252,670	226,000	207,334	(18,666)
EMPLOYEE BENEFITS	<u>117,829</u>	<u>97,750</u>	<u>86,398</u>	<u>(11,352)</u>
TOTAL LABOR COSTS	<u>370,499</u>	<u>323,750</u>	<u>293,732</u>	<u>(30,018)</u>
TOTAL EXPENSES	<u>2</u>	<u>0</u>	<u>1</u>	<u>1</u>
NET INCOME	(2)	0	(1)	(1)
	=====	=====	=====	=====

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 is operational and minor enhancements continue to be effected in each functional area. As a result of this product implementation, process efficiencies have begun to materialize mostly related to the electronic processing of work orders compared with the labor intensive process where paper work orders were utilized. The feedback to those who report work order requests is also handled with the software using e-mail, which is much more efficient and more reliable when compared to using paper.

All goals will be met and several notable projects were completed this year such as upgrading the HVAC system in building 66, installing a back-up generator in building 55 primarily for MIS systems, replacing the tile flooring at Carl's Jr., and other projects.

Explanation of Proposed Fiscal Year Budget:

There are no major budget variations when comparing budgets from this year (2012-2013) to next year (2013-2014). However, there is one budget item of interest. One long term employee retired and there is no plan at this juncture to fill that vacancy. Instead, we will manage the existing workload with student labor, thereby lowering labor expenses for full time labor while providing additional employment opportunities for two or three student workers.

Changes in Programs and Services for Proposed Fiscal Year:

There are no planned changes to services provided this fiscal year. This year will be a year of stabilization as we look internally on how work is accomplished and what resources need to change, if any, for the following budget year.

Explanation of Proposed Fiscal Year Capital Requests:

None

Changes in Staffing:

We had one full time employee retiree and we do not plan to fill that vacancy with another full time employee. We plan to utilize student labor instead, and assess throughout the year on whether or not that model will meet the needs of our customers.

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

Over the next 1 - 2 years, Facilities Maintenance will evaluate new areas for process improvement and cost control opportunities, such as evaluating a tool control system, an inventory control system, and the approach used to purchase and track consumable supplies.

Evolution of the Facilities Maintenance function regarding their use of technology in the overall administration of their services is already occurring and is expected to continue for the next 2 - 3 years in all processes. This evolution will yield quicker response times to work orders, less wait times for ordering parts, and better feedback to those who submit work requests.

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 Foundation wide supervisory 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, good employee morale
- High levels of job skills with Facilities Management employees
- Ability to use contractors or in-house staff to deliver timely and cost effective services
- Excellent work order turn-around and very quick response time a majority of the time
- Strong centralized team

Challenges

- Improving communication with customers and staff
- Completing 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
- Understanding how to apply technology based solutions to areas in Facilities Management

Employee Survey

None completed this year.

F

Customer Survey

A customer satisfaction survey was conducted at University Village of the maintenance staff, and overall it was highly favorable, and showed measurable improvements from prior years.

Business Controls and Vital Factors

H

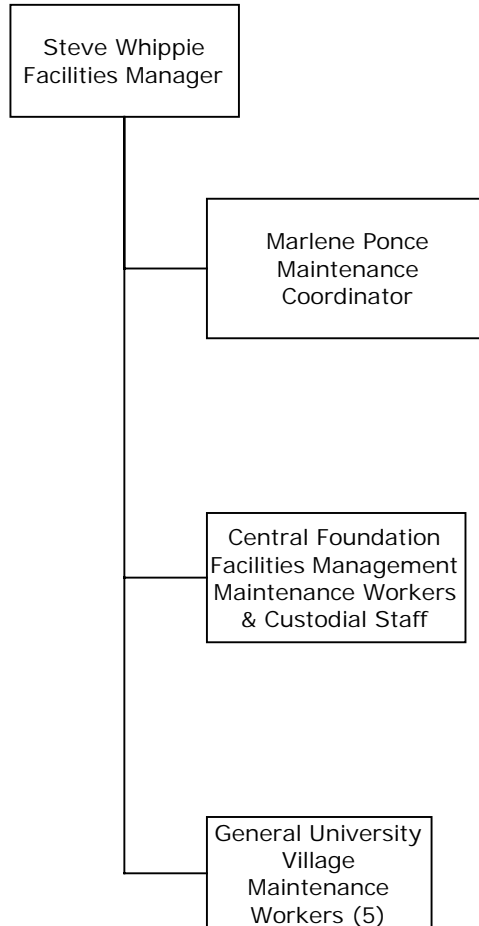
- Review budget and P&L's monthly, effect adjustments where necessary
- Review, prioritize, and respond to work orders daily and throughout each day
- Manage services agreements with contractors (e.g. boiler maintenance and HVAC maintenance)
- Review, prioritize, and complete projects and 30 day goals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

Asset Protection/Risk Management


None.

Organization Chart

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



April 2013

OPERATING BUDGETS
ENTERPRISES

BRONCO BUCKS OFFICE

CAL POLY POMONA FOUNDATION, INC.

BRONCO BUCKS OFFICE

2013-2014

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2013

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Proposed Fiscal Year Budget

A

BRONCO_BUCKS_OFFICE

CONSOLIDATED BUDGET COMPARISON SUMMARY
 FOR PROPOSED BUDGET YEAR 13-14
 CURRENT FISCAL YEAR 12-13

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
REVENUE				
SALES	<u>137,996</u>	<u>138,240</u>	<u>144,516</u>	<u>6,276</u>
TOTAL REVENUE	137,996	138,240	144,516	6,276
COST OF GOODS SOLD				
COST OF GOODS SOLD	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COST OF GOODS SOLD	0	0	0	0
GROSS MARGIN	137,996	138,240	144,516	6,276
EXPENDITURES-CONTROLLABLE				
REPAIRS & MAINTENANCE	0	0	0	0
MEALS & REFRESHMENTS	200	200	400	200
ADVERTISING	0	0	1,000	1,000
SERVICES	0	0	1,000	1,000
SUPPLIES	41,641	43,623	39,408	(4,215)
TELEPHONE	600	628	1,200	572
OTHER	<u>400</u>	<u>380</u>	<u>400</u>	<u>20</u>
TOTAL EXPENDITURES-CONTROLLABLE	42,841	44,831	43,408	(1,423)
EXPENDITURES NON-CONTROLLABLE				
DEPRECIATION	0	0	0	0
BANK CARD FEES	6,443	9,245	6,443	(2,802)
OTHER	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	6,443	9,245	6,443	(2,802)
LABOR COSTS				
SALARIES & WAGES	57,920	60,411	63,788	3,377
EMPLOYEE BENEFITS	<u>28,859</u>	<u>23,753</u>	<u>30,881</u>	<u>7,128</u>
TOTAL LABOR COSTS	<u>86,779</u>	<u>84,164</u>	<u>94,669</u>	<u>10,505</u>
TOTAL EXPENSES	<u>136,063</u>	<u>138,240</u>	<u>144,520</u>	<u>6,280</u>
NET INCOME	1,933	0	(4)	(4)
	=====	=====	=====	=====

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. Dining has a proposed board increase of 4%, this is the increase in the budgeted revenue for the Bronco Card Office.

Changes in Programs and Services for Proposed Fiscal Year:

C

Dining is considering a "discount" for using the Bronco Card this type of promotion would increase usage of Bronco Bucks resulting in more revenue for the card office.

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

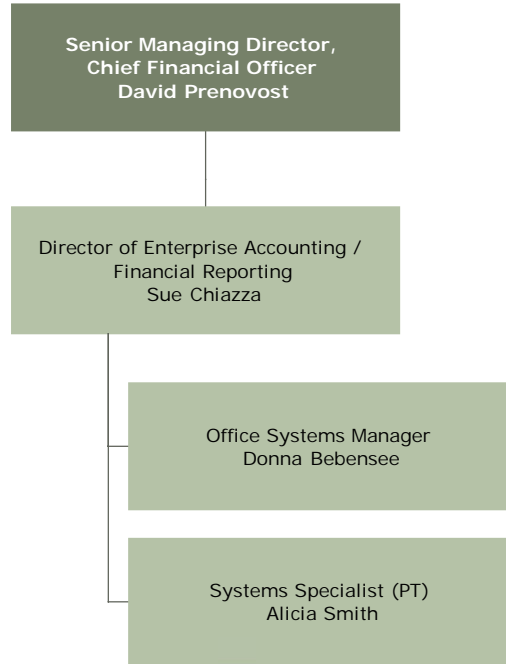
Organization Chart




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		2011-12	2011-12	Actual	2012-13	2012-13	2013-14
	YTD 03/31/12	2011-12 Actual	2011-12 Forecast	Approved Budget	YTD 3/31/13	2012-13 Forecast	Approved Budget	Proposed Budget
COLLEGE OF EXTENDED UNIVERSITY - Programs								
283500 Administration	(75,702)	5,496	(55,395)	658	(72,867)	(21,700)	4,344	327,553
283071 Computer Programs	(244)	(244)	-	-	-	-	-	-
283072 Certificate Programs	33,181	27,144	20,800	32,368	40,005	5,383	23,106	-
283080 English Language Inst.	569,893	647,303	278,045	300,925	829,309	526,911	268,294	-
283600 CEU International Training	182,541	149,435	90,241	30,505	101,020	99,824	70,500	-
283610 Int'l Workshop and Training	-	-	-	-	-	-	-	-
283620 Six Sigma Program	57,670	35,883	29,501	3,972	38,043	35,865	36,486	35,886
283630 Professional Project Management Program	10,053	8,589	4,890	3,223	9,021	8,564	8,886	10,836
283790 On Site Training Programs	19,900	21,169	15,172	841	21,936	18,101	18,310	8,480
283060 Start-Up Programs	3,936	7,698	1,666	2,500	(3,168)	209	3,501	-
283076 Technical Programs	(270)	(515)	-	4,553	4,639	4,657	-	9,228
283073 Test Prep Programs	6,242	702	5	14,461	10,397	3,133	4,586	3,646
460280 SUMMER SUPPORT @ CEU	(64)	(1,659)	-	-	(852)	-	-	-
460920 Business Comm & Grant Writing	-	-	-	-	-	-	-	286
460930 Accounting & Finance	-	-	-	-	-	-	-	223
460940 Math & Science	-	-	-	-	-	-	-	1,685
460950 Hospitality & Service Industry	-	-	-	-	-	-	-	2,480
460960 Supply Chain Management	-	-	-	-	-	-	-	612
460970 Human Resources Management	-	-	-	-	-	-	-	3,540
460980 Building & Construction Management	-	-	-	-	-	-	-	9,216
460990 Ed2Go	-	-	-	-	-	-	-	(90,440)
461000 Art, Media, & Design	-	-	-	-	-	-	-	2,236
461010 Global Ed Programs Standard	-	-	-	-	-	-	-	11,783
461020 Global Ed Programs Camps	-	-	-	-	-	-	-	-
461030 CPELI Camps	-	-	-	-	-	-	-	119,503
461040 CPELI Standard	-	-	-	-	-	-	-	436,292
Total College of Extended Univ Programs	807,136	901,001	384,925	394,006	977,483	680,947	438,013	893,045

DESCRIPTION	Actual YTD 03/31/12	2011-12 Actual	2011-12 Forecast	2011-12 Approved Budget	Actual YTD 3/31/13	2012-13 Forecast	2012-13 Approved Budget	2013-14 Proposed Budget
<u>COLLEGE OF ENGINEERING</u>								
381500 Non-Credit Learning Admin	(762)	(762)	-	(5,092)	678	48	(5,150)	48
381675 Civil Engineering Review	(1,045)	(1,895)	3,602	9,188	14,159	4,333	2,217	4,333
381673 Land Surveyor Review	-	-	-	-	-	-	-	-
Total College of Engineering	(1,807)	(2,657)	3,602	4,096	14,837	4,381	(2,933)	4,381
<u>COLLEGE OF SCIENCE</u>								
406440 Chemistry Agilent Project	(1,478)	(5,026)	18,487	-	(1,922)	4,624	16,596	16,333
Total College of Science	(1,478)	(5,026)	18,487	-	(1,922)	4,624	16,596	16,333
<u>COLLEGE OF LETTERS, ARTS, AND SOCIAL SCIENCES</u>								
362030 GIS Certificate Program	(75)	(9,547)	-	-	4,339.00	-	-	-
Total College of Letters, Arts, and Social Sciences	(75)	(9,547)	-	-	4,339	-	-	-
<u>COLLEGE OF ENVIRONMENTAL DESIGN</u>								
460200 CCLAWS CERTIFICATE L+RS	(18,471)	(18,471)	-	-	(300)	-	-	-
Total College of Environmental Design	(18,471)	(18,471)	-	-	(300)	-	-	-
GRAND TOTAL CONTINUING EDUCATION	785,305	865,300	407,014	398,102	994,437	689,952	451,676	913,759

CONTINUING EDUCATION

CONSOLIDATED BUDGET COMPARISON SUMMARY
FOR PROPOSED BUDGET YEAR 13-14
CURRENT FISCAL YEAR 12-13

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
=====				
REVENUE				
OTHER	21,500	6,714	6,953	239
SALES	<u>2,943,570</u>	<u>3,422,371</u>	<u>3,760,405</u>	<u>338,034</u>
TOTAL REVENUE	2,965,070	3,429,085	3,767,358	338,273
EXPENDITURES-CONTROLLABLE				
UTILITIES	26,500	30,000	30,000	0
REPAIRS & MAINTENANCE	12,700	15,720	14,400	(1,320)
MEALS & REFRESHMENTS	32,285	59,100	88,100	29,000
POSTAGE & FREIGHT	11,000	10,900	6,040	(4,860)
ADVERTISING	156,307	66,282	71,920	5,638
RENT/COMMISSIONS	104,392	45,190	54,787	9,597
SERVICES	304,520	397,833	415,217	17,384
SUPPLIES	69,750	66,555	71,530	4,975
TELEPHONE	7,200	8,350	1,600	(6,750)
TRAVEL	48,010	91,507	58,250	(33,257)
LAUNDRY	100	100	200	100
OTHER	<u>19,710</u>	<u>34,649</u>	<u>56,080</u>	<u>21,431</u>
TOTAL EXPENDITURES-CONTROLLABLE	792,474	826,186	868,124	41,938
EXPENDITURES NON-CONTROLLABLE				
ADMINISTRATIVE FEES	132,472	154,238	169,539	15,301
DEPRECIATION	19,006	20,919	58,819	37,900
INSURANCE	5,604	5,672	19,076	13,404
RENT/COMMISSIONS	25,400	115,800	25,696	(90,104)
BANK CARD FEES	24,505	18,207	21,635	3,428
OTHER	<u>5,760</u>	<u>5,915</u>	<u>5,668</u>	<u>(247)</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	212,747	320,751	300,433	(20,318)
LABOR COSTS				
SALARIES & WAGES	1,176,691	1,256,046	1,359,277	103,231
EMPLOYEE BENEFITS	<u>331,482</u>	<u>336,150</u>	<u>325,764</u>	<u>(10,386)</u>
TOTAL LABOR COSTS	<u>1,508,173</u>	<u>1,592,196</u>	<u>1,685,041</u>	<u>92,845</u>
TOTAL EXPENSES	<u>2,513,394</u>	<u>2,739,133</u>	<u>2,853,598</u>	<u>114,465</u>
NET INCOME	451,676	689,952	913,760	223,808
	=====	=====	=====	=====

**OPERATING BUDGETS
SUPPLEMENTAL PROGRAMS**



**COLLEGE OF THE
EXTENDED UNIVERISTY**

CAL POLY POMONA FOUNDATION, INC.

COLLEGE OF THE EXTENDED UNIVERSITY

2013-2014

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2013

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Proposed Fiscal Year Budget

A

CONT_EDUC_UNIV

CONSOLIDATED BUDGET COMPARISON SUMMARY
 FOR PROPOSED BUDGET YEAR 13-14
 CURRENT FISCAL YEAR 12-13

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
=====				
REVENUE				
OTHER	21,500	5,511	5,750	239
SALES	<u>2,895,866</u>	<u>3,383,709</u>	<u>3,707,141</u>	<u>323,432</u>
TOTAL REVENUE	2,917,366	3,389,220	3,712,891	323,671
EXPENDITURES-CONTROLLABLE				
UTILITIES	26,500	30,000	30,000	0
REPAIRS & MAINTENANCE	12,700	15,720	14,400	(1,320)
MEALS & REFRESHMENTS	31,285	58,100	87,100	29,000
POSTAGE & FREIGHT	11,000	10,900	6,040	(4,860)
ADVERTISING	155,240	64,869	70,507	5,638
RENT/COMMISSIONS	98,920	44,554	53,515	8,961
SERVICES	294,520	381,987	399,371	17,384
SUPPLIES	64,600	65,450	70,425	4,975
TELEPHONE	7,200	8,350	1,600	(6,750)
TRAVEL	48,010	91,507	58,250	(33,257)
LAUNDRY	100	100	200	100
OTHER	<u>19,710</u>	<u>33,446</u>	<u>54,877</u>	<u>21,431</u>
TOTAL EXPENDITURES-CONTROLLABLE	769,785	804,983	846,285	41,302
EXPENDITURES NON-CONTROLLABLE				
ADMINISTRATIVE FEES	130,325	152,448	167,092	14,644
DEPRECIATION	15,698	18,948	55,248	36,300
INSURANCE	5,604	5,628	19,032	13,404
RENT/COMMISSIONS	25,400	115,800	25,696	(90,104)
BANK CARD FEES	24,222	17,969	21,397	3,428
OTHER	<u>5,760</u>	<u>5,915</u>	<u>5,668</u>	<u>(247)</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	207,009	316,708	294,133	(22,575)
LABOR COSTS				
SALARIES & WAGES	1,171,531	1,250,886	1,354,117	103,231
EMPLOYEE BENEFITS	<u>331,028</u>	<u>335,696</u>	<u>325,310</u>	<u>(10,386)</u>
TOTAL LABOR COSTS	<u>1,502,559</u>	<u>1,586,582</u>	<u>1,679,427</u>	<u>92,845</u>
TOTAL EXPENSES	<u>2,479,353</u>	<u>2,708,273</u>	<u>2,819,845</u>	<u>111,572</u>
NET INCOME	438,013	680,947	893,046	212,099
	=====	=====	=====	=====

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

2012-13 will be remembered as a transitional year for the College of the Extended University (CEU). This is the year that CEU transitioned from a history of interim leadership to permanent leadership through the hiring of a permanent College Dean. Two additional leadership positions were also filled, the Executive Director of Global Initiatives and the Financial Manager, that will support the Dean with the development and implementation of CEU's strategic plans, goals and mission as CEU progresses forward. At the mid-point, CEU has already exceeded the total net income budgeted for the current year. This is largely in part due to the increased revenues generated through the Cal Poly Pomona English Language Institute (CPELI) and the Global Education Programs (GEP) camps and programs offered in the first half of the year. As of Winter 2013, CEU is being impacted by fluctuating enrollments in various non-credit and international training programs. CEU is currently developing new marketing strategies to ramp up enrollment for next fiscal year in both of these program areas to address any declines. While the economy is impacting some of the CEU programs, overall the projections look positive for the remainder of the year for CEU to end the year with a net gain of approximately \$650,000.

Explanation of Proposed Fiscal Year Budget:

For 2013-14, CEU has added 13 additional project numbers to our budget structure so that all revenue and expenses can be tracked more precisely by each area of study and for camps. In prior years, several areas of study were tracked under the same project number, making it difficult to identify the true efficiency for each area. In addition, during 2012-13, CPELI and GEP jointly ran the summer camps with revenue and expenses being recorded into two different project numbers. For 2013-14, all camp revenue and expenses will now be recorded in one project number. CEU feels confident that this new budget structure will provide us the tools needed for progressive growth planning for each unit within CEU. The 2013-14 budget has been planned in most cases to reflect a conservative projection of 10% growth. This projection is reflective of the current economic climate and aligns with CEU's ability to sustain current program levels while exploring and implementing new programs and certificate offerings during the new fiscal year. CEU has also restructured the cost recovery charges to our internal programs to align with standard rate charged to our campus partners based on the support provided by CEU Administration. Marketing will be a key focal point for CEU as we strive to gain market share through branding of programs closely aligned with Cal Poly Pomona's strengths. Effective advertising of the programs and opportunities CEU has to offer to the community, business partners and abroad will be vital to support the growth goals for this fiscal year and beyond. An additional focus will be on automating the registration processes through the purchase and implementation of new web-based software program. The purchase will take place in 2012-13 and the implementation in 2013-14.

Changes in Programs and Services for Proposed Fiscal Year:

The proposed budget reflects the new structure designed to track program revenue and expenses more efficiently to support the programs with planning and budgeting in the new fiscal year. This shift in expenses includes program personnel expenses that were previously recorded in the Administration budget. Expansion of the global education and non-credit programs and certificates are under development with campus partners, agencies, and third party providers to meet the key needs of the community CEU serves. Some exciting new online certificate programs will include Business Construction Management, Project Risk Management, Energy Management and Sustainable Events. A great deal of planning is still in process and it is anticipated that budget adjustments will be required as CEU implements new programs in the future.

Explanation of Proposed Fiscal Year Capital Requests:

The programs of CPELI have out-grown the existing facilities and more growth is projected for 2013-14. To address this need, a capital request for the purchase of a new modular building is included in the budget packet on schedule D. The anticipated total purchase is estimated to run \$310,000. Since this asset will be transferred to the state-side, the purchase and depreciation is not reflected in the attached budget.

Changes in Staffing:

For 2013-14, no additional permanent positions have been included in this budget plan. CEU has budgeted a small amount under recruitment in the Administration budget should any existing position become vacant and need to be re-filled. There has also been a minimal amount budgeted to support an additional student assistant position being filled if needed to address peak demands during part of the year. As profitability permits, additional program developers and managers will be added to accelerate the growth of programs.

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

For the next 3 years, the CEU will focus on expansion of existing and development of new programs that closely align with the strengths that CPP is known for. Collaborative planning will be vital in aligning certificate and degree programs that build and enhance student's skill sets to provide optimal training and opportunity for careers in high demand markets. In addition, CEU will seek to research and expand contract training and professional development opportunities with both local and global partners. Global Education and training opportunities will continue to be a priority for CEU as we expand our programs into new territories. CEU's reputation for being a valued provider of quality non-credit and continuing education credit programs will drive our expansion efforts on a continual basis for the foreseeable future.

Mission/Vision Statement

The Mission and Vision of the College of the Extended University directly aligns and supports the Mission of Cal Poly Pomona.

The Mission of Cal Poly Pomona is:

Cal Poly Pomona's mission is to advance learning and knowledge by linking theory and practice in all disciplines, and to prepare students for lifelong learning, leadership and careers in a changing multicultural world.

The Mission of the College of the Extended University is:
Extending Opportunity Through Education and Innovation.

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

- Provide online/distance/on-site educational opportunities
- Offer a menu of valued courses, degrees and certificates
- Present modalities of learning that align with consumer needs
- Offer solutions to real world problems
- Become a leader in global education

Strengths and Challenges

Strengths

The CEU takes great pride in being a self-sustaining organization with full control of our business operations. In addition, CEU has the capability and flexibility to develop quality programs with minimal constraints. As part of the Cal Poly Pomona Campus, CEU's location proves to be an attractive learning destination for both local and international students. The CEU is viewed as a vital part of CPP's future by the University Leadership and through the experience and fresh vision provided by CEU's new leadership team and staff, CEU should be positioned for continued success and growth.

Challenges

CEU considers one of our greatest challenges to be lack of positioning relative to our competition. Therefore, an emphasis will be placed on building CEU's identity with the community, businesses and abroad through effective marketing and branding. Another area for CEU that will need to be a priority will be in the program development of new programs, certificates and professional development including timely response to customer valued content and delivery modes. Fiscal resources and planning will need to be developed to keep CEU positioned to respond and provide in a timely manner.

Employee Survey

CEU recently surveyed the staff for input for an internal SWOT analysis. The refined version of the SWOT analysis was derived from the input of the staff. 100% participation has provided CEU with a clear analysis of strengths, weaknesses, opportunity and threats. This tool will help to guide CEU's plans and goals as we continue forward.

Customer Survey

The CPELI unit surveys the students quarterly and all input is reviewed and acted upon in regards to planning of revised curriculum and services to better meet the needs of the students. CEU currently solicits student input through a one page customer survey that is available to students when they come to the campus to register. CEU has yet to formalize this process but will be researching best practices for soliciting student input and feedback to aid in planning and development of programs and services.

Business Controls and Vital Factors

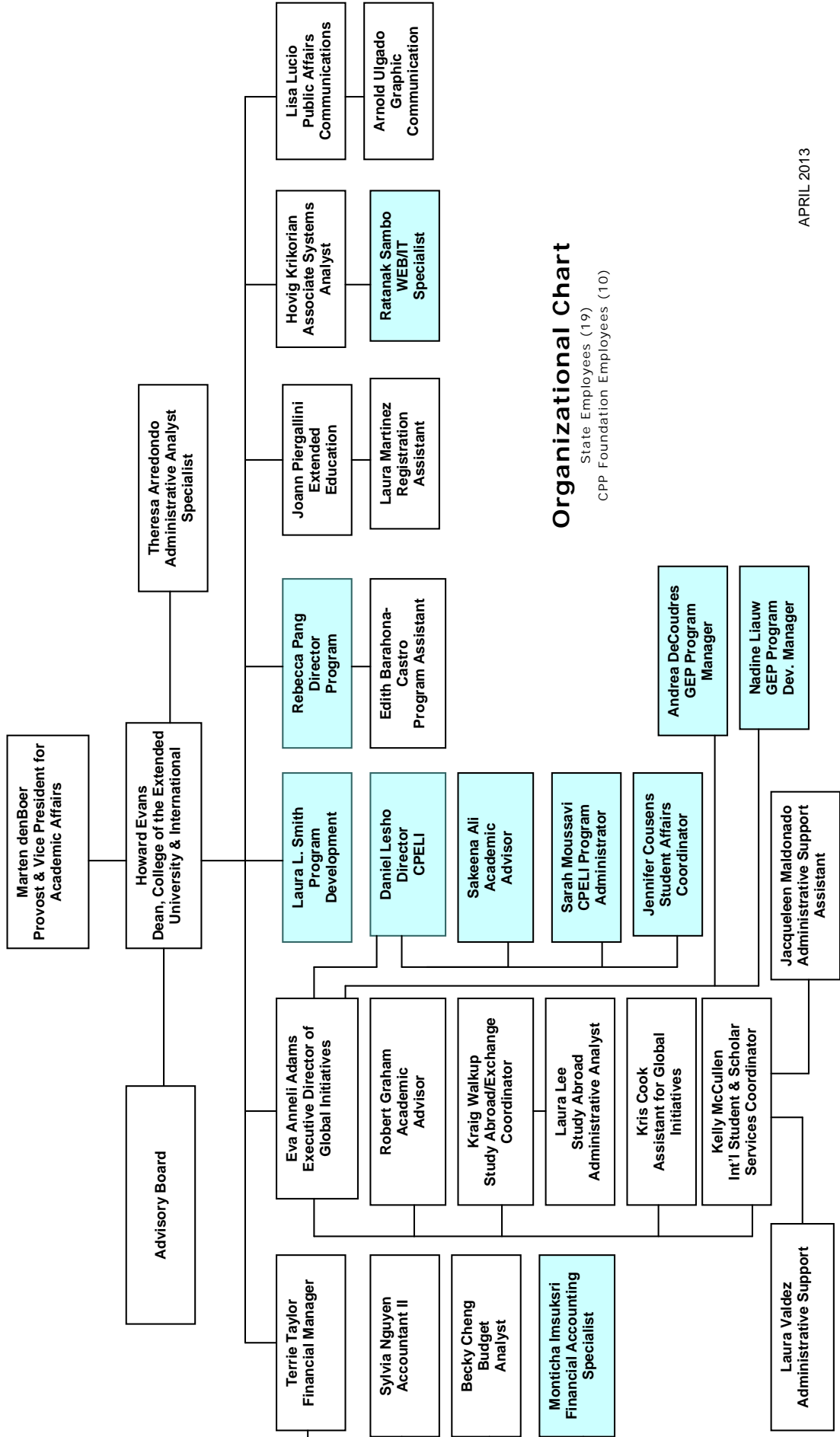
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The CEU is a complex business enterprise that must operate in both the foundation and state sphere. This requires constant observation of regulations and policy for both sides. The CEU monitors operational accounts on a monthly and quarterly basis. All programs are reviewed to insure compliance with Chancellor Office policies. Any updates from the Chancellor's office are reviewed, distributed and acted upon through the CEU Dean's office. For 2013-14, the new budget structure will provide CEU the ability to track program revenue and expenses more efficiently to assist in program development and planning. All program expenses will now be aligned and reflected in the actual program including program personnel. One key focus for CEU during the year, will be to identify and document the key business processes. A cross-training strategy of personnel will be vital to insuring that all business needs are covered.

Asset Protection/Risk Management

Organization Chart

College of the Extended University & International Center



Organizational Chart

State Employees (19)
CPP Foundation Employees (10)

APRIL 2013

**OPERATING BUDGETS
SUPPLEMENTAL PROGRAMS**

COLLEGE OF ENGINEERING

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 February-March and September-October period. We do not know the enrollment at this time and project the same budget from last year.

Explanation of Proposed Fiscal Year Budget:

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

Project 381500 is a transfer account for funds collected by engineering programs. The College will charge 5% administration fee from their gross revenue.

Changes in Programs and Services for Proposed Fiscal Year:

The Professional Engineer Examination in Civil Engineering currently has 6 students registered for February-March session. The class is pending until 10 students are enrolled in order to support the budget. Civil Engineering will keep the September-October session open.

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

AGILENT

406440

PROJECT SUMMARY FISCAL YEAR 2013-2014

SCHEDULE B


SUMMARY: The Chemistry Department [via foundation ownership] is in the tenth year of the agreement whereby Cal Poly Pomona administers and runs a West Coast training center for courses sponsored by Agilent Technologies. The current selections are software courses in support of Agilent equipment product lines in the chemical analysis area. The client source will be primarily comprised of small to large private companies and public agencies requiring training on newly purchased equipment. Quality course production and on-campus services for clients are essential for success. The current year is slow, no doubt due to the continuing corporate caution on spending. It should be noted that even when business is slow (such as this year when only two courses are planned), we can still generate a profit, since our overhead when we are not teaching courses is extremely low. We have completed the expansion of the training facility in Building 3, which can now accommodate up to 18 client-students. Future plans include the utilization of our software training facility for other (non-Agilent) software courses.

GOALS and OBJECTIVES: Since the contract was finalized [Jan 2000; PSA Revised in 2008] the project has moved forward with the following emphasis: a) 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.

**OPERATING BUDGETS
SUPPLEMENTAL PROGRAMS**



**RESEARCH AND
SPONSORED PROGRAMS**

CAL POLY POMONA FOUNDATION, INC.

OFFICE OF RESEARCH AND SPONSORED PROGRAMS (ORSP)

2013-2014

BUSINESS PLAN



**Cal Poly Pomona
Foundation**

APRIL 2013

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Proposed Fiscal Year Budget

A

RESEARCH_OFFICE

CONSOLIDATED BUDGET COMPARISON SUMMARY
FOR PROPOSED BUDGET YEAR 13-14
CURRENT FISCAL YEAR 12-13

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
REVENUE				
INDIRECT COST RECOVERIES	1,600,000	1,350,000	1,360,178	10,178
OTHER	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REVENUE	1,600,000	1,350,000	1,360,178	10,178
EXPENDITURES-CONTROLLABLE				
REPAIRS & MAINTENANCE	3,000	3,000	3,000	0
MEALS & REFRESHMENTS	6,100	6,057	6,100	43
POSTAGE & FREIGHT	1,440	824	1,200	376
ADVERTISING	200	404	400	(4)
RENT/COMMISSIONS	39,680	40,099	40,100	1
SERVICES	129,732	144,065	144,732	667
SUPPLIES	10,620	24,145	15,300	(8,845)
TELEPHONE	0	0	0	0
TRAVEL	14,500	9,253	14,500	5,247
OTHER	<u>564,770</u>	<u>413,426</u>	<u>328,398</u>	<u>(85,028)</u>
TOTAL EXPENDITURES-CONTROLLABLE	770,042	641,273	553,730	(87,543)
EXPENDITURES NON-CONTROLLABLE				
ADMINISTRATIVE FEES	607,500	507,000	504,225	(2,775)
INSURANCE	<u>1,300</u>	<u>1,300</u>	<u>1,500</u>	<u>200</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	608,800	508,300	505,725	(2,575)
LABOR COSTS				
SALARIES & WAGES	150,439	126,395	216,140	89,745
EMPLOYEE BENEFITS	<u>25,563</u>	<u>28,430</u>	<u>38,987</u>	<u>10,557</u>
TOTAL LABOR COSTS	<u>176,002</u>	<u>154,825</u>	<u>255,127</u>	<u>100,302</u>
TOTAL EXPENSES	<u>1,554,844</u>	<u>1,304,398</u>	<u>1,314,582</u>	<u>10,184</u>
NET INCOME	45,156	45,602	45,596	(6)
	=====	=====	=====	=====

Business Plan Narrative - Divisional(Schedule B)

Overview of Current Fiscal Year:

The current forecast for 2012-13 indicates we will finish the fiscal year within budget:

- a) The "Strategic Interdisciplinary Research Program" or SIRG has now been fully implemented. Funding was budgeted at \$50,000 per competition and two competitions were run for 2012-13. (This will be reduced for 2013-14.) SIRG provides internal financial support to Faculty members who submit and win proposals for developing external grant/contracts.
- b) A 2nd part-time ORSP student assistant will continue to be employed in 2012-13 and has now completed training as a replacement for the prior student who left after completing her student teaching requirement. Student assistants are critical to ensuring prompt campus routing, tracking and services to faculty and staff for proposal development and processing.
- c) Increases are forecasted in areas that address two important needs: 1. "Software Purchases" increase to cover '@Tune,' a new program to help institutions comply with Animal Care and Human Subjects research regulations (\$10,000 to install+ \$5,000/yr); 2. "Services Consultant" costs increase to provide grantwriting support for three major institutional proposals (e.g., NIH; U.S. Dept. of ED, Title V HSI grant). Overall/total funds should remain within budget.

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Explanation of Proposed Fiscal Year Budget:

2013-14 revenues are forecasted to be below last year's due to a slower rate of expenditures on current awards. Revenues were also negatively impacted by a gap in National Institutes of Health (NIH) SCORE grant program opportunities (NIH suspended receipt of proposals during that review period; it has now resumed the program and new CPP proposals are being developed for upcoming 2013 competitions). Costs continue to be impacted by effects of lack of growth in state funding, and increased proposal activity:

- a) Funding is increased to ensure adequate in- and out-of-state travel, webinar and conference costs for the AVP Research, in anticipation of limited state funds for these purposes. An out-of-state trip for the ORSP Director continues to be budgeted; in addition, modest funds are budgeted for the Sponsored Programs Associates to continue essential technical training and updates on regs and sponsored programs.
- b) For discussion purposes only (must be approved by involved Colleges and the Provost before implementation): Salary and fringe benefits costs for a new, temporary "Contracts Paralegal Analyst" are proposed to streamline and reduce time required for legal analysis and execution of complex legal documents that Foundation must sign as CPP's grant/contract awardee. Use of staff-level legal expertise will be more cost effective vs. high external hourly legal rates and will free others for more proposal and budget development/submission-oriented work. (See Schedule C, attached, for additional discussion information/details and full position justification.)
- c) Increases in student employee costs are a result of the 3% increase in rates as stipulated by the Foundation. Also, 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. This support is necessary during 2013-14 to meet the demand for proposal development processing/support and to ensure adequate backup for the critical administrative support staff/functions in ORSP and in OR.
- d) Supplies/Office costs are increased by ~\$1,100 or 21% to cover necessary operational supplies that may not be supported by the ORSP State account due to continued tight state funding.
- e) In light of the forecasted drop in total revenues, the SIRG program is budgeted at a reduced total amount of \$75,000 for 2013-14 and only one competition will be held. (In 2012-13, two competitions @\$50,000 each, totalling \$100,000, were held.)
- f) Finally, overall total expenditures are budgeted to decline by 4% vs. the forecasted amount for 2012-13.

Changes in Programs and Services for Proposed Fiscal Year:

Progress is being made by I&IT in migrating ORSP's web-based database to a campus PeopleSoft server for ongoing operations. The database is improving pre-award proposal management, tracking, reporting and compliance. It incorporates numerous features customized to meet ORSP's and the University's and Foundation's needs, such as: tracking of proposal progress, approval signatures, status, and interval issues. More features/reports are planned to meet needs. ORSP's ASA II recently left for another position; due to State budget uncertainties, a temp replacement was hired. It is unclear when the State-funded ASAII position can be permanently refilled. An associate-level staffer was newly hired last year to replace other staff who left CPP and to support growth. She has completed fundamentals training. ORSP needs additional staff support in 2013-2014 for legal analysis on contracts to help expedite completion. These challenges will impact ORSP.

Explanation of Proposed Fiscal Year Capital Requests:

None

Changes in Staffing:

ORSP is continuing to build a strong pre-award Team: For 2013-14, reimbursement to the State of all salary and fringe benefits costs to continue funding one Associate-level position in ORSP ("Sponsored Contract Associate") are included. For discussion purposes only (must be approved by involved Colleges and the Provost before implementation): To continue to strengthen support for the success of University initiatives that generate more external funding, a new "Contracts Paralegal Analyst" position is proposed in 2013-14 (see Schedule C). Costs for all prior positions are increased 3%.

New and recently acquired staff require continuous 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, legal documents, and revisions in regulations 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.

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 continues an 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 challenging state financial situation will continue to make resources too scarce. Continued pursuit of a "growth model" is needed to help develop and submit more and better proposals. Support for ORSP staffing/ infrastructure growth and increased funds for development support (such as external grantwriters) are needed to be successful. Our University's competitive position 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 tight state resources	AVP/Director	Ongoing for FY2013-14
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 tight resources	AVP/Director	
Continue Faculty and Staff involvement in grant & contract activities to increase the number of submittals:	AVP/Director	
celebrate accomplishments		
Recommend and support activities to help enhance the grants culture and/or infrastructure	AVP/Director	
Help 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 increased; the new AVP for Research continues to bring 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 and Kellogg FuTURE programs were funded using no state, only Kellogg resources; the Provost Teacher-Scholar program continued to develop research/grants active faculty. Opportunities: the internal "SIRG" program offers strategic, interdisciplinary research support to faculty; major competitions for PUIs, STEM & HSIs continue; ORSP continues to work with I&IT on a web-based pre-award database; for discussion only, use of additional paralegal expertise is proposed; and focused ORSP staffing will help address contract issues to expedite contract/award startups for PIs.

Challenges

Tight state funding continues to have significant, cumulative impacts; ORSP continues to re-build and train the team; lack of raises is unfortunate; "rush" proposals stress ORSP; 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 to attend grants conferences; there is vigorous national competition for external funds; the Lab Animal Facility continues to age. The number of applications for external funding is increasing for now at CPP but has plateaued or declined at other CSUs, and unless strong support continues may be impacted by: less assigned time; past dramatic decreases in the number of newly hired faculty (although resumption of some hiring has now occurred); and continued actual and potential loss of our most competitive employees to other institutions due to salary-related and other issues.

Employee Survey

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 during January of this year (2013); participation was voluntary and anonymous. Questions addressed key aspects including fair treatment, respect and equality, trust, teamwork, support for skill development and communication. Participation was excellent with all regular employees responding. Results were very positive overall and continue to improve compared to the past.

A strength evidenced through the survey is the fact that no factors or aspects of the work received "Totally Disagree"/ negative responses or ratings from any employee surveyed.

The surveys are also useful in suggesting areas 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 offered to 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 conducted a Service Satisfaction Survey in 2012: responses were extremely positive overall, with dramatic improvements when compared to the previous survey. There was a significant gain in strongly positive responses to the survey questions. At the same time, there was a significant decline in strongly negative responses to the questions. Another key result was that 100% of respondents either "strongly agreed" or "agreed" that "ORSP Contributes to the University's success." (Survey results were anonymous.)

The survey was discussed at a subsequent ORSP Staff Meeting, to celebrate the positive results and also to encourage continuous improvement in the future.

Keys to Success

<u>Keys to Success Items</u>	<u>Rank in Importance 10 to 1</u>
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

<u>Customer/Client Perception</u>	<u>Unit Perception</u>
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; tight state budgets	perceptions and results are being used to help
and lack of raises pose continuing challenges 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 constraints 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. No raises have been paid to
competitive grants arena.	staff at CPP for a number of years.
Teamwork is excellent.	Teamwork is excellent.

Business Controls and Vital Factors

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

- Oversight of resources and budgets continues to be exercised through management and monitoring by the AVP Research, the Director of ORSP and the AVP Research Administrative Budget assistant.
- Compliance is being maintained and wherever possible, strengthened by thorough pre-award 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 supplemental approval requirements that vary according to "thresholds" determined by project-specific risk characteristics such as the project's dollar size, matching or other costs/impacts to campus.

Asset Protection/Risk Management

**OPERATING BUDGETS
SUPPLEMENTAL PROGRAMS**



**AGRICULTURAL AID TO
INSTRUCTION PROGRAM**

AGRICULTURE

CONSOLIDATED BUDGET COMPARISON SUMMARY
FOR PROPOSED BUDGET YEAR 13-14
CURRENT FISCAL YEAR 12-13

ACCT. ACCOUNT TITLE	CURRENT YEAR APPROVED BUDGET	CURRENT YEAR FORECAST	PROPOSED BUDGET	\$ CHANGE FORECAST TO PROPOSED BUDGET
REVENUE				
OTHER	224,000	254,000	284,000	30,000
SALES	<u>2,905,118</u>	<u>2,686,559</u>	<u>2,950,031</u>	<u>263,472</u>
TOTAL REVENUE	3,129,118	2,940,559	3,234,031	293,472
COST OF GOODS SOLD				
COST OF GOODS SOLD	<u>794,841</u>	<u>684,311</u>	<u>827,241</u>	<u>142,930</u>
TOTAL COST OF GOODS SOLD	<u>794,841</u>	<u>684,311</u>	<u>827,241</u>	<u>142,930</u>
GROSS MARGIN	2,334,277	2,256,248	2,406,790	150,542
EXPENDITURES-CONTROLLABLE				
UTILITIES	82,020	73,631	76,044	2,413
AGR/RE Fees	345,132	415,995	386,072	(29,923)
FEED	175,800	92,074	124,400	32,326
INSURANCE	8,500	4,000	8,500	4,500
REPAIRS & MAINTENANCE	114,419	107,707	135,219	27,512
MEALS & REFRESHMENTS	2,900	3,850	2,900	(950)
POSTAGE & FREIGHT	2,700	1,900	2,700	800
ADVERTISING	16,500	15,267	16,500	1,233
RENT/COMMISSIONS	12,000	14,520	12,000	(2,520)
SERVICES	237,150	211,712	239,550	27,838
SUPPLIES	201,110	187,495	191,360	3,865
TELEPHONE	4,440	4,400	4,440	40
TRAVEL	9,400	14,850	20,300	5,450
LAUNDRY	1,200	1,000	1,200	200
OTHER	<u>107,991</u>	<u>68,962</u>	<u>102,183</u>	<u>33,221</u>
TOTAL EXPENDITURES-CONTROLLABLE	1,321,262	1,217,363	1,323,368	106,005
EXPENDITURES NON-CONTROLLABLE				
ADMINISTRATIVE FEES	125,166	113,311	129,362	16,051
DEPRECIATION	38,163	30,357	44,454	14,097
INSURANCE	29,095	23,581	31,651	8,070
INTEREST EXPENSE	0	0	1,368	1,368
RENT/COMMISSIONS	0	0	0	0
BANK CARD FEES	16,996	28,100	16,996	(11,104)
OTHER	<u>11,601</u>	<u>11,300</u>	<u>11,700</u>	<u>400</u>
TOTAL EXPENDITURES NON-CONTROLLABLE	221,021	206,649	235,531	28,882
LABOR COSTS				
SALARIES & WAGES	544,092	626,623	618,832	(7,791)
EMPLOYEE BENEFITS	<u>143,870</u>	<u>145,175</u>	<u>154,238</u>	<u>9,063</u>
TOTAL LABOR COSTS	<u>687,962</u>	<u>771,798</u>	<u>773,070</u>	<u>1,272</u>
TOTAL EXPENSES	<u>2,230,245</u>	<u>2,195,810</u>	<u>2,331,969</u>	<u>136,159</u>
NET INCOME	104,032 ₂₈₀	60,438	74,821	14,383

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

DESCRIPTION	Actual	2011-12	2011-12	2011-12	Actual	2012-13	2012-13	2013-14
	YTD 03/31/12	Actual	Forecast	Approved Budget	YTD 3/31/13	Forecast Budget	Approved Budget	Proposed Budget
016200 Agronomy Farms	342,430	190,668	96,310	25,889	(79,972)	10,034	62,691	27,706
260200 Arabian Horse Show	(18,749)	(32,421)	770	(3,470)	(52,382)	21,770	2,170	7,742
020010 Beef Unit	(6,549)	(6,857)	(1,488)	(6,269)	(11,920)	4,086	(1,206)	6,692
027190 Consignment Sales	-	-	-	-	-	-	-	-
340010 Fruit Industry	(11,966)	(32,306)	583	(2,996)	(22,345)	500	4,036	1,800
300010 Meat Lab	3,741	6,402	5,590	(202)	4,782	5,590	2,734	2,722
320300 Ornamental Horticulture	(16,103)	(4,152)	(7,743)	(1,166)	627	4,611	6,449	2,212
193040 Pine Tree Ranch	2,778	16,682	11,288	5,434	107,729	16,772	6,073	19,214
420010 Sheep Unit	(10,185)	(13,373)	(5,240)	(14,775)	(10,898)	(1,636)	(4,888)	(3,024)
430010 Swine Unit	(10,561)	(14,347)	(4,990)	(24,967)	(6,147)	(7,691)	(2,980)	(5,324)
260220 Farm Store at Kellogg Ranch	17,666	95,022	19,718	14,024	(31,756)	6,402	28,953	15,081
460360 Danny's Farm		207	-	-	(1,545)	-	-	
350810 Truck and Trailer		(6,500)	-	-	(4,000)	-	-	
350820 Pomona Organics St Project	-	(800)	-	-	145			-
Total	292,502	198,225	114,798	(8,498)	(107,682)	60,438	104,032	74,821

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

Agronomy Farm # 016200

Overview of Current Fiscal Year:

Income for the Agronomy Farm for 2012/2013 is down from budgeted figures by approximately \$25000. There are several reasons for this, but of most importance is management's decision not to charge animal units for hay and forage produced on the Kellogg Ranch. In addition to this, the farm has been under a constant barrage of insect attacks over the past year. Pest attacks on vegetable crops have also reduced interdepartmental sales. This year, the entire first planting of cole crops was taken out by bagrada bug, and the second planting had to be put in with transplants to fight this pest. Sweet corn crops in the future will be impacted by this same pest, so an aggressive fight with alternative pesticides will be on the horizon next year. This year we have also had to cancel our original farmers market location at Kaiser, Baldwin Park, due to demands made that we cannot commit to. This has impacted the income line by over \$40,000 from budgeted figures.

Hydroponic crops will continue to increase due to a donor's generous donation of funding to help expand. This year lettuce and tomatoes have been successful and next year we will add bramble berries to the hydroponic mix of product. In addition, 9 acres of winegrapes will be installed at the Kellogg entrance, and some major upgrades will progress with the Farm Store.

Explanation of Proposed Fiscal Year Budget:

Acreage of crops for the proposed 2103/2014 fiscal year will be similar to the prior year, with field crop products leading the way at \$850000 of the proposed \$970000 income. The continued success of this project hinges on our continuing relationship with the California Department of Corrections on Westwind Ranch. Without this successful part of our income, projects which are often taken for granted like hydroponics, the Collins Garden, organic farm production, turfgrass support, and general support of many other projects will be jeopardized. During this year, a 150 acre block of Westwind Ranch will be taken out for building development via a state program. This is replaceable in the short term, putting a dryland block into irrigated production.

A goal for this current year is to expand vegetable crop acreage to provide a more constant flow of product to the farm store. Without the aid of a competent farm manager, this was difficult in the prior two years. In 2013/2014, we hope to lengthen the summer season crops longer into the fall, and cool season crops longer into the spring to help reduce gaps. Expansion of our two most popular crops, sweet corn and melons will be critical into making this happen. New production scenarios of transplanting most cool season product will be in place by August, due to another donation of funds for transplanting equipment. This will help fight one of our major pest issues.

We are anxious to expand on some projects started last year. This would include the production of seed in partnership with Monsanto, expansion of strawberries and blackberries for u-pick at the store, and highlighting the Pumpkin Festival with some new crops for the 75th Anniversary celebration. With new personnel, this unit will have increasing cooperation with the farm store, which will make both projects more successful this year.

Labor related expenditures should fall during the 2013/2014 budget period. I am anticipating the reinstatement of \$25000 in state student wages and funding of at least 50% of Dave Matias position during this fiscal year. The lower labor expense figures will allow us to hire an accountant at 20 hours per week, freeing up Hostetler to work specifically on projects and advancement for all of the fund 5 projects.

Controllable expenses are up about \$50000 to \$632000, mostly due to maintenance services and equipment maintenance, due to aging equipment. This is why time must be spent in the advancement arena to modernize our fleet and equipment. Even though this equipment is used in deriving the income for much of this project, it is also used as an important instructional tool for our students. New computer technologies like GPS guidance of tractors, and engine diagnostics are important technologies which we must be providing to our educational programs.

Changes in Programs and Services for Proposed Fiscal Year:

No major changes are in store for this project this year. This will be the year we really look at stabilizing the budget with new challenges in funding presented to us by the continuing reduction of state support of ancillary operations. All of the operations of the Agronomy Farm are aimed at increasing educational activities and student support of the College's Westwind, Spadra and Kellogg Ranches.

Hostettler's time this year will also have a focus on advancement and attracting funds and donations and enhancing the continuation of these programs.

Explanation of Proposed Fiscal Year Capital Requests:

Agronomy Farm carries one capital expense into 2013/2014. This funding goes to the repair of the hay barns at the Spadra ranch, and provides a concrete floor for one of the barns. This structure has two broken piers on the upright posts and needs some minor roofing repairs as well.

The 2013/2014 budget asks for three additional capital items. These include:

1. Truck replacement-Pick-up to replace two vehicles, a 1983 GMC 1 ton pick-up (#128) and 1986 GMC 1 ton pick-up. Both of these vehicles are no longer servicable (one is not running) and will be junked out to the state fleet. Both have major safety issues and are 27-30 years in age. Funding request is for a 3/4 ton pick-up at \$29000
2. John Deere Gator-This is to replace the current utility vehicle bought in 2002. Current unit is worn out and will require \$6000 in repair, just from use on the farm. It is important because this vehicle can transport tools, supplies, and people where trucks cannot function in irrigated or tilled settings. Funding request is for \$15000

Changes in Staffing:

The only change that will be accomplished is moving D. Matias off of a foundation funded position to a state/state reimbursed position (50%). This will reduce overall expenditures in staff salary, workers compensation, benefits and PRMB.

A part-time position has been budgeted to assist with accounting with four major operations of Plant Science. These include Agronomy Farm, Fruit Industries, Horticulture, and Pine Tree Ranch. The Farm Store currently carries a 24 hour per week accountant for fiscal accounting for the store. The position should be hired in July for fiscal year 2013/2014.

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

Overall of Agriculture fund 5, this project has been the most solid, positive consistent performer. Over the past decade it has carried a profit to the foundation of \$497,000 with a gross income of \$4,225,000. It provides many unreimbursed services to the College of Ag and the University annually. This includes the maintenance and upkeep of over 400 acres of pasture and rangeland to the Animal Science Department. In the past few years, we have also paid for streetlight maintenance, equipment maintenance, tree removal, plumbing, building maintenance, fencing, trash services, and electrical services which were once the purview of facilities maintenance

Unfortunately declining state funding is becoming more and more certain in the years to come, which makes budget prediction for this project difficult. Last year, we predicted income from this project to rise, and yet we are facing a "break even" year due to the many scenarios presented within. A true agreement must be negotiated with the California Department of Corrections, rather than the "handshake" deal we have annually. My focus in the next few years will be on the advancement front helping with external funding for this project and others.

Continued -Overview of Current Fiscal Year:

This funding has also helped secure new fencing and farm equipment specifically for vineyards and orchards.

The budgeted bottom line surplus of \$60000 will also not be attainable, due to some issues on the expense side. In September, \$7800 of Hostetler's salary was transferred to this project due to his leaving the chairmanship. George Pool retired in the previous year on the state side, and was not replaced. Needing a farm manager, David Matias was hired full time in July 2012, and none of this salary and benefit line was budgeted. This is the reason for the significant increase in total labor for this project this year. A search for a new employee state side is currently underway. This will only be funded at 50%, but will save a total of \$54,000 next year in salary and benefits.

Other supplies have increased in price dramatically in the agricultural sector due to rising energy costs. We are estimated to be over budget \$10000 in fertilizer, \$12000 in seed, and \$10,000 in pesticides, but have saved dollars in other areas to balance this out. In his first year on the job, Mr. Matias has done a remarkable job in organizing and cleaning up problems, but this has also cost us additional labor in the services other line. This will make us much more efficient during the 2013/2014 fiscal year and hopefully allow us to rebound.

Two additional capital projects were completed this year. A negotiated fence was installed at the Westwind Ranch for much less funding that anticipated. We have also completed the restoration of the Spadra Barn this year. This barn, built in the 1920's was close to a complete loss, but has been restored to its original grandure, and will be put to good use, housing equipment and putting a new roof over our student apartment on the ranch. Thank you's and appreciation are in order from the entire staff and students of the Plant Science Department.

Continued -Explanation of Proposed Fiscal Year Capital Requests:

3. Tropic Breeze Wind Machine, repair and potential motor replacement. Wind machine adjacent to building #28 has been inoperable for 10 years. It is an important piece of instructional equipment and valuable in protecting our investment in 25 acres of citrus in the immediate area. We have been fortunate to be able to control frosts in the area by running irrigation water during cold nights, but this would be a valuable back up on an extremely cold evening. Funding request \$15000

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 12/31/13) is in the red \$689. This slight negative balance is nothing to be alarmed of as we still have several head of cattle to sell this spring. We are housing animals from City of Norwalk /Caltrans Interstate 5 widening project for next 18 months bringing in approximately \$15,000 to the beef unit for these services

Explanation of Proposed Fiscal Year Budget:

Budget projections for 13/14 are estimated at \$4,600 positive. Our cow numbers have leveled off at about 45 head, which is where we need to be to safely teach our students and not worry about animal welfare issues during our teaching labs. Any less than this number may adversely affect our ability to teach our classes properly.

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 are looking into lease between 80 and 440 acres of grass in Orange County for additional grazing opportunities for our cattle, this will decrease the amount he have to feed and increase profits for the unit. Agreement is in the final stages of approval.

Explanation of Proposed Fiscal Year Capital Requests:

While we do not have any capital requests I will note that we have to purchase 1-2 new bulls this year for approximately \$3,500/bull. One of our bulls has presented lameness in his front hind leg and can not longer successfully breed cows, the other bull we have we have been using for last 4 years. We have kept a large number of replacement heifers to replace our older cows, the majority of these are his daughters. Therefore an additional non-related bull needs to be purchased to decrease many unwanted and potential deadly effects of inbreeding. We will however keep one of the two bulls and he will be used exclusively for our semen collection labs for our advanced animal science classes.

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:

After the disastrous year of 2011/2012 when Asain Citrus Psyllid was introduced to our campus and groves, 2012/2013 should rebound to a break even situation.

During the current year, all groves on campus have had injection sites installed for insecticides to be metered into the irrigation water. This will allow us to wage a more effective battle against this pest. This has all been done with emergency State Share Reserve funding so we can reduce the impact on the annual budget. In addition, we have worked hard on donations of an orchard tractor, sprayer, water filter, and fertilization equipment which will make us more efficient and effective in applying pesticides and fertilizer in a timely fashion. This adds to our "hands on" component of our education. Mr. Dave Matias, our new farm manager, has spent a majority of his time in the past year pruning and bringing trees back into a productive condition.

Another new pest, shothole borer, has now shown up on our campus avocados. Fortunately our campus acreage is somewhat down, and the pest has not invaded Ventura County, the location of Pine Tree Ranch. We were going to start on a new

Explanation of Proposed Fiscal Year Budget:

It is hoped that income will rise for the first time in over 5 years during the 2013/2014 budget year for this project. We are optimistic from the standpoint that a new farm manager with years of tree experience will be watching the groves on a daily basis. For the first time in over a decade, proper care and maintenance of trees should pay dividends in fruit quality and quantity.

A goal for 2013/2014 is to increase fruit sales, especially during the Christmas holiday. We are going to promote our holiday gift packs of fruit (along with a small price hike) to our e-mail list of customers and to businesses in the local area. Last year, alumni Jim Hicks bought over 250 of these packs for his employees and customers. Advertising will be the key to making this happen via the farm store. We also want to work with "grab and go" gift packs during the remainder of the year. 5 pound and 10 pound packs as well as 40 pound boxes of our fruit will also be promoted.

A modest income increase of \$6000 over where we are at last year has been budgeted at \$165000. We believe that this is attainable with gift packs alone. No large increases in controllable expenditures has been budgeted. It is also hoped that now that the groves are back in order, much of the labor to keep them maintained can come from our crews, rather than hiring additional labor from our labor contractor at \$16.50 per hour.

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 our sales to improve the bottom line of this project. We believe it is an attainable goal with a new farm manager at the helm, and with the cooperation of the farm store. Their cooperation is very important to the success of this project in the long run, since over 90% of this produce is marketed through the store.

This project contains almost 80% labor expenditures of 3 valuable employees who continue to culture, care, pick and pack fruit for the store and the farmers markets. In the long term, more fruit sold equals more bottom line profit.

As stated last year in the budget, the downside to all of this is the fact that new plantings and groves must be planted in the not too distance future to make this long term goal of more fruit attainable. The bottom line of this project will not support new groves, and hence much advancement work must be done for the long term future.

Continued -Overview of Current Fiscal Year:

6 acre avocado grove immediately behind Los Olivos. We will now have to wait for donated funding for grove destruction and trees.

The budget for this project shows a "break even" scenario for 2012/2013. The second half of the year will be monitored closely for budget expenditures.

Continued -No Continuations

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:

This year we anticipate meeting the forecasted total revenue. This is partially due to a projected increase in retail sales due to our expansion into nursery dry goods (containers, fertilizers, pots, stakes, etc....), which complement our plant sales. Our costs have remained relatively stable with the higher cost for supplies incurred for the dry goods (7326). The challenge has been keeping up production without the use of our skidsteer tractor, which broke in September and has yet to be repaired or replaced.

Explanation of Proposed Fiscal Year Budget:

We anticipate next year receiving our normal amount of departmental support for lab supplies. The sudden loss of the state support for labs this month has added an extra strain on the budget, but I have been assured that it is likely the funding will be returned this Spring. We will continue to invest in the retail area with more new benches, signage, improved irrigation and covered storage for retail dry goods.

Changes in Programs and Services for Proposed Fiscal Year:

The new budget reflects the more stable economy, the continuation of our plant pallet and anticipated sales of dry goods. It assumes that next year the state will financially support the lab costs.

Explanation of Proposed Fiscal Year Capital Requests:

Changes in Staffing:

None.

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

Over the next three years I anticipate purchasing dry goods storage structures (\$12,000) for the retail site. The loss of interior display space inside the store necessitates their purchase in order to have adequate nursery supplies to complement our plant sales, while protecting the product from the elements.

In four to ten years I anticipate purchasing a small retail greenhouse (\$30,000 installed) to sell our Orchids, tropicals and house plants in the retail nursery.

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 over \$7.00 per box as compared to last years price of \$6.22. A portion of the hass avocado crop was held over until July 2012, and provided early income for this project in 2012/2013. This allowed us to proceed with a replant of 5 acres, replacing over 60 year old trees. This new grove survived the extremely hot summer and fall and is on its way to being one of our premier blocks in 3 more years.

A large crop of avocados is currently hanging on the trees at the present time. It is anticipated to bring a significant return in May and June of this current year, supporting one of the best years of gross sales in over a decade. Our cultural costs are very high this year, due to the installation of 5 new acres of hass avocado. This is the reason for the lower bottom line projection at \$16000.

The valencia oranges on the ranch continue to provide us with a good product when the Kellogg Ranch valencia's finish up in late October. This allows us to reduce our juice costs from November through March.

Explanation of Proposed Fiscal Year Budget:

Income in 2013/2014 is predicted to be down quite significantly due to alternate bearing of avocados, and 5 acres of trees which will be non bearing during this year. The latter will be the case for 2 more years.

Expenditures in cultural costs will be reduced significantly in 2013/2014, due to no new plantings being scheduled. The outlook for the current year is fair, with an excellent crop of avocados hanging on the trees. These may extend into July for better prices. We have budgeted a slight reduction in the price for lemons after 2 banner years in a row, but all predictions look good for another year. Avocados continue on their upward progression in prices.

The college of Agriculture is currently in negotiations with the California Avocado Commission in regard to a research opportunity. They are interested in entering an agreement of producing research on trees in a few areas of the ranch that are consistently hampered with soil born diseases. The ranch is currently being appraised as to its overall value, which will determine the lease to the CAC if they remain interested.

2013/2014 will be the year that the residence should be rehabilitated. We are currently carrying \$77000 in capital funding to begin this project. This will hopefully put a resident/student in the house by the end of this fiscal year for security.

Changes in Programs and Services for Proposed Fiscal Year:

None

Explanation of Proposed Fiscal Year Capital Requests:

We are currently carrying a balance of \$77000 for repairs to the house. An additional \$60000 is being requested this year to complete the restoration.

At the beginning of fiscal year 2013/2014, we have completed the roof, termites, and new plumbing and fixtures throughout the house. Foundation personnel will assist in finding appropriate contractors to finish electrical upgrades and wood repair and paint (interior and exterior). Interior fixtures and carpet will also be necessary.

It is hoped a new resident will be in the house at the end of 13/14.

Changes in Staffing:

None

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

Last year we completed one of our 3 long term goals of replanting 5 acres of avocados. This currently leaves two under performing blocks to replant in the short term future. These must be staggered with the new planting to reduce negative impacts on cash flow.

The agreement with the Avocado Commission will be finalized or rejected within this fiscal year, so more planning can be achieved. We believe that once the other two blocks are planted, this ranch will consistently produce in the \$250000 range with some years building to \$300000. This is due to the vigor of the new trees, which are replacing 60 year old trees.

Continued -Overview of Current Fiscal Year:

We have budgeted high on irrigation (electrical) costs this year, due the very warm late summer and fall through November. Fortunately temperatures have moderated as of this writing. We have experienced some slight frost damage to this years crop. 36 bins of fruit (value \$600) have been picked very quickly after the frost to get into the market chain. We feel confident that all of the frost damaged fruit has gone to market.

Continued -No Continuations

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

Farm Store @ Kellogg Ranch #260220

Overview of Current Fiscal Year:

2012/2013 is turning out to be a year of mixed signals. Although the region seems to be mired in an economic slump, store sales did well in some aspects such as gifts and produce, while other sectors have been below budget. This year's pumpkin festival was tremendous in regards to the number of visitors, yet dollar figure for the store slumped somewhat in October. Sales of pumpkins alone were about \$40,000 less than anticipated. These dollars were undoubtedly spent with other clubs and vendors.

Another item contributing to reduced sales included our retirement from the Kaiser Baldwin Park market on January 1. This was our original farmers market starting over 7 years ago. We were not able to meet the demands of additional product and produce items and still meet our educational mission at Cal Poly. Doing this right would require an additional investment in more staff—both at the Farm Store and on the farm producing more product. In an era of reducing budgets, we relied on our instincts to maintain our strong educational component. There exist possibilities to go to additional markets to make up for the shortfall, but we need to get on solid footing before committing. The store had great success with Cal Poly produced

Explanation of Proposed Fiscal Year Budget:

The 2013/2014 fiscal year will be the 75th anniversary year for Cal Poly Pomona and we plan to take advantage of the increased traffic that will visit the farm store and other venues on campus.

One of the most notable changes for the year will be the relocation of the entrance and point of sale to right off of the parking lot. We also intend to construct a sampling counter similar to all Trader Joe's stores with appropriate sinks, refrigeration, and accessories to meet health code and increase product sampling. A \$27,500 donation from a College of Ag alum will assist in making this happen without having to capitalize funds through the foundation. The potential exists to install a small deli counter with fresh meats, cheeses, salads and items for a light lunch on the grounds.

Goals for 2013/2014 include:

- *Completion of point of sale relocation and sampling station
- *Addition of books to the inventory
- *Increase of sales and quality of produce
- *Increased emphasis on Cal Poly produced produce and U-Pick.
- *Increased sales of holiday fruit and gift packs & incorporation of trees and other items
- *Increased wine sales for 75th anniversary
- *Sales of store products at satellite locations (Red Cross, CLA, 28)
- *Expansion of U-Pick and hydroponic areas in AGRIsclapes
- *Increase of nursery sales at new entrance, Verti-Gro system sales
- *Improve social media connections, facebook, twitter

To accommodate these changes and carry on increased productivity, a new assistant manager is proposed in this budget. The new assistant manager will be in charge of the store on Saturdays and Sundays, providing leadership and instruction to the weekend student crews. In addition, they will be in charge of deli, sampling, and a potential food service program.

Looking at budget figures, we have proposed gross sales at 1.3 million, a substantial increase from 2012/2013. The new farmers market at City of Hope will bring in \$80,000 annually, and increased traffic from the 75th anniversary should add increased sales in the category of gifts, alcohol, and grocery. Cal Poly produced product should rise in sales with a new focus on putting additional product through the store and farmers markets. Cost of goods sold is taken at a higher percentage than our normal 57% to be conservative.

Changes in Programs and Services for Proposed Fiscal Year:

Many of these are outlined in the goals for 2013/2014. We believe that the down economy has pointed out to us that we cannot keep doing the same thing, and need to rethink and refresh the store to keep it moving forward.

The largest change will be the relocation of the entrance.

Explanation of Proposed Fiscal Year Capital Requests:

Although no new capital requests are contained within this budget, we have rolled 2 requests made in 2012/2013. These include a new multi-deck merchandiser, which we have been making repairs on for the past year, and it seems to be working now. The other request is for the relocation of the entrance to the rear of the store for better accessibility. Should costs overrun our \$275000 donation, we can utilize these funds, but it is hoped that we will not need to use them.

Changes in Staffing:

The 2013/2014 budget contains a new full time benefited employee as an assistant manager to the store. During the past fiscal, Mr. Michael Sved resigned, and we have covered much of his responsibilities with students. This has become a difficult situation due to the fact that there is little staff coverage in the store for the weekends, often our busiest days. This new position will provide direction, guidance and leadership to our weekend crew. We would anticipate hiring this person in July, so they can be trained for the beginning of the academic year in September.

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

The farm store continues to grow in popularity, along with the festivals and events associated with it. This growth, however does come with an expense. The current staff member needs relief from doing it all in the future. It is impossible for her to be here for the 7 open days a week, and we feel we can increase sales and bring up efficiency by having an assistant manager here, which will bring the needed relief. A new farm manager is committed to improving the quality and quantity of the Cal Poly produced product to the store, and his hard work will pay benefits during this year.

Although the 2013/2014 year had a decrease in sales, we do not foresee this as a long term trend and feel we can climb out of this in one year. It will take a new commitment and focus and some change must occur

As was stated in last years budget, it is hoped that the store can produce a steady \$50000 profit in the short term future. We were well on our way until we stumbled a bit last year, but are looking forward to the future.

Continued -Overview of Current Fiscal Year:

on campus items such as summer squash and seedless watermelon this past year, but other items somewhat suffered due to an extremely hot summer and fall and new persistent, difficult to control pests which have arrived. The new farm manager will be able to take the leadership to bring back on campus sales by being more pro active in battling these pests and improving cultural practices. This will lead to more abundant, better quality and better variety produce in the store.

Student salaries are up for this current year. This is a reflection on the resignation of Michael Sved, our first assistant manager at the store who handles farmers markets. Students are being used in this position at this time. Staff salaries have moderated back to traditional levels.

We have done our best to hold controllable expenses below budget for the current year at \$90000 plus. As long as no major breakdowns of coolers and equipment happen in the next 5 months, we should be able to bring this in at a profit for the year, although not approaching the \$90000 plus we did last year. Please refer to the goals for the proposed fiscal year 2013/2014 to see how we will be addressing this.

Continued -Explanation of Proposed Fiscal Year Budget:

Student salaries will decrease from 2012/2013 with the new staff hire who will supervise weekends and make the student crews more efficient. This will increase benefit and PRMB lines in labor by about \$50000 annually.

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 12/31/12) is in the red (\$4,845). As always the major hurdle with this operation is cost of feed. CPP farm cannot provide any help with feed for this unit like it is this year with sheep and beef units. Also 8 large trees had to be removed due to increased plumbing issues at this unit. This charge of \$3,500 was unexpected and not budgeted for. Overall this unit is projected to be (\$7,600) in the red this year. Our original budget plan for this year hit a few hurdles. The main hurdle was staff and their knowledge of breeding pigs. As you know this staff position is a shared position managing both the sheep and swine units. It was a hard to find someone with extensive expertise in both species. Our current manager does not have a vast knowledge of swine breeding techniques and had some difficulty getting pigs bred this year, thus decreasing the amount of pigs we have to sale while at the same time having to feed theses sows and not getting any return. Our manager has since went through training on how to properly synchronize and breed pigs so we expect this to increase for this spring, which will help our numbers for next fiscal year.

Explanation of Proposed Fiscal Year Budget:

Overall I project 2013-2014 to end with a negative \$5,300. I have made all possibly cuts to this unit. I have decreased student workers, moved students to stipend basis rather then 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. We still have all these gilts we obtained last year and with increases knowledge base of our on site staff we will hopefully have a better year in terms on pig sales. 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.

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 12/31/12) is in the red (\$1,156). The sheep market is the lowest it has been in years, thus decreasing our overall revenue stream for regular lambs sales. We have invested in a few higher caliber ewes to get into the show sheep market with FFA and 4-H projects, that will help with next years budget. Overall this unit is projected to be (\$1,636) in the red this year.

Explanation of Proposed Fiscal Year Budget:

Overall I project 2013-2014 to end with a negative \$2,424. The offspring from the higher caliber ewes will continue to help out with livestock sales next year. We are going to split the flock into two breeding seasons this year to increase our ability to sell lambs to more 4H and FFA kids. We can sell these higher quality lambs at a premium over our regular lambs thus increasing revenue for the unit. If state support increases over current year this will help our bottom line as well. There is simply just not a good market for lambs in Southern California.

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 budget projections for the current year will be fairly accurate. Although the account currently shows a negative balance of \$38,000, we are expecting \$18,000 in boarding revenues and \$20,000 in revenues from either the Deardorff property or the sale of horses. The revenue from the sale of horses can be applied to the account as a fee or IDT for expenses incurred. The income from the Kellogg endowment account was significantly lower than anticipated due to malfeasance in the stock market. The decrease in income has been offset by a combination of decreases in expenses and by and improvement in the sale of livestock. The veterinary expenses declined from \$34,000 in 2010 – 2011 to approximately \$500 in the current year. The cost of shavings declined from \$32,000 in 2010- 2011 to an anticipated cost of approximately \$26,000 in the current year. Horse sales generated \$35,000 in revenue so far this year and I anticipate the total for horse sales during the current year to come in at approximately \$55,000-\$75,000. Currently, there is \$45,000 in the Deardorff account, and even allowing for a \$25,000 reserve this should permit us to utilize at least \$20,000 of the funds from these monies that are dedicated to the Arabian Horse Center. This, coupled with the current reserves should allow us to achieve our budget commitments.

Explanation of Proposed Fiscal Year Budget:

REVENUE: The current stock market environment appears very positive. Barring a sharp downturn between now and the end of the year our income from our endowment accounts should approximate 5%, totaling \$250,000 for the 2013 -2014 fiscal year. We should realize approximately \$40,000 in revenues from the Norco Ranch Property. Income from operations would include boarding income of approximately \$36,000, horse sales of \$25,000 and income from shows and other minor sources of \$10,000. We are working on the possibility of increasing the quality and number of exhibitions with an outside business that has a great deal of experience in equine productions. This could generate from \$10-\$20,000 in additional revenue if the project is successful. The sale of horses will, more than likely, produce more than \$25,000 in revenue, but this is an achievable conservative estimate. Barring deviations in the above-mentioned sources of income, we should be able to realize a break-even budget.

EXPENSES:

On the expense side, the demand for hay is actually declining, and we are told that by the summer of 2013 hay will fall in price from \$15 per bale to close to \$10 per bale. If the price of hay remains at this low level, this could lead to a budgetary savings of approximately \$30,000. The flexibility in our budget lies in our ability to curtail some of our expenses, particularly in the area of showing horses and travel, should our income not be as high as anticipated. This is an ongoing process, and the budget is analyzed on a monthly basis, making adjustments in spending habits depending upon the current status of the revenues generated. In the budget year for 2012 2013, veterinary expenses declined from \$34,000 to under \$1000. This saving was achieved by providing veterinary care for the horses in-house. No horses suffered from acute injuries or illness requiring surgery or hospitalization, which was the primary source of the added expense in the prior budget year. Farrier expense and the expense for shavings are two of the larger budget items. We use two different farriers depending on the skill level required and each is paid at their appropriate skill level to minimize the farrier cost. The use of shavings has been reduced by approximately 30 to 40% by improved husbandry and the use of a product called "Odor No More." This product is supplied to us at cost by a Cal Poly Alumnus.

The lack of state support for student wages has created a \$40,000 budget deficit, based on last year's submitted budget. Currently we are working to fill that gap (which represents the current \$38,000 deficit seen on the books) with extra income from the sale of horses. We have two horses enrolled in a prestigious sale at the end of February that we hope will bring in adequate monies to replace the state support.

Changes in Programs and Services for Proposed Fiscal Year:

Explanation of Proposed Fiscal Year Capital Requests:

We are making a capital request this year to purchase a digital x-ray machine. This equipment will be utilized in the veterinary care of the horses, thus providing savings in this area. In addition, it will expedite and perhaps improve our ability to sell horses, as we will be able to radiograph the horses prior to their sale and present to the potential buyer a clean bill of health. We intend to purchase this equipment using a capital lease over a five-year duration. A complete set of x-rays on one horse will cost approximately \$800 if done by an outside veterinarian. If we radiograph to horses per month (which is a very low estimate), we could potentially save almost \$1000 per month by leasing the machine. The salvage value at the end of the lease will be minimal, but the machine will still be very functional barring any major technical improvements. In any event it would give us a down payment on a more updated machine at that time if needed.

Changes in Staffing:

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

LONG TERM CASH PLAN/ RESERVES

LONG-TERM CASH PLAN/RESERVES – FISCAL YEARS 2015-24

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 - \$42.6 million
- Non-cash transactions – Depreciation - \$40.0 million
- Non-cash transactions – Post Retiree Medical Benefits – \$4.3 million
- Financing activities - Principal loan repayments received - \$2.4
- Reserve draw-downs - \$9.1 million
- **Total Sources of Cash - \$98.4 million**

Uses of Cash:

- Capital project requirements - \$24.7 million
- Financing activities – Principal loan payments - \$11.7 million
- Designated Gifts - \$21.5 million
- Reserve contributions - \$19.4 million
- **Total Uses of Cash - \$77.3 million**

Net increase in Cash - \$21.1 million

Cash Available - \$31.2 million

The surpluses from operations for the ten years ended of \$42.6 million, net of depreciation and Post Retiree Medical Benefits, are generated from the following activities:

- Administration is projected to generate a deficit of (\$9.2) million less the non-cash post-retirement medical benefit of \$4.3 million and depreciation of \$1.5

million and the reserve withdrawals of 6.1 million will be used to pay for the capital projects of \$2.0 million

- Real Estate (Innovation Village, Building Rentals & Faculty Housing) is projected to generate a surplus of \$12.8 million plus the non-cash depreciation of \$10.0 million used to pay the alternative investment of \$2.3 million and the capital request of \$470,000.
- Investments are projected to generate a surplus of \$5.0 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 \$4.4 million plus the non-cash depreciation of \$5.8 million to pay for the capital request of \$8.2 million.
- Kellogg West is projected to generate a surplus of \$437,000 plus the non-cash depreciation of \$840,000 and the reserve withdrawals \$3.0 million to pay for the capital request of \$7.2 million.
- University Village is projected to generate \$14.4 million plus the non-cash depreciation of \$19.2 million used to pay the principal debt payments on the 2005 series bonds of \$6.9 million and the capital request of \$6.2 million.
- Supplemental Programs are forecasted to generate a surplus of \$11.5 million plus the non-cash depreciation of \$1.1 million used to repay the balance on the CTTI's 2007 series bonds of \$2.5 million.

Non-cash transactions for the ten years ended of \$44.3 million include depreciation of \$40.0 million and post-medical retirement benefits of \$4.3 million.

The surpluses from operations of \$42.6 million plus the non-cash transactions of \$44.3 million generate cash from operations of \$86.9 million for the ten years ended.

Financing activities represent principal repayments of \$163,000 from the ENV Model Studio inter-fund loan and \$2.3 million from the Alternative Investment from Innovation Village for Infrastructure Phase I.

Reserve draw-downs generate \$9.1 from the capital reserve.

The majority of the capital project requirements of \$24.7 million are for renovations and upgrades as follows:

- Administration will require \$2.0 million for Recreation Center POS, IPv6 Implementation Phase I, Mobile App Integration, Desktop virtualization, PCI re-configuration, Network Infrastructure upgrade, System Consolidation, Server/PC Software upgrades, Office Automation, Wireless Expansion, VOIP Implementation, Office automation, Office relocation, Switch upgrades, Desktop Upgrades, 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 \$470,000 for HVAC replacement, Paint and Flooring for Bldg # 66, Way Finding Signs and landscape median at Kellogg Drive for Innovation Village and Interior Paint and Carpet at Bldg # 97;

- Bookstore will require \$600,000 for HVAC repairs and replacement, Security system upgrades, Repair and replace flooring, Van, Roof replacement, Painting of the building and Refurbish/replace elevator;
- Dining services will require \$8.2 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 New Resident Dining Facility Equipment, Food Truck refresh;
- Kellogg West Conference Center and Lodge will require \$7.2 million for Crestview Bldg # 77 exterior & courtyard update; Crestview Bldg # 77 remodel of all 51 guest rooms; Hillside Bldg # 78 & Woodview Bldg # 78-B remodel of all 34 guest rooms; Hillside Bldg # 78, Woodview Bldg # 78-B, Main Conference Center Bldg # 77 exterior update; Main Conference Center # 77 HVAC replacement; Roof replacement of Bldg 76/78/78-B; Main Conference Center public areas carpet replacement; Carpet replacement in all meeting rooms; Replacement & remodel of front desk, lobby and conference area public areas; Pool 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, HVAC Heat Phase I & II, Roof Replacement Phase II, Exterior Painting Phase III, Tech Services Center, Carpet replacement Study Lounge, Community, Recreation Center & Offices, Bath Vanities Phase I & II, Cosmetic Light Structure Rehab Phase II, Security Camera Upgrade, Gate Entry System Upgrade, Software upgrade & servers.

The financing activities of \$11.7 million represent principal payments per the debt amortization schedules as following:

- Principal debt obligations of University Village Phase III 2005 of \$6.9 million;
- Principal debt obligations for the CTTi 2007 series bonds of \$2.5 million; and
- Alternative Investment for infrastructure at Innovation Village of \$2.3 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 \$21.5 million.

The projected reserve contributions of \$19.4 million are as follows:

- Agriculture Program Reserve has a current balance of \$75,000 and there are forecasted and projected contributions of \$56,400 and no withdrawals; thus the projected balance is \$131,400 versus a goal of \$75,000;
- Cafeteria State Share Reserve has a current balance of \$182,062 and there are no forecasted or projected contributions and withdrawal; thus the projected balance is \$182,062;

- Capital Reserve has a current balance of \$3.0 million and there are forecasted and projected contributions of \$1,524,949 and projected annual increases of 3% for a total of \$9.1 million offset by \$9.1 million withdrawals for capital project requests; thus the projected balance is \$3.2 million versus a goal of \$6.0 million;
- Emergency Reserve has a current balance of \$120,152 and there are no forecasted or projected contributions or withdrawals; thus the projected balance is \$120,152;
- Indirect Cost Disallowance Reserve has a current balance of \$404,656 and there are no forecasted or projected contributions; thus the projected balance is \$404,656;
- Insurance Reserve has a current balance of \$137,448 and there are forecasted and projected contributions of \$170,059 and withdrawals of 180,000; thus the projected balance is \$127,507;
- Pine Tree Ranch Reserve has a current balance of \$140,886 and there are forecasted and proposed contributions of \$17,993 and projected contributions of \$12,000; thus the projected balance is \$167,879 versus the goal of \$75,000;
- Post Retiree Medical Benefit Reserve has a current balance of \$1.8 million, plan assets of \$3.5 million; service and interest costs net of benefit costs or earnings (based upon a 20 year projected actuarial report) are projected to be \$3.5 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 \$1.6 million (\$16,838,478 - \$16,838,478) equal to the goal;
- Research and Sponsored Program reserve has a current balance of \$74,521 and the forecast and proposed budgeted contributions of \$40,000 with no withdrawals; thus the projected balance is \$114,521;
- Residential Board Meal Program Surplus Reserve has a current balance of \$1,159,764 and the forecast and proposed budget contributions are \$330,153 and no forecasted or projected withdrawals; thus the projected balance is \$1,167,580;
- Venture Capital/Real Estate Reserve has a current balance of \$477,007 and there is a projected contribution of \$871,400 and no withdrawals; thus the projected balance is \$1,348,407 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	
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2015-24		Balances
SOURCES OF CASH																	
Excess of Revenue over Expenses																	
Adminstration	(1,136)	(784)	(1,118)	(918)	(918)	(918)	(918)	(918)	(918)	(918)	(918)	(918)	(918)	(918)	(9,180)		
Real Estate	851	368	271	391	777	806	1,067	1,090	1,106	1,434	1,449	1,465	1,792	1,819	12,805		
Investments	436	(29)	1,180	453	277	327	377	427	477	527	577	627	677	727	5,015		
Bookstores	494	459	303	312	300	306	312	319	325	328	332	335	339	342	3,238		
Dining Services	366	595	350	423	418	389	352	300	480	495	510	510	480	480	4,414		
Kellogg West - Rooms & Conference	45	22	41	4	17	25	25	30	35	45	55	60	70	75	437		
University Village	1,150	1,253	1,745	1,413	1,100	1,375	1,400	1,425	1,450	1,475	1,500	1,525	1,550	1,575	14,375		
Supplemental Programs	785	969	796	1,035	915	961	1,009	1,059	1,112	1,168	1,226	1,287	1,352	1,419	11,509		
Unrestricted Campus Programs	190		-	-	-	-	-	-	-	-	-	-	-	-	-		
Total Surplus (Deficit) - Operations	3,181	2,853	3,568	3,113	2,886	3,270	3,623	3,732	4,067	4,553	4,731	4,891	5,341	5,519	42,613		
Non-cash transactions																	
Adminstration			133	157	157	157	157	157	157	157	157	157	157	157	1,570		
Real Estate			992	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	10,000		
Bookstores			138	142	142	142	142	142	142	142	142	142	142	142	1,420		
Dining Services			557	579	579	579	579	579	579	579	579	579	579	579	5,790		
Kellogg West			77	84	84	84	84	84	84	84	84	84	84	84	840		
University Village			1,841	1,923	1,923	1,923	1,923	1,923	1,923	1,923	1,923	1,923	1,923	1,923	19,230		
Supplemental Programs			51	112	112	112	112	112	112	112	112	112	112	112	1,120		
Depreciation	3,415	3,669	3,789	3,997	3,997	3,997	3,997	3,997	3,997	3,997	3,997	3,997	3,997	3,997	39,970		
FAS 158 - Post Retiree Medical Benefits	851	1,082	899	1,025	806	721	609	520	429	369	300	250	179	108	4,291	8,063	8,063
Total Non-cash transactions	4,266	4,751	4,688	5,022	4,803	4,718	4,606	4,517	4,426	4,366	4,297	4,247	4,176	4,105	44,261		
TOTAL CASH GENERATED FROM OPERATIONS	7,447	7,604	8,256	8,135	7,689	7,988	8,229	8,249	8,493	8,919	9,028	9,138	9,517	9,624	86,874		
Financing Activities																	
Reserve CTTI Bonds 2000 Series															-		
Reserve Village Bonds 2002A Series		237													-		
Principal Payments - ENV Model Studio	25	26	27	28	29	31	33	34	36						163		
Alter Investment - Innov Village Infract Ph I			300	300	300	300	300	300	300	324	324	141			2,289		
Total Financing Activities	25	263	327	328	329	331	333	334	336	324	324	141	-	-	2,452		
Reserve Draw Downs																	
Agriculture State Share Reserve	17																
Capital Reserve				1,309	795	819	844	869	895	922	949	978	1,007	1,038	9,116		
Cafeteria State Share Reserve		35															
Foundation Program Reserve		411															
Indirect Cost Disallowances Reserve		7															
Insurance Reserve	28	12	180														
Pine Tree Ranch Reserve																	
Residential Board Meal Program Surplus Reserve		377	93	229													
Total Reserve Activities	45	842	273	1,538	795	819	844	869	895	922	949	978	1,007	1,038	9,116		
TOTAL SOURCES OF CASH	7,517	8,709	8,856	10,001	8,813	9,138	9,406	9,452	9,724	10,165	10,301	10,257	10,525	10,661	98,441		

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

	Actual	Actual	Forecast	Budget	Projections										Reserve	Reserve Goal	
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2015-24		Balances 2024
USES OF CASH																	
Administration			228	309	345	363	336	269	161	85	93	179	94	101	2,026		
Real Estate			27	338	125	40							250	55	470		
Bookstores			-	40	30	10	0	40	350	40	5	85	35	5	600		
Dining Services			1,139	739	340	350	2175	4485	125	75	0	275	375	50	8,250		
Kellogg West			212	1,000	1,000	1,000	1,000	1,000	1,000	600	275	525	425	400	7,225		
University Village			304	931	725	917	435	390	580	875	336	555	775	572	6,160		
Foundation Programs																	
Supplemental Programs			100	956											-		
Capital Project Requirements	5,001	7,696	2,010	4,313	2,565	2,680	3,946	6,184	2,216	1,675	709	1,619	1,954	1,183	24,731		
Principal - CTTi Bonds 2000	180	185													-		
Principal - Village Bonds 2002A		-	-	-											-		
Principal - Village Phase III Bonds 2005	525	550	570	595	625	655	690	725	760	800	845	885	930		6,915		
Principal - CTTi Bonds 2007	10	170	180	185	195	205	215	230	235	250	260	280	290	305	2,465		
Alter Investment - Innov Village Infract Ph I					300	300	300	300	300	324	324	141			2,289		
Loan to ENV for Model Studio																	
Financing Activities	715	905	750	780	1,120	1,160	1,205	1,255	1,295	1,374	1,429	1,306	1,220	305	11,669		
Designated Gifts	1,036	1,470	1,127	1,627	1,708	1,794	1,883	1,978	2,077	2,180	2,289	2,404	2,524	2,650	21,487		
Transfer Fixed Assets to University															-		
Other Changes- see note																	
Agriculture Program Reserve		17	25	31											-	131	
Cafeteria State Share Reserve															-	182	
Capital Reserve	667	864	753	772	795	819	844	869	895	922	949	978	1,007	1,038	9,116	3,231	6,000
Emergency Reserve															-	120	
Foundation Programs															-		
Indirect Cost Disallowances Reserve															-	405	405
Innovation Village Demo Reserve			46	8	11	11	30	32	33	34	35	35	37	38	296		
Insurance Reserve		16	61	109											-	127	
Pine Tree Ranch Reserve	37	8	8	10	3	3	3								9	168	75
Post Retiree Medical Benefits Reserve															-		
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	1,000	10,000	12,000	12,000
Research & Sponsored Programs Reserve	20	20	20	20											-	114	
Residential Board Meal Program Surplus Reserve		481	220	111	-	-	-	-	-	-	-	-	-	-	-	1,168	
Venture Capital/Real Estate Reserve			430	441											-	1,348	6,000
Reserve Contributions	724	2,406	2,563	2,502	1,809	1,833	1,877	1,901	1,928	1,956	1,984	2,013	2,044	2,076	19,421	18,994	24,480
Total Uses of Cash	7,476	12,477	6,450	9,222	7,203	7,467	8,911	11,318	7,515	7,185	6,412	7,342	7,742	6,214	77,308		
Net Change in Cash	41	(3,768)	2,406	779	1,610	1,671	495	(1,866)	2,208	2,980	3,889	2,915	2,782	4,448	21,133		
Cash Available	10,639	6,871	9,277	10,056	11,666	13,338	13,832	11,967	14,175	17,155	21,044	23,959	26,742	31,189	31,189		

Minimum Two Month Working Capital Reserve Required 5,622 5,830