“Bright ideas come from bright individuals.” — Mark Twain

This report provides an opportunity to review the many accomplishments of the Foundation as it has helped to meet the needs of the campus, its faculty, staff and students. The details of this report also outline the critical administrative assistance provided by the Foundation in supporting research, grants, community, campus activities and development of real property programs.

The Cal Poly Pomona Foundation provides quality service, programs and resources that support and strengthen the university. The Foundation Board of Directors is responsible for its governance to achieve these goals through purposeful decision-making and guidance for future endeavors. I deeply appreciate the leadership and direction demonstrated by the Foundation’s staff and its Board of Directors.

The Foundation’s biennial report details a number of new endeavors and emerging challenges as well as shares the growth and development that has taken place over the past two years. The Foundation continues to provide professional support and services to the campus community, including $6.4 million for major facilities improvements in Dining Services, Kellogg West Conference Center & Lodge, Bronco Bookstore, CTTI Books & Café and Foundation Housing.

We are proud of the accomplishment the Foundation has made these past two years and we look forward to continued success in the future.

Sincerely,

J. Michael Ortiz, Ph.D.
President, Cal Poly Pomona
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.

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
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</thead>
<tbody>
<tr>
<td>Bob H. Suzuki</td>
<td>Chair, Ex-Officio Director</td>
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<tr>
<td>A. Michael Berman</td>
<td>Ex-Officio Director</td>
</tr>
<tr>
<td>Allen Coson</td>
<td>Ex-Officio Director</td>
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<tr>
<td>Patricia L. Fants</td>
<td>Ex-Officio Director</td>
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<tr>
<td>Karen Martin</td>
<td>Ex-Officio Director</td>
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<tr>
<td>Jane Ollenburger</td>
<td>Ex-Officio Director</td>
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<tr>
<td>Esteban Solano</td>
<td>Ex-Officio Director</td>
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<tr>
<td>Roger Morehouse</td>
<td>Ex-Officio Director</td>
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<tr>
<td>Tomas Morales</td>
<td>Ex-Officio Director</td>
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<tr>
<td>Edwin Barnes</td>
<td>Member at Large Director</td>
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<tr>
<td>Andre Valencia-Dupret</td>
<td>Community Director</td>
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<tr>
<td>Lowell Overton</td>
<td>Community Director</td>
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<tr>
<td>Oliver Santos</td>
<td>Community Director</td>
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<tr>
<td>Richard Hulme</td>
<td>Faculty Director</td>
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<tr>
<td>Rochelle Kellner</td>
<td>Faculty Director</td>
</tr>
<tr>
<td>Cesar Bravo</td>
<td>Student Director</td>
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<tr>
<td>Anthony Moteil</td>
<td>Student Director</td>
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<tr>
<td>Marian Sherman</td>
<td>Staff Director</td>
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<tr>
<td>Sue Moore</td>
<td>Staff Director</td>
</tr>
<tr>
<td>Eduardo Ochoa</td>
<td>Dean Director</td>
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**2001-2002**

- Bob H. Suzuki
- A. Michael Berman
- Allen Coson
- Patricia L. Fants
- Karen Martin
- Jane Ollenburger
- Esteban Solano
- Roger Morehouse
- Tomas Morales
- Edwin Barnes
- Andre Valencia-Dupret
- Lowell Overton
- Oliver Santos
- Richard Hulme
- Rochelle Kellner
- Cesar Bravo
- Anthony Moteil
- Marian Sherman
- Sue Moore
- Eduardo Ochoa

**2002-2003**

- Bob H. Suzuki
- A. Michael Berman
- Uwaifo Obanor
- Patricia L. Fants
- Barbara Argo
- Vacant
- Ronald Simons
- Andre Valencia-Dupret
- Lowell Overton
- Oliver Santos
- Richard Hulme
- Rochelle Kellner
- Cesar Bravo
- Anthony Moteil
- Marian Sherman
- Sue Moore
- Edward Ochoa

Dr. Bob H. Suzuki served as Chair of the Cal Poly Pomona Foundation, Inc. Board of Directors for 12 years (1991 to 2003). On behalf of the Board of Directors and Foundation staff, our thanks and appreciation are extended to Dr. Bob H. Suzuki.

BECAME INACTIVE FROM BOARD MEMBERSHIP DURING 2001-2002 FISCAL YEAR

BECAME INACTIVE FROM BOARD MEMBERSHIP DURING 2002-2003 FISCAL YEAR

Laraine Turk
Ex-Officio Director

Jane Ollenburger
Ex-Officio Director

Esteban Solano
Ex-Officio Director
The Cal Poly Pomona Foundation, Inc. was created in 1966 to address the "educational needs of the university" while providing affordable goods and amenities to the campus population in order to help generate additional resources for California State Polytechnic University, Pomona.

An integral part of the Cal Poly Pomona University community, the Foundation acknowledges the challenges and demands of serving the diversity of interests at a university, while realizing the rewards of significant contribution to the education of every student by means of services and support. The Foundation is a self-supporting, nonprofit, auxiliary organization, recognized as such by the California State University (CSU) system.

The Foundation receives its authority from Title 5 of the California Education Code. Title 5 requires that the Foundation remain legally "separate" and independent from the university. To achieve independence, the Foundation is structured as a 501(c)(3) nonprofit organization that is, at present, governed by a 20-member Board of Directors consisting of the President of the University, Vice President of Academic Affairs, Vice President of Advancement, Vice President of Student Affairs, Vice President of Administrative Affairs, Vice President of Instructional and Information Technology Division, Chair of the Academic Senate, Chair of the Staff Council, President of Associated Students, Inc., two student representatives, two staff representatives, one faculty representative, one dean representative, one at large representative, and three community representatives.

The Board of Directors establishes financial and administrative policy for the Foundation. Representing the Foundation's administrative staff, the Executive Director serves as the Chief Executive Officer for the Foundation and reports directly to the Board of Directors.

During the past four years, the Foundation has provided over $2,342,576 to the university in direct financial support ($569,015 in 2002 and $557,758 in 2003). The Foundation further supports the university through its Award Winning Dining Services; Foundation Housing (University Village); Bookstore Services; and the Kellogg West Conference Center and Lodge; the College of Agriculture’s Aid-To-Instruction Programs; Continuing Education Programs; Campus Programs and serving as its administrator for grants and contracts awarded by private and public agencies.
Consumer patronage helps support a wide array of campus services and programs. The Foundation returns any surplus revenue to the campus through designated gifts to the university in the form of construction of new facilities, equipment purchases, university event donations, campus advertising, and staff assistance for university activity planning and promotions. Over the past two years, the Foundation began developing the Innovation Village project, Phase III of the University Village, as well as completing major renovations at the Los Olivos Dining Commons, Bronco Bookstore, Pony Express Convenience Stores, CTTi Books & Café and the Vista Café.

As the largest employer of Cal Poly Pomona students, the Foundation provided jobs for 1,203 students in 2001-2002 and 1,273 students in 2002-2003. The Foundation provides flexible hours, convenient locations, an environment that recognizes the demands of student life, and the opportunity to gain practical work experience utilizing skills learned in the classroom. With $2,675,135 expended on student payroll in 2001-2002 and $2,817,641 in 2002-2003, the Foundation continues to demonstrate its commitment to students on an individual level, as well as supporting the educational mission of the university.

The Foundation celebrates and promotes the cultural diversity of the university and strives to foster and preserve a learning environment with an abundance of educational opportunities for everyone through providing diversity training and professional development seminars.

The Foundation actively supports programs and projects by partnering with the university - the Annual Fall Conference, BroncoFest, Hot Dog Caper, and the Founders’ Day celebration, to name a few. It also provided many employment opportunities in support of the Student Intern Program.

While serving campus constituents, the Foundation also supports outreach programs to the outside community through the Foundation CARES Program (Community Assistance Reinforcing Educational Success). The Foundation CARES Program was developed by employees to provide ongoing community outreach. During the past two years, the CARES Program actively participated in community outreach by collecting clothing for two local outreach organizations as well as sponsoring two local families with food baskets at Thanksgiving, the winter holidays and in the spring. Clothing and school supplies were provided for the children, with a focus on supplying school-related necessities. Our desire is to provide them with a better opportunity to excel in school.

The Cal Poly Pomona Foundation, Inc. Biennial Report details many of the completed and ongoing activities, responsibilities, and accomplishments from the past two years in order to illustrate our continuing efforts to offer the highest quality of goods and services to the campus and surrounding communities, and to enhance the marketability of Cal Poly Pomona’s educational excellence and its extraordinary public facilities and services.
designated funds

These designated funds are expended for specific support to the university as designated by the Foundation’s Board of Directors.

Expenditures of designated funds are summarized as follows:

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
<th>2001</th>
<th>2000</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>Athletics Programs</td>
<td>$40,000</td>
<td>$80,000</td>
<td>$80,000</td>
<td>$40,000</td>
<td>$240,000</td>
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<td>186,977</td>
<td>110,943</td>
<td>134,750</td>
<td>585,435</td>
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<td>40,437</td>
<td>65,088</td>
<td>163,529</td>
<td>292,648</td>
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<td>329,224</td>
<td>256,927</td>
<td>331,393</td>
<td>211,004</td>
<td>1,128,548</td>
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<tr>
<td>Special Foundation Grants</td>
<td>12,175</td>
<td>4,674</td>
<td>68,735</td>
<td>10,361</td>
<td>95,945</td>
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<tr>
<td><strong>Sub-Total</strong></td>
<td>$557,758</td>
<td>$569,015</td>
<td>$656,159</td>
<td>$559,644</td>
<td>$2,342,576</td>
</tr>
</tbody>
</table>
As part of its mission, the Foundation reaches out to the campus and community by providing quality goods and services. Along with key management, the Executive Director oversees self-sustaining operations to generate additional assets and resources for the university. The auxiliary operations, Bookstore Services, Dining Services, Foundation Housing Service (University Village) and Kellogg West Conference Center and Lodge generate revenue for the Foundation and earnings beyond operating expenses which are used for the benefit of the university.

Additional administrative support to the university is provided by the Foundation's Financial Services Department. The department's mission is to provide quality, accurate and timely information and analysis to meet the growing needs of the Foundation. The Financial Services Department is responsible for and coordinates all audits, including the annual financial and single audit.

The university is provided services through automatic entries, on-line 24/7 access to real time information, web enabled forms, agreements and procedures and electronic reporting to reduce redundancy, and efficiently process transactions. On-line forms have been redesigned with instructions and our agreements and procedures have been updated to assist with processing transactions through the department. Centralized financial accounting systems have been created to aid Foundation's administration and operating managers in decision-making through the assistance of our internal managers.

Financial reports have been developed to meet the needs of the university to allow them to review their Foundation resources along with the efficient administration of receipts and disbursements and cash management to assist projects of the Foundation. Online banking and e-commerce via the Internet to meet the needs of our customers has been developed. Data backup and recovery is an important responsibility and we have implemented an off-site tape backup system that enables us to restore to a redundant system in case of a disaster.

A web-based centralized timekeeping system has been implemented that brings the power of the web to assist management with the collection, management, analysis and distribution of critical labor data - resulting in improved use of labor resources reducing our costs. The web-based system tracks employee attendance and reports and monitors daily labor activities. Standard or custom reports and reminders can be scheduled to run automatically giving managers better visibility and control. With the conversion of all departments to this web-based software, the Foundation will see improved operational efficiency and increased system-wide performance.

Requests for documentation have been streamlined through automatic e-mail notification along with the automation of the reconciliation process and reporting to Financial Aid and Scholarship Office of the university. We have converted our checks, 1099's, W-2's and purchase order forms to electronic laser forms. We converted university rideshare scrip to the campus one card, referred to as the Bronco Card, eliminating the necessity to print, track, and maintain scrip by the Foundation and university. We implemented a centralized Gift Card Program for our commercial enterprise operations.
The Housing Assistance Program developed to assist faculty, staff, and students in finding affordable housing within a close proximity of the campus continues to be enhanced. After receiving excellent feedback from faculty and staff who have used the Housing Resource Kit in their home search, the Foundation developed a website to make the same information accessible to everyone—anywhere, anytime. The website is a one-stop source of valuable information for those who are looking to buy a house, rent an apartment, or find temporary housing. The goal of the new website is to offer valuable housing assistance strategies and explore options to assist visitors in their search for a new residence. The website address is www.foundation.csupomona.edu/housingassistance.

The Foundation partnered with Cal State Fullerton and their Housing Corporation to market homes in their affordable housing program to Cal Poly Pomona faculty and staff during the 2002-2003 year.

The development of low-income housing for faculty/staff was explored with the City of Walnut and the City of Industry. A new initiative to accumulate housing properties for long-term needs of the campus is moving toward with the Dale residence (UET gift) in Pomona. The Dale home will be offered to faculty/staff on a long-term land lease option to provide affordable housing to the campus community.

Real Estate Gifts
During 2002-2003 several pieces of property were donated to the Colleges of Science, Agriculture and Environmental Design. Due diligence, property management and marketing of these properties was completed offering the properties to the local community to obtain the highest return to the Charitable Remainder Trusts (CRT).

Innovation Village
The Foundation is also working toward developing criteria to establish a public/private research park to create a community conducive to scientific excellence and innovative technology in cooperation with the university. Located on the campus of California State Polytechnic University, Pomona, Innovation Village is a master-planned business environment benefiting from its proximity to the best of Southern California, unique access to the university’s amenities, and a student base.

Innovation Village encompasses 65 acres of land that is already entitled for 960,000 square feet of office, research, development and retail services. Ideally suited for technology-based enterprises such as Research and Development companies, Fortune 500 companies, and multitenant opportunities for business incubators and start-ups, Innovation Village is envisioned as a comfortable work environment. Innovation Village will encourage a free flow of communication between university students, faculty, and tenant operations. The park itself will feature heavily landscaped settings with pedestrian trails and outdoor seating that complements the surrounding university and natural landscape.

Already an established business community, Innovation Village is home to the NASA Commercialization Center, a high-technology business incubator that provides new or early-stage businesses with the necessary physical, management, and product development infrastructure to successfully commercialize NASA technologies.

The American Red Cross (ARC) chose Cal Poly Pomona for its intellectual capital and research resources. With its research and development programs, the American Red Cross strives to strengthen its life-saving mission by improving blood safety and creating health improvements that could save or enhance thousands of lives each year. Groundbreaking for the ARC complex will occur in October 2003.

As you review our activities and highlights, it should be noted that the Foundation has and continues to demonstrate that it can provide the university with an avenue to move quickly and with more flexibility and with less bureaucracy than other institutions. The Foundation continues to provide the university with a source of financial strength and power to undertake activities to support the campus.
Bronco Bookstore

The past two years marked another successful chapter in the history of the Bookstores. Recognizing that our primary mission is to provide service to the university community in meeting their academic and individual needs, the Bookstores continued to look towards the future by keeping pace with technological advancements and improved facilities.

As we strive to continually improve the bookstore experience, Bronco Bookstore embarked on a multi-phase remodel program. The long-range strategic plan demonstrated a desire by our customers to have general reading books located downstairs, near the entrance to the store. During the summer of 2001 this move was accomplished, resulting in a more cohesive General Book Department. The next phase, beginning in July 2002, involved the expansion of the Textbook Department. New fixtures, which brightened and modernized the area, resulted in 28% more shelf space. More books on the sales floor resulted in staff having to restock books less often and with fewer outages on the shelves for students. Textbooks were also shelved alphabetically by department, making it easier for students to find their books. A renovation of the Computer Department was also completed for fall 2002. Reworked fixtures from the former Campus Books resulted in a brighter, more professional look and better presentation of product.

A new security system was installed in fall 2002. A security consultant was retained to review current procedures and make changes to allow students to bring their book bags into the store. This was implemented for spring quarter 2003, with a very positive response from students.

Several noteworthy partnerships with the university developed during the past two years. An agreement with the American Society for

Mechanical Engineers offered students free bag check during the first week of the quarter which provided a fundraiser for the club. A collaboration with the University Library linked their website with the Bookstore’s, enabling students to search for and purchase general reading titles, using the Bookstore’s database. The “Official Library Mug” was developed as a team effort between the Library and Bookstore, and will be sold at the Bookstores and selected Foundation Dining Services locations. In our continuing efforts to support academic growth, the Bookstore was involved with the Apparel Merchandising Management Department (AMM) where students develop, manufacture, and market an apparel line. The final garments were sold at Bronco Bookstore during winter 2002 with all proceeds going back to the AMM Department. This was a wonderful opportunity for the students to follow their program through the entire manufacturing process, and also monitor sell through at the retail level.

In January 2003, bank card processing was changed from dial up to web based processing. The processing time went from 30 - 45 seconds to about 3 seconds per transaction. This had a significant effect on wait time for customers at checkout. The longest wait in line for students the first week of the spring quarter was 10 minutes.

The Pony Pak on-line textbook reservation and mail order system continued to be an easy and convenient option for students to purchase their textbooks. Over 2200 orders were placed through the website over the past two years. The Bookstore participated in new student orientation, explaining to incoming students the ease and accuracy of ordering their textbooks on-line.

The Bronco Bookstore continues to participate in several on-campus events during the year. The Bronco Bookstore was open Saturdays for Admissions Day in October; the Engineering Open House in February, as well as for BroncoFest in April. The Annual Grad Fair in April was a huge success, and was expanded to two days in 2002 with over 2000 potential graduates attending. They were able to meet with vendors regarding announcements, class rings, and diploma frames, as well as with campus departments to receive information about their ceremonies. Students are now able to purchase caps and gowns for the big day any time from Grad Fair through Commencement. These “keeper” gowns have been extremely well received by students needing gowns for senior portraits, giving them additional time for planning.

Campus Books, the off-campus bookstore site, closed its doors on October 23, 2001. On January 2, 2002 it reopened in the new Center for Training, Technology and Incubation, as CTTi Books and Café. The new CTTi Books location focuses on providing textbooks for graduate students, as well as selected texts for Cal Poly Pomona and Mt. San Antonio College students. The United States Post Office Contract Station, which was opened at Campus Books in November 1999, also moved to the new location, and has been very successful.

The Bookstores look to many challenges in the coming years, including increased operational and labor costs. Cuts in the university budget will especially affect the Computer Department, with fewer campus funds available to purchase new equipment. To meet these challenges and remain fiscally responsible, the Bookstores will continue to look at ways to improve services, and develop partnerships with the university. The final phase of the Bronco Bookstore remodel, coming in fall 2003, will expand selling space, increase efficiency and provide an exciting start to the new academic year.
The goal of Foundation Housing Service (University Village) is to be an environment where students begin to experience independent living while still having live-on staff members to assist with this transition. We do our best to provide excellent customer service to our residents while also providing affordable housing in close proximity to campus. We promote community involvement by encouraging students to attend our educational and social programs. We also encourage residents to communicate with one another and learn from one another thus cultivating a diverse residential community. Additionally, we strive to offer valuable, safe, well-maintained and furnished accommodations to every resident. We also promote a community where each person’s race, ethnic identity, age, marital status, religious affiliation, gender, sexual orientation, and physical ability is cause for appreciation and learning.

A major accomplishment over the past two years has been the restructuring of our licensing process. The operations staff proposed a new process that would allow returning students to select their room and apartment before leaving for summer. Additionally, new residents receive their room and apartment assignment in May, which is two months earlier than in past years. This change enabled residents to self-select their roommates which has decreased the amount of roommate conflicts in the past year. The operations staff has also updated and improved many of the forms and publications distributed by Foundation Housing. The redesigned Village website was completed in June 2003. An improved “Foundation Housing at the Village Handbook” was updated to include a calendar/planner and important campus and Village information.

After an unfortunate string of break-ins in the fall of 2002, our security measures were re-evaluated. Our Facilities Management staff was instrumental in enhancing the lighting on the entire property during the spring of 2003. The staff built and installed new ballasts on each of our 100+ light poles to more than double the lumination. Additionally, in a one-week period in December 2002, the Facilities staff installed PVC pipe in all windows in the 212 apartments in the Village. In April 2003 all of the Phase I (100 apartments) porch lights were updated to photocell lights. Future plans include working with the University Police Department to have Community Service Officers patrol the Village during the early morning hours 365 days a year. This program is slated to begin in December 2003.

The Facilities Management staff is to be commended for accomplishing numerous projects over the past two years. These included power-washing apartment windows; resurfacing and sealing Phase I decks; repairing slab leaks; and major repair to the swimming pool. To improve office efficiency, we relocated several staff offices. The Facilities Management staff was also instrumental in the renovation project being completed in Phase II. The in-house staff completed all of the painting and coordination of carpeting and cleaning for the 112 apartments in Phase II. The furniture being replaced was donated to two boys’ homes and a women’s shelter. These projects have improved the overall climate for residents and assisted in the promotion of a positive living/learning environment.
In the Residence Life area, our past two years were full of exciting and innovative educational and social programs. We added an additional Resident Director to our professional staff in July 2002. The Community Advisor staff developed and implemented over 250 programs during the past two years. Many residents benefited from these programs which included areas such as diversity, life skills, faculty involvement, and social interaction. Some of the notable programs included: Candlelight Vigil for the troops, Henna Tattoos, First Annual Village Blood Drive, Resume Writing, Belly Dancing, Food Drive, and Blues Band & BBQ. In order to improve the quality of life for all Village residents, the Residence Life staff made a concentrated effort in the area of policy enforcement and conflict resolution.

Financially, Foundation Housing has again had two very prosperous years with 100% occupancy for the start of each quarter, reduction of monthly receivables by utilizing an improved collection process and ending each year with a surplus.

The newest initiative that is in the forefront of our planning is the Phase III project. After receiving the completed feasibility study in December 2001, we proceeded with the recommendation to add more apartment-style housing on the Cal Poly Pomona campus. We chose a construction management and architect team and have finalized a site plan for the expansion in-fill project. The project is designed to add 476 beds to the property. All of the apartments will house four occupants in single rooms with two shared bathrooms. The design is such that students will enter the buildings on either end and proceed through a central corridor to their apartment. With this design, the community will develop with residents knowing their neighbors and forming a more positive community. Safety and security will be enhanced as well because of the design of these new buildings; students will enter and exit via two entrances and they will be able to better watch out for one another. Also within this project will be a new addition to the Community Center, enhanced and increased parking, and a new maintenance building. The project is estimated to be completed in August 2005 and open for residents in September 2005.

Foundation Housing’s successes these past two years have been outstanding. The hard work and creative ideas of the staff have made this unit an integral part of the Foundation and university, providing a quality educational service to the students of Cal Poly Pomona. As we look to the future, expanding our housing program will continue to support and improve the marketability of Cal Poly Pomona.
In the previously published biennial report, we stated that "the past two years were among the most successful in the history of Kellogg West." That being true, the proceeding two years were among the most turbulent in the history of Kellogg West. Fiscal year 2001-2002 started with an extremely successful summer. All indications were that the fall and winter were going to be strong, which meant the first half of this fiscal year was going to be ahead of budget and the previous year's performance. Then September 11th occurred and like every other hospitality related business, Kellogg West suffered from the horrific events of that day.

Revenues plummeted immediately, but the Kellogg West team immediately jumped into action. We were one of the first hotels in the nation to waive cancellation fees to clients that had to cancel events due to 9/11. We offered incentives for booking new events, all areas of the operation took on additional responsibilities of searching for additional sales and we made major reductions in our operating expenses. Within weeks, we started realizing results that were defying the trends being reported by the hospitality industry. The second half of the fiscal year was the best in the history of Kellogg West with five of the six months reporting total sales in excess of $300K, with June shattering all records with sales of over $400K.

The success continued through the first half of fiscal year 2002-2003, with sales above the previous year. All of this momentum continued in spite of the winds of change circulating around. The worsening economy, pending war, the California state budget crisis, an anemic hospitality industry in general and later the SARS scare, all played key roles in what was about to happen. In January 2003, it seemed like everything caught up to Kellogg West. The second half of the fiscal year was nothing short of a struggle and a major challenge. Revenues dropped by thirty plus percent from the previous year and the increases from the first half of the year were wiped out. We do see signs of improving conditions; however, we feel that it is going to take some time to recover.

Renovations of Kellogg West facilities continued. The restaurant received a face-lift to the entrance area. All public restrooms in the Main Building and the Hillside Building were completely remodeled. New wall covering was installed in all meeting rooms and all public areas in the Main and Hillside Buildings. New carpet was installed in the public areas of the Hillside Buildings as well as several meeting rooms in the Main Building that had previously not been completed. Non-cosmetic work was also completed with the installation of new boilers and major repairs to plumbing and air conditioning systems.

The Sales Department and Rooms Division continued to explore different avenues to secure new forms of business during these difficult times. The work of the outside sales consultant has resulted in several new clients. An agreement was reached with a global reservations network company, to provide support on improving reservations from the transient market of the hotel industry. It is from this group that Kellogg West has realized the biggest growth and has allowed the
Rooms Division to maintain continual growth even during the difficult times. The Conference Services and Food & Beverage Departments continue to make semi-annual sales calls to the campus community to maintain the strong relationship with the university.

Improvements to operational standards were also made. Due to the slowdown in business as reported above, Kellogg West management reduced daily operational costs. Employee development is still a major focus by all. New programs including Employee of the Month and Employee of the Year were implemented. An Employee Council was formed which includes one member of each of the operational departments. They meet with the Director every other month to discuss key issues and concerns of the staff. From these meetings several projects and key initiatives were completed. With the focal point of management still being the importance of the staff and the role they play on the success of the property, it was especially rewarding that the results of the annual employee survey were the best since this was implemented four years ago.

Guest satisfaction is what every member of the Kellogg West team strives for and for the fourth year in a row, the scores from all three Guest Satisfaction Surveys were ahead of the previous year. We continue to get great responses from our guests and almost unanimously they sight the efforts and performance of the staff as the single most important aspect of their stay at Kellogg West. Whether it is an individual just spending the night with us or someone attending a week-long conference, they always recognize a member of the staff that they feel went above and beyond to make their stay with us enjoyable.

The ability to bounce back from difficult times during the low cycles of the business environment is what makes an operation that much stronger. We know Kellogg West will bounce back.
Foundation Dining Services

The mission of our Foundation Dining Services is to serve a diverse community by providing quality food at a reasonable price. The food is served in an efficient and friendly manner in attractive, clean and comfortable gathering places that reflect a concern for the social and nutritional well being of our customers. Our vision is to be recognized as a leader in the college and university food services industry by our customers, peers, educators, industry, allied associations and the media.

The primary vision of Foundation Dining Services is to be recognized as a leader in the college and university food service industry by its customers, peers, educators, industry, allied associations and the media. Our focus is to take care of our customers. Price benchmarking for all units was reported and posted so that customers could fairly evaluate our pricing structures. In 2002, the Los Olivos Dining Commons won 2nd Place in the Loyal E. Horton Award in the category of Standard Menu.

As an award-winning dining service operation, we believe success lies in the support received from the community we serve. Associated Students Inc. (ASI), University Housing Service (UHS), The Collins School of Hotel and Restaurant Management, College of Environmental Design (ENV), The Farm Store, the Bronco Bookstore, University Village and the Department of Public Safety are a few of those with whom we build our strategies for success.

Servicing the needs of our community and communicating with them has carried us through some tough times and brought us new business. Communication is our strategy for success. Food committees, town hall meetings, construction meetings, improved employee relationships, and a Dining Services “team” are examples of this success.

To meet our customer’s needs, during the past two years, venues were renovated and new units/operations were opened. With the completion of the Los Olivos Dining Commons renovation in 2002, we are now providing an increased seating capacity to the residence halls and entire community while also providing exhibition cooking, stone baked pizza, Las Casas Taqueria, Las Casas Grill, California Deli, the Orchard Produce Bar, and restaurant-quality food prepared in front of you. This marché-style food service was designed to better meet the individual preferences and dietary needs of today’s customers. We serve a variety of healthy and wholesome foods. Retail operations developed an icon that denotes vegetarian and vegan menu items. Los Olivos produced brochures with nutritional information for each service station and their weekly menu denotes vegan and vegetarian alternatives.

Dining town hall meetings, speed and quality of service were one of the priorities identified. We have identified that the Pony Express Convenience Stores add a new dimension to our service to the campus with a wide range of dietary and sundry items. The ENV Café will be updated to meet code regulations; the Pony Express @ Campus Center Marketplace will be renovated to add additional checkout stations.

During the construction of the University Union Improvement Project (UUIP) Bronco Student Center, several of our operations were closed. This caused a strong demand for improving our speed of service. To supplement the current venue options, Foundation Dining Services responded to the changing needs of our customers by opening Kikka Sushi and Taco Bell Express. The Bronco Student Center opened venues during the summer 2003 offering Center Perk, Stuffed Sub, Stips and Chips, Wok & Rome and the Pony Express Convenience Store.

As new operations open, our “Speed with Service” will improve, bringing back customers and improving the number of transactions per hour. The new Bronco Student Center and Vida Cafe in the Residential Suites will add new revenues to Dining Services.
Bronco Access Card continues to provide the opportunity to make cashless purchases on campus. Card readers were set up at all dining service venues, vending machines located in the Bronco Student Center and Engineering, Farm Store at Kellogg Ranch, bookstores, Collins School of Hotel & Restaurant Management, Associated Students Inc. and all administrative services. A secure website (www.broncobucks.com) has been created to enable funds to be added to your Bronco Access Card.

To ensure that each food establishment is in compliance with the County of Los Angeles Environmental Health Division upgraded standards, Dining Services provides food sanitation classes and ServSafe training and certification to our employees. We are proud to announce that all dining venues continue to receive an excellent rating of 'A' (equivalent to 90% - 100%) from the Los Angeles Environmental Health Division.

We are looking ahead to the development of a five-year strategic plan after the completion of a detailed review and survey of our operations. This fall the Vista Café opens in the Residential Suites and the Bronco Student Center Food Court will be open in the fall of 2003. We are researching designs for cafés in the library and in the American Red Cross Center. New meal and declining balance options will be initiated during the fall of 2003.

Bright Idea No. 139:
Serve it fresh
During the past two years, California State Polytechnic University, Pomona and its various organizations received donations, gifts and special revenue in the amount of $28,021,691. Of that total, the Foundation received and administered $7,885,977.

Endowments and Donations

The university encourages friends to invest in campus programs and projects that promote academic excellence. Effective July 2001, the Foundation transferred $11,484,505 in permanent endowments to the Cal Poly Pomona University Educational Trust (UET).

Quasi-endowments (temporary endowments) of $880,453 were terminated and used for capital improvements per the terms and conditions of the endowment agreement in fiscal year 2002-03.

Cal Poly Pomona endowments (University Educational Trust) are now valued at $18,109,604.

Tax Status of the Cal Poly Pomona Foundation, Inc.

The Foundation operates as a nonprofit, public-benefit, charitable-educational corporation under the provisions of the California Revenue and Taxation Code, Section 237019(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 as required by the California Education Code, Section 89900(c). The university administrative organization supervises the Foundation as required by the California Code of Regulations Title 5, Section 42402.

As provided in Section 170(c)(2) of the 1986 Internal Revenue Code and through previous determinations, contributions made to the Foundation are considered charitable contributions for federal and state income tax purposes. As such, donations are considered charitable contributions by donors in computing corporate, partnership, estate, trust and personal taxable income.

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<tr>
<th>Endowments</th>
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<td>2000</td>
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<td>2001</td>
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<td>2002</td>
<td>17,560,736</td>
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<tr>
<td>2003</td>
<td>18,109,604</td>
</tr>
</tbody>
</table>

*2001 Endowments were allocated between the Foundation ($936,211) and UET ($13,752,800)
Cal Poly Pomona Foundation, Inc. is the recipient of all externally-funded sponsored projects awarded on behalf of California State Polytechnic University, Pomona. As a result, the Foundation assumes accountability for the funds awarded and legal responsibility assuring adherence to performance goals, time schedules, and/or other requirements per the terms and conditions of the agency contract. The Foundation has ultimate responsibility for the conduct of all projects and for the results achieved. Our mission is to contribute to the integrity of the Foundation and the university by maintaining the highest standards in financial and administrative support services including being committed to providing personalized services, generating goodwill, and providing support that enhances the effectiveness of the programs.

The activity for sponsored programs has been consistently increasing since 1990. For the fiscal year ended June 30, 2003, Foundation administered over 300 grant and contract accounts totaling nearly $46 million to be expended over the next few years. Some of these projects include the establishment of the NASA Commercialization Center and the Pomona Technology Center which are business incubator initiatives funded by NASA and the Economic Development Administration, respectively, the Minority Biomedical Research and Support Program-SCORE and RISE programs funded by the National Institute of Health, and numerous TRIO Support Programs funded by the United States Department of Education.

During the past two years, Foundation has undertaken the development, updating, and communicating of policies and procedures to assure project administration is in compliance with a constantly changing environment. All project directors have access to policies and procedures via a comprehensive and user-friendly website with monthly newsletter updates on the issues as funding policy and procedures change. In addition, semi-annual training sessions are conducted for current updates on agency compliance issues and instruction on the current Foundation policies for sponsored project administration.

During fiscal year 2002, Foundation completed an indirect cost recovery study for the federal negotiated rate with the Department of Health and Human Services. Foundation provided all accounting data to an outside consulting firm for integration with the university’s accounting data for a combined cost analysis. All Foundation and university accounts were reviewed for proper classification per Federal operational definitions to maximize the rate calculation. The processes resulted in no change in the organized research base rate and a higher rate for other sponsored research than previously negotiated nearly 10 years ago.

Sponsored programs are very important to the university by providing practical learning experiences for students and professional growth for faculty. The Foundation is very proud of the many accomplishments of the faculty and staff administering sponsored programs and is committed in continuing the highest level of service required for sponsored project administration.

Bright Idea No. 420: Market the event
Support of Continuous Research Excellence Program

The National Institutes of Health (NIH) supports the SCORE (Support of Continuous Research Excellence) Program to assist biomedical research faculty at minority-serving institutions to develop competitive research programs, with the ultimate objective of increasing the number of underrepresented minorities professionally engaged in biomedical research. This is achieved by providing financial assistance to competitive developing research programs in all areas of biomedical research at institutions with significant underrepresented minority student enrollments.

The SCORE program at Cal Poly Pomona was originally funded for three years in 1997 and renewed for four years in 2000. An application for another renewal is currently pending for another four years (2004-2008). The original SCORE program funded in 1997 had five separate research projects: three in the Biological Sciences Department (BIO), one joint project between BIO and the Animal & Veterinary Sciences Department (AVS), and one in the Chemistry Department (CHM). The current program includes a total of fifteen projects, with eight in BIO, four in CHM, one joint project between BIO & AVS, one in the Human Nutrition & Food Science Department, and one in the Kinesiology & Health Promotion Department.

The annual budget this year is a little over two million dollars. The program is directed by Dr. Donald F. Hoyt (BIO) and involves a total of nineteen faculty in the five participating departments. The research programs conducted with SCORE funding have provided opportunities for graduate and undergraduate underrepresented minority students in the RISE Program to experience the process of research.

In addition, over twenty non-minority students have completed the research component of their master's degrees in the SCORE laboratories. Most of the research conducted by these students would not have been possible without the greatly enhanced research capabilities provided by the SCORE program. The SCORE program, with the support of the university administration, especially the Deans of the participating schools (Agriculture, Science, Liberal Arts and Social Sciences) has made a major contribution toward enhancing the infrastructure for biomedical research at Cal Poly Pomona.

Research Initiative for Scientific Enhancement

The RISE program (Research Initiative for Scientific Enhancement), supported by the National Institutes of Health, motivates, guides and prepares underrepresented minority students for careers in biomedical research. RISE I, directed by Dr. Barbara Burke, introduces freshmen to the process of discovery, develops their awareness of careers in biomedical research, and improves their academic performance. RISE I students participate in a summer transition program (BIOQUEST), a freshmen orientation course, and academic excellence workshops.

RISE II, directed by Dr. Edward Walton, provides an opportunity for sophomores to develop their laboratory skills, gain enrichment instruction, and develop a strong interest in biomedical research through participation in a research experience. In RISE III, directed by Dr. Pamela Sperry, upper division and graduate students become immersed in a research project in one of the SCORE laboratories, present their research in professional scientific meetings, and publish in scientific professional journals. RISE III students continue to develop their analytical and communication skills, and engage in networking and planning strategies for admission to Ph.D. programs leading to careers in biomedical research. The RISE program also sponsors a biomedical research seminar series open to all students and faculty. More than 150 students have participated in the RISE program over the past three years. RISE program activities have more than doubled the retention rate of freshman participants.

Of the 33 RISE program graduates, 7 are in Ph.D. programs, and 5 have been admitted into Master's programs. The RISE program has enriched the research opportunities for students, and allowed students to become an integral part of the biomedical research community at Cal Poly Pomona.
<table>
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<th>Grant and Contract Awards</th>
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<tr>
<td>Belinda Acuna, Engineering</td>
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<td>Belinda Acuna, Engineering</td>
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<td>Belinda Acuna, Engineering</td>
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<tr>
<td>Belinda Acuna, Engineering</td>
</tr>
<tr>
<td>Dr. Jill Adler-Moore, Science</td>
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<td>Dr. Jill Adler-Moore, Science</td>
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<td>Dr. Jill Adler-Moore, Science</td>
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<tr>
<td>Dr. Jill Adler-Moore, Science</td>
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<tr>
<td>Dr. Alyssa Adomatlis, Agriculture</td>
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<td>Dr. Tenesita Aguilar, Education and Integrative Studies</td>
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<tr>
<td>Dr. Jean Aigner, Extended University</td>
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<td>Dr. Jean Aigner, Extended University</td>
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<td>Dr. Jean Aigner, Extended University</td>
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<td>Dr. Mark Allen, Letters, Arts, and Social Sciences</td>
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<td>Dr. Kevin Anderson, Engineering</td>
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<tr>
<td>Dr. A. Michael Berman, ITAC</td>
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<td>Dr. Wayne Bidlack, Agriculture</td>
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<td>Dr. Wayne Bidlack, Agriculture</td>
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<td>Dr. Wayne Bidlack, Agriculture</td>
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<td>Dr. William Braun, Letters, Arts, and Social Sciences</td>
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<td>Dr. Stephen Bryant, Science</td>
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<td>Dr. Micki Bryant, Student Affairs</td>
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<td>Dr. David Clark, Engineering</td>
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<tr>
<td>Miriam Cope, Letters, Arts, and Social Sciences</td>
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<td>Dr. Jeanne Davis, Education and Integrative Studies</td>
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### Sponsored Program Expenditures

**Direct Costs**

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<th>Year</th>
<th>Direct Costs</th>
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**Expenditures**

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<th>98-99</th>
<th>99-00</th>
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<th>01-02</th>
<th>02-03</th>
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<td>Sponsored Program Expenditures</td>
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**Awards**

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<td>00-01</td>
<td>11,600,000</td>
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<td>01-02</td>
<td>13,800,000</td>
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<tr>
<td>02-03</td>
<td>14,400,000</td>
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<tr>
<td>Total</td>
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Dr. Douglas Lewis, Agriculture
Con Agra Foods, Inc.
Sustagrain Cookies A Trojan Horse
$10,000

Dr. Douglas Lewis, Agriculture
State of California-Agricultural Research Initiative
Functional Food to Lower Cardiovascular Disease
$72,000

Dr. Douglas Lewis, Agriculture
State of California-Agricultural Research Initiative
Sustagrain Cookies Get Fiber Into Kids
$13,000

Dr. Michael Liang, Science
Chung Foundation
Effects of Panax Notoginseng Supplement on Aerobic Capacity
$7,420

Dr. Wei-Jen Lin, Science
State of California-Agricultural Research Initiative
Regulation of Botulinum Neurotoxin Oral Toxicity
$12,500

Jane Mathis Lowe, Student Affairs
United States Department of Education
Student Support Services
$909,287

Dr. Dorothy MacNevin, Education and Integrative Studies
University of California, Office of the President
California Reading Professional Development Institute
$193,000

Dr. Dorothy MacNevin, Education and Integrative Studies
University of California, San Diego
California High School English Professional Development Institutes
$35,750

Dr. Cedric Matsushima, Agriculture
United States Department of Agriculture
Outreach to Small and Disadvantaged Retail Establishments
$22,990

Joyce McLean, Business
California Department of Education
Technical Assistance to Secondary Education
$45,920

Cheryl Meaux, Academic Affairs
Arroyo Seco League Network
Cal Poly Rose Float Collection Website Project
$1,700

Dr. Mark Meskin, Agriculture
Nutritive Health Institute
A Physicochemical Conference
$40,000

Sowmya Mitra, Agriculture
State of California-Agricultural Research Initiative
Management Strategies for Growing Healthy Turf
$26,668

Sowmya Mitra, Agriculture
State of California-Agricultural Research Initiative
Optimizing Water Usage on Golf Courses
$20,000

Dr. Lisa Nelson, Education and Integrative Studies
John Haynes and Dora Haynes Foundation
Open Space & Community Sustainability in San Gabriel Valley
$33,382

Dr. Thuan Nguyen, Engineering
Genexcorp/Aeropext
Thermal Coating for Passive Cooling of Infrared System
$39,500

James Norfleet, Student Affairs
Stuart Foundation
Renaissance Scholars Program
$336,129

Dr. Jonathan Nourse, Science
U.S. Department of the Interior
History of the North Branch of the San Gabriel Fault
$5,000

Reginald Nugent, Business
Coleman Foundation, Inc.
Small Business Management Workshops
$12,000

Dr. Fred Bet-Pera, Science
Paci Medical
Student Internship Program
$40,536

Dr. Fred Bet-Pera, Science
City of Industry
City of Industry Internship Program
$43,013

Dr. Fred Bet-Pera, Science
Avery Dennison
Student Services
$164,056

Dr. Fred Bet-Pera, Science
South Coast Air Quality Management District
Chemistry Student Services
$50,000

Dr. Fred Bet-Pera, Science
Metropolitan Water District
Student Services
$735,000

Dr. Fred Bet-Pera, Science
South Coast Air Quality Management District
Public Information Center Student Services
$31,500

Dr. Fred Bet-Pera, Science
South Coast Air Quality Management District
Finance Division Student Services
$72,000

Dr. Fred Bet-Pera, Science
Hope Through Housing Foundation
Hope Through Housing Tutorial Service
$17,470

Dr. Fred Bet-Pera, Science
Criterion Catalysts and Technologies
Criterion Catalysts and Technologies Student Internship Program
$12,113

Dr. Fred Bet-Pera, Science
Monte Vista Water District
Monte Vista Water District Student Services
$7,416

Dr. Peggy Perry, Agriculture
California Department of Food and Agriculture
Teach the Teachers: Garden-Based Education
$5,000

Dr. Peggy Perry, Agriculture
State of California-Agricultural Research Initiative
Gardens and Farm to School Programs in California Public Schools
$17,000

Dr. Peggy Perry, Agriculture
California Department of Food and Agriculture
A Day on the Farm Experimental Learning Activity
$74,999

Dr. Peggy Perry, Agriculture
California Department of Agriculture
Garden Enhanced Nutrition Education Region
$20,000

Jon Phillips, Agriculture
State of California-Agricultural Research Initiative
The Center of Food
$21,268

Dr. Amanda Podany, Letters, Arts, and Social Sciences
California Postsecondary Education Commission
Reading the Past
$43,881

Ricardo Quintero, Learning Resource Center
California Department of Education
Summer Food Service Program
$8,283

Ricardo Quintero, Learning Resource Center
United States Department of Education
Upward Bound
$711,073

Dr. Amar Raheja, Science
Philadelphia University
Haptic Simulation of a Fabric Hand
$12,500

Dr. Amar Raheja, Science
Philadelphia University
Fuzzy Forecasting of Women's Apparel Sales
$12,000

Dr. Amar Raheja, Science
Philadelphia University
Fuzzy Forecasting Model-Apparel Sales
$12,000

Dr. Vilupanur Ravi, Engineering
Claremont Community Foundation
Teaching and Learning Through Materials
$1,860

Dr. Vilupanur Ravi, Engineering
Northrop Grumman, Inc.
High Emissivity/ Low Absorptivity Thermal Control Coatings
$43,793

Dr. Laurie Riggins, Science
Snowline Joint Unified School District
College Readiness Program Professional Development
$12,000

Consuelo Rodriguez, Student Affairs
California Department of Education
State Preschool Program
$278,399

Consuelo Rodriguez, Student Affairs
California Department of Education
Children's Center-Instructional Materials
$1,064

Consuelo Rodriguez, Student Affairs
United States Department of Education
Child Care Means Parents in School Program
$149,299
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<tr>
<th>Project Title</th>
<th>Funding Agency</th>
<th>Award Amount</th>
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<tr>
<td>Trinity Wildflowers &amp; Native Plants: Beauty &amp; Business</td>
<td>State of California-Agricultural Research Initiative</td>
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<tr>
<td>Sensor Webs for Irrigation and Water Management</td>
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<td>Improving Dietary Intake of Low Income Households</td>
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<tr>
<td>Nutrition Education Outreach and Activities of Lower Income Families</td>
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<td>Republic of Georgia Project Development</td>
<td>Department of Agriculture</td>
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<td>Dr. Pam Sperry/Dr. Barbara Burke/Dr. Edward Walton, Science</td>
<td>National Institute of Health MBRS RISE Program</td>
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<td>United States Department of Agriculture</td>
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<td>Trinity Wildflowers &amp; Native Plants: Beauty &amp; Business</td>
<td>State of California-Agricultural Research Initiative</td>
<td>$36,575</td>
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Exempt Organizations Awards
Camille and Henry Dreyfus Foundation
Chuang Foundation
Claremont Community Foundation
Craig-Johnson Foundation
Hope through Housing Foundation
J. Paul Getty Trust
John Haynes and Dora Haynes Foundation
Kauffman Center for Entrepreneurial Leadership
Paciﬁc Coast College Health
Rensselaer Center for Academic Transformation
Samuel Rubin Foundation
Social Science Research Council
Stuart Foundation
The Coleman Foundation, Inc.
The Getty Grant Program

Private Organization Awards
Almond Board of California
American Chemical Society
Applied P & C Ch Laboratory
Avery Dennison
Catalina Island Conservancy
City of Industry
City of Los Angeles
Dunbar Economic Development Corp.
Environmental Systems Research Inst.
EPT Corporation
Fairplex
Fujisawa Healthcare, Inc.
Gencorp/Aerojet
Gethy-Renker Corporation
Gilead Science, Inc.
GOPA Consultants
Harvest Research and Investment
Heal the Bay
Hewlett Packard
Korea Ministry of Education
Korean National University
Landlab
Los Angeles Chapter of the Siena Club
Main San Gabriel Basin
Watermaster
Materials Research Society
Metropolitan Water District
Molecular Express, Inc.
Monterey County General Planning
Nestle USA, Inc.
Nextar Pharmaceuticals
Novocell, Inc.
Rainbird, Inc.
Ready Pac
Rockwell Collins, Inc.
Samsung Electronics America, Inc.
Seeds of Peace
Shinji Shumeikai
Southern California Edison
Spadra Landﬁll
The IAMS Company
The Rehnborg Center for Nutrition
The Town of Mammoth Lakes
VC Bud Jenkins Coatings Scientist
Water Management Group
Young Engineering
Zengen, Inc.

State and Local Government Awards
Air Resources Board
California Department of Education
California Department of Mental Health
California Dept of Food and Agriculture
California State Coastal Conservancy
California State University Program
Hacienda La Puente School District
Los Angeles Ofﬁce of Education
Mt. San Antonio College
Pomona Unified School District
San Bernardino County School District
South Coast Air Quality Mgmt District
The Regents of the University of California
Trustees of the California State University System
University of California, Berkley
University of California, Los Angeles
University of California, Oakland
University of California, Ofﬁce of the President
University of California, San Diego
Walnut Valley Unifed School District

awarding agencies for research and sponsored programs
Activity/Revenue

The Foundation provides administrative support for $22,758,254 (as of June 30, 2003) in temporarily restricted Campus Programs agency assets and $1,482,697 (as of June 30, 2003) in temporarily restricted Scholarship agency assets of the Foundation for the benefit of the university.

Through Campus Programs and Scholarships, the Foundation provides a controlled, flexible financial management environment that supports workshops, conferences, community-related projects, scholarships and other valuable activities that enhance and enrich the university’s educational goals and achievement.

Campus Programs and Scholarships generated a surplus of $1.5 million and $2.5 million for fiscal years ending June 2002 and 2003 respectively before the transfer of buildings and improvements to the university in the amount of $12.3 million and $1 million for fiscal years ending June 2002 and 2003 respectively including the AgriScape Project, Collins School of Hospitality Management Phase II, the Biotech Project and the Donor Recognition Wall. Campus Programs and Scholarship revenues were $7.8 million, a decrease of 5% over the prior year generated from contributions, university programs and investment income offset by expenditures of $6.3 million, an increase of 8.6% over the prior year.

Processed revenues are as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>College of Agriculture</td>
<td>$1,071,795</td>
<td>$615,897</td>
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<tr>
<td>Alumni Affairs</td>
<td>28,331</td>
<td>88,143</td>
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<tr>
<td>College of Letters, Arts &amp; Social Sciences</td>
<td>379,526</td>
<td>436,292</td>
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<tr>
<td>Athletics</td>
<td>3,340</td>
<td>12,339</td>
</tr>
<tr>
<td>College of Business Administration</td>
<td>635,724</td>
<td>292,523</td>
</tr>
<tr>
<td>College of Extended University</td>
<td>495,515</td>
<td>475,516</td>
</tr>
<tr>
<td>School of Education and Integrative Studies</td>
<td>45,654</td>
<td>29,774</td>
</tr>
<tr>
<td>College of Engineering</td>
<td>1,211,986</td>
<td>266,498</td>
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<tr>
<td>College of Environmental Design</td>
<td>602,485</td>
<td>285,221</td>
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<tr>
<td>Collins School of Hospitality Management</td>
<td>1,274,251</td>
<td>1,231,806</td>
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<td>Instructional Technology Center</td>
<td>72,651</td>
<td>35,467</td>
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<tr>
<td>Library</td>
<td>19,654</td>
<td>9,091</td>
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<tr>
<td>College of Science</td>
<td>273,807</td>
<td>283,863</td>
</tr>
<tr>
<td>University Support</td>
<td>2,169,384</td>
<td>3,812,689</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>$8,284,103</strong></td>
<td><strong>$7,875,119</strong></td>
</tr>
</tbody>
</table>
The Foundation accounts for revenues and expenditures for a variety of non-credit educational programs. This includes conferences, workshops and customized training programs. The College of Extended University (CEU) is the largest of the providers of these non-credit programs through the Foundation.

College of the Extended University Overview

The College of the Extended University (CEU) offers solutions to domestic and international constituents by combining support of a professional staff with the many resources of the campus. With the opening of the Center for Training, Technology & Incubation, the College has also become a powerful force in economic development within the Inland Empire.

The College offers non-credit educational programs in such fields as human resource management, supervision and advanced computer training programs. It also provides customized training to dozens of corporate clients and has established a strong reputation for its international programs in China, Vietnam, and Europe.

Through the International Center, the College develops programs that enhance campus-wide internationalization including curriculum development, faculty and staff development, international training, development and outreach, study abroad, international student programs and international student recruiting and retention.

Additional international student programs are offered through the Cal Poly English Language Institute (CPELI). The primary focus of the language institute is to prepare international students for academic study at an American college or university, but it also involves a significant effort in acculturation, both social and academic.

Keeping pace with technological advances in education is a priority at the College of the Extended University. CEU has a strong distance education component in its LEP-Uplink program. It delivers a program to teachers throughout the state of California via the Internet and is now branching out into web instruction for businesses as well.

Providing a unique dimension to Cal Poly Pomona are two business incubators located within CEU. The NASA Commercialization Center and Pomona Technology Center are charged with using the best practices of technology commercialization to help early stage technology businesses successfully launch new products. Through the efforts of these two incubators, a robust technology commercialization infrastructure is in place, capable of facilitating public-private technology development collaborations among faculty, students, and private sector entrepreneurs.

Rounding out the College of the Extended University is Kellogg House Pomona. The mansion of W.K. Kellogg is the premier event center on campus as well as a popular meeting place for corporate clients and civic groups.

The College of Engineering and College of Science also provide customized workshops and training through the Foundation.

Bright Idea No. 89:
Build lasting relationships
Agriculture Aid-to-Instruction Programs
The Foundation assists the College of Agriculture through both administrative and financial support in the Agriculture Aid-to-Instruction Programs.

Agriculture Aid-to-Instruction Programs transform theory in classroom learning into practical application. Students gain actual entrepreneurial experience as these programs give them the opportunity to bring meat, fruit, horticulture and vegetable products, as well as entertainment ventures, to the campus community and the public marketplace. Each of these programs also facilitates working together in teams, establishing close relationships with faculty and staff and augmenting this college experience, all of which result in increased retention.

Arabian Horse Show
More than just an essential part of the charter at Cal Poly Pomona, the Arabian Horse Show represents the colorful history and tradition of the W.K. Kellogg Arabian Horse Ranch. In honor of this tradition, which started in 1928, a show is held at 2:00 p.m. on the first Sunday of each month, October through June, weather permitting. Besides these programs, twelve shows are scheduled on Thursday mornings during the fall and spring quarters for the benefit of elementary students throughout Southern California.

Pine Tree Ranch
The Pine Tree Ranch is owned by the Foundation and operated by the College of Agriculture. Located in Ventura County, this 53-acre ranch provides students with a hands-on setting for practical education and work experience. A commercial management firm is now in place and trees are being replaced with the aid of a CALAVO contract.

Beef, Swine and Sheep Units
These units offer experiential learning to Cal Poly Pomona students. Animals are involved in research project study factors that may affect their growth performance. Prime animals are exhibited at the Los Angeles County Fair and other local county fairs.

Meat Lab
The Meat Science & Processing Laboratory supports the classroom study, research and contract projects that address the discipline of meat science and processing. Via student laboratory projects, new items have been developed and approved by the USDA. These products augment the growing list of student-produced meat items offered by the unit.

Ornamental Horticulture
The Horticulture Unit markets an extensive selection of plants and cut flowers. Seasonal items such as poinsettias complement the various foliage, perennials, landscape colors and flower plants available year-round.

Efforts continue to revolve around automating the current facility, expanding the perennial, rose and evergreen product line and tailoring products to meet the anticipated niche market at AGRIsrapes.

The Horticulture Unit partners with California Polytechnic State University, San Luis Obispo to create a float for the annual Rose Parade held each New Year's Day in Pasadena, California.

Agronomy Farm
The Fall Festival continued to provide an excellent venue for the College of Agriculture student clubs to generate revenue, as well as offer service back to the campus and surrounding community. As in the past couple of years, additional crops complemented the sales of pumpkins from the 45 acres planted for this event.

AGRIsrapes Farm Store
Located on forty acres at Cal Poly Pomona, AGRIsrapes integrates and showcases farming and urban landscaping practices that are sustainable, environmentally beneficial, economically viable, and technologically sound. AGRIsrapes promotes agricultural and environmental literacy through research, education, and demonstrations of alternative methods to grow food, conserve water, reduce energy needs and recycle agricultural and urban waste for resource efficiency and community enhancement.

The demonstration and research activities at AGRIsrapes will be augmented by formal curriculum, workshops, public outreach, and training sessions developed jointly by the College of Agriculture and community partners.

A new Farm Store opened in the fall of 2001-2002 providing campus-grown produce, ornamental horticulture items, meat products and locally grown produce to the anticipated customer base.
The operations of Cal Poly Pomona Foundation, Inc., continue to evolve in response to the changing university environment, while our vision remains consistent—“Quality Service Supporting Quality Education.”

With an ongoing emphasis on planning and continuous improvement by addressing difficulties, the Foundation’s Board of Directors guides the Foundation in assessing opportunities and challenges that face the university.

Our planning process identifies activities with the potential for realizing long term (strategic) dividends and objectives, which primarily focus on short term processes or (tactical) procedures. Tactical activities promote continuity of operational effectiveness, but the greatest long term benefits are derived through strategic planning. The Foundation’s committed staff enthusiastically and professionally implements objectives to accomplish the many strategic and operational goals established within the organization.

By providing multiple avenues for feedback such as surveys, customer response cards, the secret shopper program, advisory committees, e-mail commentary from websites and departmental/unit surveys, the Foundation allows constituents to participate and feel invested in the operations. This feedback assists the Foundation in continually evolving the way we do business.

Communication is vital to our success. We are continually examining how we communicate internally and externally by tracking our performance. We recognize that diversity in disseminating information is critical to our success. Communication endeavors such as the Foundation web page, newsletters, and press releases provide opportunities to communicate the Foundation’s contributions to the Cal Poly Pomona community.

The awareness and understanding of the partnership between the Foundation and university has and will continue to facilitate many new opportunities. The management team and financial strength of the Foundation will continue to play a major role in assisting the university with this collaborative effort.

Executive Committee

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Bright Idea No. 2:

Never compromise quality
The Board of Directors
Cal Poly Pomona Foundation, Inc.

We have audited the accompanying statement of financial position of the Cal Poly Pomona Foundation, Inc. (a California State University Auxiliary Organization) (the Foundation) as of June 30, 2003, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits. The financial statements of the Cal Poly Pomona Foundation as of June 30, 2002, were audited by other auditors whose report dated August 23, 2002, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Cal Poly Pomona Foundation, Inc. as of June 30, 2003, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated August 20, 2003 on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in schedule 1 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

VICENTI, LLOYD & STUTZMAN, LLP
August 20, 2003
## Assets

### Current assets:
- Cash and cash equivalents:
  - On hand and in commercial accounts: $9,992,532
  - Cash equivalents: $2,696,501

### Marketable securities, at fair value (note 4)
- Investments restricted as to use - debt service, at fair value (note 4): $963,443

### Other short-term investments, at fair value (note 4)
- Total cash and cash equivalents: $12,689,033
- Other receivables:
  - Sponsored programs (note 2): $3,026,260
  - Contributions, net (note 5): $1,201,466
  - Other activities, net of allowance for doubtful accounts of $67,854 for 2003 and $96,522 for 2002: $3,989,048

### Inventories
- Total receivables, net: $9,992,532
- Prepaid expenses and deferred charges: $2,196,501

### Property, plant and equipment
- Total current assets: $12,689,033
- Property, plant and equipment:
  - Land: $944,611
  - Buildings and improvements: $31,234,922
  - Equipment, furniture and fixtures: $7,490,199
  - Orchards: $131,863
  - Construction in progress: $3,149,767
- Less accumulated depreciation and amortization: $14,642,108

### Total other assets:
- Total property, plant and equipment: $28,409,254
- Long-term investments restricted as to use - debt service, at fair value (note 4): $9,992,532
- Long-term investments, at fair value (note 4): $3,989,048
- Contributions receivable, net of current portion (note 5): $3,378,629

### Total assets
- Total assets: $71,629,976

## Liabilities and Net Assets

### Current liabilities:
- Accounts payable: $3,627,725
- Accrued liabilities: $1,562,166
- Deferred income: $1,268,861
- Deposits held in custody for others (note 2): $335,997
- Current portion of lease obligations (note 7): $66,013
- Current portion of bonds and note payable (note 6): $730,000
- Receipts in excess of expenditures on specific sponsored programs (note 2): $2,791,298

### Total current liabilities: $10,382,064

### Noncurrent liabilities:
- Accrued liabilities (note 10): $3,733,938
- Noncurrent portion of bonds and note payable (note 6): $8,860,000
- Unitrust liability (note 2): $506,577
- Lease obligations (note 7): $296,259

### Total noncurrent liabilities: $13,400,774

### Total liabilities:
- Total liabilities: $23,782,838

### Net assets (notes 2 and 3):
- Unrestricted: $47,847,138
- Temporarily restricted (note 11): $25,088,884

### Total net assets: $72,936,022

### Total liabilities and net assets:
- Total liabilities and net assets: $71,629,976

---

* See accompanying notes to financial statements
## Statement of Activities

### Year ended June 30, 2003

<table>
<thead>
<tr>
<th>Revenues and Support (note 9):</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Auxiliary activities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>$28,809,466</td>
<td>$</td>
<td>$28,809,466</td>
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<tr>
<td>Commissions, fees, and other</td>
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<td>946,221</td>
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<td>Investment income (note 4)</td>
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<td><strong>Total auxiliary activities</strong></td>
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<tr>
<td>Sponsored programs revenue</td>
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<td>12,243,371</td>
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<tr>
<td><strong>Campus programs revenue:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>University programs support</td>
<td>4,023,416</td>
<td></td>
<td>4,023,416</td>
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<tr>
<td>Contributions</td>
<td>3,321,632</td>
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<td>Investment income (note 4)</td>
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<td>530,071</td>
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<td><strong>Total campus programs revenue</strong></td>
<td>4,023,416</td>
<td>3,851,703</td>
<td>7,875,119</td>
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<td><strong>General activities:</strong></td>
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<tr>
<td>Investment income (note 4)</td>
<td>838,394</td>
<td>838,394</td>
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<tr>
<td>Rental property</td>
<td>752,804</td>
<td>752,804</td>
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<tr>
<td>Administrative fees and other revenue</td>
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<td>523,219</td>
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<tr>
<td><strong>Total general activities</strong></td>
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<td>2,114,417</td>
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<tr>
<td><strong>Total revenues and support</strong></td>
<td>48,187,806</td>
<td>3,851,703</td>
<td>52,039,509</td>
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<tr>
<td><strong>Net assets released from restrictions</strong></td>
<td>2,291,163</td>
<td>(2,291,163)</td>
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<tr>
<td><strong>Total revenues and support and net assets released from restrictions</strong></td>
<td>50,478,969</td>
<td>1,560,540</td>
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<tr>
<td><strong>Expenses and other changes (notes 2, 9, and 10):</strong></td>
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</tr>
<tr>
<td><strong>Auxiliary activities:</strong></td>
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<tr>
<td>Bookstores</td>
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<tr>
<td>Dining Services</td>
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<td>Kellogg West Conference Center</td>
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<td>Continuing Education</td>
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<tr>
<td>University Village</td>
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<tr>
<td>Agriculture units</td>
<td>1,378,409</td>
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<tr>
<td><strong>Total auxiliary activities</strong></td>
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<td>29,147,828</td>
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<tr>
<td>Sponsored programs expenses:</td>
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<td></td>
</tr>
<tr>
<td>Direct expenses</td>
<td>10,819,148</td>
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<tr>
<td>Indirect expenses</td>
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<td>1,345,142</td>
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<td><strong>Total sponsored programs expenses</strong></td>
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</tr>
<tr>
<td><strong>Campus programs expenses:</strong></td>
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</tr>
<tr>
<td>University programs support</td>
<td>5,649,536</td>
<td>5,649,536</td>
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<tr>
<td>Scholarships</td>
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<tr>
<td><strong>Total campus programs expenses</strong></td>
<td>6,314,579</td>
<td>6,314,579</td>
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</tr>
<tr>
<td><strong>General expenses:</strong></td>
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<tr>
<td>Rental property expense</td>
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<td>606,357</td>
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<tr>
<td>Administrative</td>
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<tr>
<td><strong>Total general expenses</strong></td>
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<td>1,739,918</td>
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<tr>
<td>Designated expenses (note 3)</td>
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<td>557,758</td>
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<tr>
<td><strong>Total expenses</strong></td>
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<td>49,924,373</td>
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<tr>
<td>Other changes - transfer of fixed assets (note 9)</td>
<td>5,001,542</td>
<td>1,077,169</td>
<td>6,078,711</td>
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<tr>
<td><strong>Total expenses and other changes</strong></td>
<td>49,924,373</td>
<td>1,077,169</td>
<td>51,001,542</td>
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<tr>
<td><strong>Total change in net assets</strong></td>
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<td>483,371</td>
<td>1,037,967</td>
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<td>Net assets at beginning of year</td>
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<td>22,274,883</td>
<td>64,809,171</td>
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<tr>
<td>Net assets at end of year</td>
<td>$25,088,884</td>
<td>$22,758,254</td>
<td>$47,847,138</td>
</tr>
</tbody>
</table>

*See accompanying notes to financial statements*
Revenues and support (note 9):

<table>
<thead>
<tr>
<th>Auxiliary activities</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>Sales</td>
<td>$27,740,819</td>
<td>$</td>
<td>$27,740,819</td>
</tr>
<tr>
<td>Commissions, fees, and other</td>
<td>1,065,725</td>
<td>1,065,725</td>
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<tr>
<td>Investment income (note 4)</td>
<td>25,775</td>
<td>25,775</td>
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<tr>
<td><strong>Total auxiliary activities</strong></td>
<td><strong>28,832,319</strong></td>
<td><strong>28,832,319</strong></td>
<td></td>
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<tr>
<td>Sponsored programs revenue</td>
<td>13,826,172</td>
<td>13,826,172</td>
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<tr>
<td>Total auxiliary activities</td>
<td>42,658,491</td>
<td>42,658,491</td>
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</table>

Campus programs revenue:

<table>
<thead>
<tr>
<th>University programs support</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>2,978,037</td>
<td>4,564,345</td>
<td>7,542,382</td>
</tr>
<tr>
<td>Investment income (note 4)</td>
<td>741,721</td>
<td></td>
<td>741,721</td>
</tr>
<tr>
<td><strong>Total campus programs revenue</strong></td>
<td><strong>2,978,037</strong></td>
<td><strong>5,306,066</strong></td>
<td><strong>8,284,103</strong></td>
</tr>
</tbody>
</table>

General activities:

<table>
<thead>
<tr>
<th>Investment income (note 4)</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental property</td>
<td>987,534</td>
<td>987,534</td>
<td>987,534</td>
</tr>
<tr>
<td>Administrative fees and other revenue</td>
<td>719,607</td>
<td>719,607</td>
<td></td>
</tr>
<tr>
<td><strong>Total general activities</strong></td>
<td><strong>1,707,141</strong></td>
<td><strong>1,707,141</strong></td>
<td></td>
</tr>
</tbody>
</table>

Net assets released from restrictions

<table>
<thead>
<tr>
<th>Total revenues and support</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>47,644,869</td>
<td>5,306,066</td>
<td>52,950,935</td>
</tr>
<tr>
<td></td>
<td>2,829,078</td>
<td>(2,829,078)</td>
<td></td>
</tr>
<tr>
<td><strong>Total revenues and support and net assets released from restrictions</strong></td>
<td><strong>50,473,947</strong></td>
<td><strong>2,476,988</strong></td>
<td><strong>52,950,935</strong></td>
</tr>
</tbody>
</table>

Expenses and other changes (notes 2, 9, and 10):

<table>
<thead>
<tr>
<th>Auxiliary activities</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bookstores</td>
<td>10,563,951</td>
<td>10,563,951</td>
<td></td>
</tr>
<tr>
<td>Dining Services</td>
<td>8,075,800</td>
<td>8,075,800</td>
<td></td>
</tr>
<tr>
<td>Kellogg West Conference Center</td>
<td>1,789,898</td>
<td>1,789,898</td>
<td></td>
</tr>
<tr>
<td>Continuing Education</td>
<td>4,414,318</td>
<td>4,414,318</td>
<td></td>
</tr>
<tr>
<td>University Village</td>
<td>2,519,242</td>
<td>2,519,242</td>
<td></td>
</tr>
<tr>
<td>Agriculture units</td>
<td>1,169,909</td>
<td>1,169,909</td>
<td></td>
</tr>
<tr>
<td><strong>Total auxiliary activities</strong></td>
<td><strong>28,533,118</strong></td>
<td><strong>28,533,118</strong></td>
<td></td>
</tr>
</tbody>
</table>

Sponsored programs expenses:

<table>
<thead>
<tr>
<th>Direct expenses</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>11,052,430</td>
<td>11,052,430</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,349,966</td>
<td>1,349,966</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total sponsored programs expenses</strong></td>
<td><strong>12,402,396</strong></td>
<td><strong>12,402,396</strong></td>
<td></td>
</tr>
</tbody>
</table>

Campus programs expenses:

<table>
<thead>
<tr>
<th>University programs support</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scholarships</td>
<td>5,338,420</td>
<td>5,338,420</td>
<td></td>
</tr>
<tr>
<td>468,695</td>
<td>468,695</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total campus programs expenses</strong></td>
<td><strong>5,807,115</strong></td>
<td><strong>5,807,115</strong></td>
<td></td>
</tr>
</tbody>
</table>

General expenses:

<table>
<thead>
<tr>
<th>Rental property expense</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>528,684</td>
<td>528,684</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative</td>
<td>930,581</td>
<td>930,581</td>
<td></td>
</tr>
<tr>
<td><strong>Total general expenses</strong></td>
<td><strong>1,459,265</strong></td>
<td><strong>1,459,265</strong></td>
<td></td>
</tr>
</tbody>
</table>

Designated expenses (note 3)

<table>
<thead>
<tr>
<th>Total expenses</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>569,015</td>
<td>569,015</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>569,015</strong></td>
<td><strong>569,015</strong></td>
<td></td>
</tr>
</tbody>
</table>

Other changes – transfer of fixed assets (note 9)

<table>
<thead>
<tr>
<th>Total change in net assets</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>12,321,380</td>
<td>12,321,380</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total expenses and other changes</strong></td>
<td><strong>12,321,380</strong></td>
<td><strong>12,321,380</strong></td>
<td></td>
</tr>
</tbody>
</table>

Net assets at beginning of year

<table>
<thead>
<tr>
<th>Net assets at end of year</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>23,386,495</td>
<td>23,386,495</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net assets released from restrictions</strong></td>
<td><strong>24,534,288</strong></td>
<td><strong>22,274,883</strong></td>
<td><strong>46,809,171</strong></td>
</tr>
</tbody>
</table>
Cash flows from operating activities:

Change in net assets
Adjustments to reconcile change in net assets to net cash provided by operating activities:
Depreciation and amortization
Realized and unrealized gains and losses on investments, net
Loss on disposal of fixed assets
Transfer of fixed assets
Changes in operating assets and liabilities:
Receivables
Inventories
Prepaid expenses and deferred charges
Accounts payable
Accrued liabilities
Deferred income
Deposits held in custody for others
Receipts in excess of expenditures on specific sponsored programs
Unitrust liability
Net cash provided by operating activities

Cash flows from investing activities:
Purchases of fixed assets
Purchases of investments
Proceeds from sales and maturities of investments
Net cash used in investing activities

Cash flows from financing activities:
Repayments of principal on capital lease obligations
Repayments of principal on bonds payable
Proceeds from issuance of bonds payable
Decrease in debt reserve funds
Net cash provided by (used in) financing activities
Net increase in cash and cash equivalents

Cash and cash equivalents, beginning of year
Cash and cash equivalents, end of year

Supplemental disclosure of cash flow information:
Interest paid during the year, net of amounts capitalized of $152,743 for 2002
Noncash investing and financing activities:
The Foundation entered into capital lease obligations for office equipment totaling $354,407 in 2003 and $10,990 in 2002.

* See accompanying notes to financial statements
Note (1) Organization
Cal Poly Pomona Foundation, Inc. (the Foundation) was organized as a nonprofit corporation and auxiliary organization of California State Polytechnic University, Pomona (the University) in 1966. The Foundation assists the University in several ways, including the development and administration of research and education grants and contracts; conducting campus bookstore, dining services, apartment style housing, and conference center operations; the accumulation and management of endowment and student scholarship funds on behalf of the University; and the administration of various educationally related functions, special programs, and other activities.

Note (2) Summary of Significant Accounting Policies
(a) Basis of Presentation
The accompanying financial statements have been prepared using the accrual basis of accounting. Revenues, gains, expenses, and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:
- Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in performing the primary objectives of the Foundation.
- Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time.
- Permanently restricted net assets - Net assets that are permanently restricted by donors for investment in perpetuity. The investment income generated from these funds is available for general support of the Foundation’s programs and operations. There were no permanently restricted net assets as of June 30, 2003 and 2002.

(b) Cash and Cash Equivalents
Cash and cash equivalents consist primarily of fixed income securities of the United States government, corporate bonds with original maturities of three months or less when purchased, and investments in the State Treasurer’s Local Agency Investment Fund and state investment pools.

(c) Concentration of Credit Risk - Cash
The Foundation maintains its cash balances at one financial institution and is exposed to credit risk for amounts exceeding federally insured limits ($100,000) in the event of nonperformance by the financial institution. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk for cash and cash equivalents. Total amounts uninsured at June 30, 2003 and 2002 were $1,947,701 and $3,698,849, respectively.

(d) Investments
Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value with gains and losses included in the accompanying statements of activities as investment income. Fair values of investments are based on quoted market prices. The Foundation does not require collateral or other security to support financial instruments subject to credit risk. However, it is the Foundation’s policy to invest in only high-grade securities.
financial position and a corresponding liability has been recorded to reflect the present value of required lifetime payments to the named beneficiaries.

(j) Sponsored Programs (Grants and Contracts)
The Foundation serves as administrator for grants and contracts awarded to the Foundation on behalf of the University by government and private institutions. The Foundation recognizes income from these grants as sponsored programs revenue only to the extent that expenditures have been made for the purposes specified by the grant agreement. Program expenditures incurred by the Foundation which have not yet been reimbursed under the terms of the grant agreements are shown in the accompanying statements of financial position as "sponsored programs receivables." Amounts received by the Foundation in advance of expenditures are presented in the accompanying statements of financial position as liabilities captioned as "receipts in excess of expenditures on specific sponsored programs."

(k) Donor-Restricted Contributions
Unconditional promises to give are recognized as contributions when received at the net present value of the amounts expected to be collected.

Contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net assets classes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the accompanying statements of activities as net assets released from restrictions.

(l) Expense Allocation
Expenses that can be identified with a specific program or supporting service are charged directly to the related program or supporting service. Expenses that are associated with more than one program or supporting service are allocated based on an evaluation by the Foundation's management. Program service expenses, consisting of sponsored programs expenses, campus programs expenses, and auxiliary activities, less the general and administrative allocation to auxiliary activities, totaled $45,844,434 and $45,017,034 for the years ended June 30, 2003 and 2002, respectively.

(m) Estimates
In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

(n) Income Taxes
The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and state franchise taxes under Section 23701(d) of the California Revenue and Taxation Code.

(o) Reclassifications
Certain June 30, 2002 amounts have been reclassified to conform with the June 30, 2003 presentation.
Note (3)  Designated Net Assets
The following are the unexpended net asset balances that have been designated for specific purposes by the board of directors as of June 30:

<table>
<thead>
<tr>
<th>Net Asset Category</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture state share reserve</td>
<td>$75,000</td>
<td>$75,000</td>
</tr>
<tr>
<td>Equipment replacement</td>
<td>2,786,616</td>
<td>2,042,803</td>
</tr>
<tr>
<td>Faculty/staff housing</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Foundation emergency reserve</td>
<td>120,152</td>
<td>120,152</td>
</tr>
<tr>
<td>Indirect cost disallowance</td>
<td>140,273</td>
<td>125,936</td>
</tr>
<tr>
<td>Interim Design Center</td>
<td>692,716</td>
<td>1,127,950</td>
</tr>
<tr>
<td>Pine Tree Ranch reserve</td>
<td>11,991</td>
<td></td>
</tr>
<tr>
<td>Postretirement medical benefits</td>
<td>227,142</td>
<td>124,689</td>
</tr>
<tr>
<td>Venture capital reserve</td>
<td>472,077</td>
<td>293,571</td>
</tr>
<tr>
<td>Voorhis Fellowship</td>
<td></td>
<td>35,843</td>
</tr>
<tr>
<td>Other</td>
<td>28,763</td>
<td>11,530</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$4,554,730</td>
<td>$3,972,474</td>
</tr>
</tbody>
</table>

Expenditures of Board-designated program activities for the years ended June 30, 2003 and 2002 are summarized as follows:

<table>
<thead>
<tr>
<th>Program Activity</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Athletic program</td>
<td>$40,000</td>
<td>$80,000</td>
</tr>
<tr>
<td>News and publications</td>
<td>152,765</td>
<td>186,977</td>
</tr>
<tr>
<td>Office of Development</td>
<td>23,594</td>
<td>40,437</td>
</tr>
<tr>
<td>Special Foundation grants</td>
<td>12,175</td>
<td>4,674</td>
</tr>
<tr>
<td>Public relations</td>
<td>329,224</td>
<td>256,927</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$557,758</td>
<td>$569,015</td>
</tr>
</tbody>
</table>

Note (4)  Investments
Foundation investments are generally publicly traded debt and equity securities and are recorded at fair value. Investments consist of the following at June 30:

<table>
<thead>
<tr>
<th>Investment Category</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate debt securities</td>
<td>$0</td>
<td>$3,055,492</td>
</tr>
<tr>
<td>Treasury notes</td>
<td>115,334</td>
<td>113,629</td>
</tr>
<tr>
<td>Commercial paper</td>
<td>15,413,088</td>
<td>16,684,949</td>
</tr>
<tr>
<td>Equity securities</td>
<td>233,014</td>
<td>1,496,064</td>
</tr>
<tr>
<td><strong>Total investments by type</strong></td>
<td>$15,761,436</td>
<td>$21,352,134</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Investments</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketable securities</td>
<td>$223,014</td>
<td>$1,498,064</td>
</tr>
<tr>
<td>Other short-term investments</td>
<td>5,706,448</td>
<td>6,749,121</td>
</tr>
<tr>
<td>Long-term investments</td>
<td>9,921,974</td>
<td>13,104,949</td>
</tr>
<tr>
<td><strong>Current and noncurrent investments</strong></td>
<td>$15,761,436</td>
<td>$21,352,134</td>
</tr>
</tbody>
</table>

Investment return for the years ended June 30, 2003 and 2002 is as follows:

<table>
<thead>
<tr>
<th>Income Category</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net realized and unrealized gains and losses</td>
<td>$109,934</td>
<td>$228,560</td>
</tr>
<tr>
<td>Interest and dividend income</td>
<td>1,309,446</td>
<td>1,526,470</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,419,380</td>
<td>$1,755,030</td>
</tr>
</tbody>
</table>

Investment return is allocated to various activities as follows in 2003 and 2002:

<table>
<thead>
<tr>
<th>Activity Category</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auxiliary activities</td>
<td>$50,915</td>
<td>$25,775</td>
</tr>
<tr>
<td>Campus programs</td>
<td>530,071</td>
<td>741,721</td>
</tr>
<tr>
<td>General fund activities</td>
<td>838,394</td>
<td>987,534</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,419,380</td>
<td>$1,755,030</td>
</tr>
</tbody>
</table>

The Foundation also maintains debt reserve funds required by its bond covenants. The debt reserve funds consist of the following at June 30:

<table>
<thead>
<tr>
<th>Debt Reserve Funds</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash equivalents</td>
<td>$24,743</td>
<td>$72,318</td>
</tr>
<tr>
<td>Corporate Debt Securities</td>
<td>400,643</td>
<td></td>
</tr>
<tr>
<td>U.S. government obligations</td>
<td>536,057</td>
<td>947,134</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$961,443</td>
<td>$1,019,452</td>
</tr>
</tbody>
</table>

Bright Idea No. 32:  Service with a smile
Note (5) Contributions Receivable
Contributions receivable are expected to be received as follows at June 30, 2003 and 2002:

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>$1,289,741</td>
<td>$1,742,737</td>
</tr>
<tr>
<td>Within two to five years</td>
<td>3,342,345</td>
<td>4,979,945</td>
</tr>
<tr>
<td>After five years</td>
<td>200,000</td>
<td>596,400</td>
</tr>
<tr>
<td></td>
<td>4,832,086</td>
<td>7,319,082</td>
</tr>
<tr>
<td>Less allowance for uncollectible contributions</td>
<td>(88,275)</td>
<td>(135,638)</td>
</tr>
<tr>
<td>Less discount to reflect contributions receivable at present value</td>
<td>(163,716)</td>
<td>(1,132,589)</td>
</tr>
<tr>
<td></td>
<td>$4,580,095</td>
<td>$6,050,855</td>
</tr>
</tbody>
</table>

Note (6) Bonds and Line of Credit
A summary of bonds payable at June 30, 2003 and 2002 follows:

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds collateralized by the unrestricted revenues of the Foundation - Series 2000 Bonds (b)</td>
<td>$4,945,000</td>
<td>$5,070,000</td>
</tr>
<tr>
<td>Bonds collateralized by the unrestricted revenues of the Foundation - Series 2002A Bonds (c)</td>
<td>4,645,000</td>
<td>5,295,000</td>
</tr>
<tr>
<td>Less current portion</td>
<td>(730,000)</td>
<td>(775,000)</td>
</tr>
<tr>
<td>Noncurrent portion of bonds payable</td>
<td>$8,860,000</td>
<td>$9,590,000</td>
</tr>
</tbody>
</table>

(a) In fiscal year 1991, the Foundation issued Series 1990 B Bonds in the amount of $8,000,000 to finance construction of a student housing facility (Phase II of II), which began in September 1991. The facility is located on land leased from the University. During fiscal year 1994, the Foundation negotiated to restructure the conditions of the bonds. During fiscal year 2002, the Foundation issued refunding bonds, Series 2002A to refund and defease the 1990 B Bonds, and $555,245 was written off in the defeasement of the 1990 B Bonds (see note below (c)). The holders of the 1990 B Bonds were paid in full from account on February 1, 2003 and the debt has been completely defeased.

(b) In fiscal year 2001, the Foundation issued its Auxiliary Organization Bonds, Series 2000 in the amount of $5,070,000 to finance a portion of the construction of three buildings to house the University's continuing education complex. The continuing education complex, referred to as the Center for Technology and Training and Incubation Center (the CTTI), will also include two centrally funded business incubators, classrooms, computer labs, commercial space for a Foundation bookstore and café, and other auxiliary activities. The Series 2000 Bonds are general obligations of the Foundation and are secured principally by the unrestricted revenues of the Foundation. The bonds bear interest at varying rates averaging 5.4%; semiannual deposits are made into a debt reserve fund 45 days in advance of interest payments in an amount equal to the required interest payment plus one-half of the principal of the bonds becoming due in the immediate 12 months. The bonds are redeemable at the option of the Foundation on any interest payment date on or after February 1, 2011 through January 31, 2012 at 101% and at 100% from February 1, 2012 and thereafter. The principal balance of the bonds is due in 2025.

(c) In fiscal year 2002, the Foundation issued its Auxiliary Organization Bonds, Series 2002A in the amount of $5,295,000 to refund and defease the 1990B Series Bonds. The Series 2002A Bonds are general obligations of the Foundation and are secured principally by the unrestricted revenues of the Foundation. The bonds bear interest at varying rates averaging 4.3%; semiannual deposits are made into a debt reserve fund 45 days in advance of interest payments in an amount equal to the required interest payment plus one-half of the principal of the bonds becoming due in the immediate 12 months. The bonds are not subject to optional redemption. The principal balance of the bonds is due in 2010.

(d) In fiscal year 2002, the Foundation entered into an unsecured revolving line of credit for $2,000,000 for purposes of working capital and a $1,000,000 unsecured loan limit to provide bridge financing for local real estate purchases of housing (limited to single-family residences) for faculty and staff of the University. The notes are renewable annually and the outstanding principal balances bear interest at the bank's prime rate or 2.5% above the LIBOR rate. The line of credit matures in November 2003. There were no balances outstanding as of June 30, 2003 and June 30, 2002.

Future minimum principal payments on bonds are as follows:

<table>
<thead>
<tr>
<th>Year ending June 30:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>$730,000</td>
</tr>
<tr>
<td>2005</td>
<td>755,000</td>
</tr>
<tr>
<td>2006</td>
<td>780,000</td>
</tr>
<tr>
<td>2007</td>
<td>815,000</td>
</tr>
<tr>
<td>2008</td>
<td>835,000</td>
</tr>
<tr>
<td>Thereafter</td>
<td>5,675,000</td>
</tr>
<tr>
<td></td>
<td>$9,590,000</td>
</tr>
</tbody>
</table>

Interest expense on the bonds payable totaled $587,718 and $598,298 for the years ended June 30, 2003 and 2002, respectively.
Note (7) Leasing Commitments

Operating Leases As Lessee

The Foundation has a food service agreement with the trustees of the California State University. The agreement is renegotiated annually and requires that the Foundation pay for the use of Los Olivos Commons, based on 6% of gross annual sales of the residence hall food service facility. For the years ended June 30, 2003 and 2002, such amount totaled $267,340 and $246,780, respectively, which was included in rent expense.

Land and certain facilities used in the Foundation operations are leased to the University for a nominal amount from both the state of California and the University. The leases are in effect with various termination dates between 2010 and 2025.

The Foundation has various non-cancelable operating lease agreements for office and conference space and office equipment, with terms ranging from 36 to 60 months.

Future minimum payments under non-cancelable operating lease agreements at June 30, 2003 are as follows:

<table>
<thead>
<tr>
<th>Year ending June 30:</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2004</td>
<td>2005</td>
<td>2006</td>
<td>2007</td>
<td>$254,588</td>
</tr>
<tr>
<td>2004</td>
<td>$123,396</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>69,325</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>60,550</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>1,317</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$254,588</td>
</tr>
</tbody>
</table>

Capital Leases As Lessee

The Foundation has various non-cancelable capital lease agreements for office equipment with terms ranging from 41 to 60 months and interest ranging from 8.5% to 10.0%.

Future minimum payments under non-cancelable capital lease agreements at June 30, 2003 are as follows:

<table>
<thead>
<tr>
<th>Year ending June 30:</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2004</td>
<td>2005</td>
<td>2006</td>
<td>2007</td>
<td>$364,272</td>
</tr>
<tr>
<td>2004</td>
<td>$66,013</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>73,801</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>70,881</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>70,881</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thereafter</td>
<td>11,815</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$364,272</td>
</tr>
</tbody>
</table>

As Lessor

Land, office and certain facilities are leased to the American National Red Cross, state of California and the University. Some of the leases are all-inclusive while other leases require the tenants to pay a pro-rata share of common area maintenance and are in effect with various termination dates between 2005 and 2058.

Future minimum payments under non-cancelable operating lease agreements at June 30, 2003 are as follows:

<table>
<thead>
<tr>
<th>Year ending June 30:</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2004</td>
<td>2005</td>
<td>2006</td>
<td>2007</td>
<td>$21,683,907</td>
</tr>
<tr>
<td>2004</td>
<td>671,694</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>837,451</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>978,414</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>359,370</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>359,370</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thereafter</td>
<td>18,477,608</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$21,683,907</td>
</tr>
</tbody>
</table>

Note (8) Pension Plan

The Foundation participates in a multi-employer defined benefit plan through the California Public Employees’ Retirement System (PERS) which covers substantially all regular full-time employees of the Foundation. PERS acts as a common investment and administrative agent for participating public entities with the state of California and reports information to the Foundation in accordance with reporting standards established by the Governmental Accounting Standards Board. The effects of adopting the reporting provisions of the FASB on the financial statements as of June 30, 2003 versus the information provided by PERS have been determined to be immaterial to the Foundation’s financial statements taken as a whole.

The Foundation’s policy is to fund pension costs as incurred. No pension expense was recorded in the accompanying statements of activities for the years ended June 30, 2003 and 2002. PERS has notified the Foundation that due to a sluggish economy and lower stock prices the contribution rate for the year ended June 2004 will be 4.012% and is estimated to be 8.1% for fiscal year 2005. The following table sets forth the most recent information provided by PERS which is as of June 30, 2001 (the latest date for which information is available):

<table>
<thead>
<tr>
<th>Year ending June 30:</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>671,694</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>837,451</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>978,414</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>359,370</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>359,370</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thereafter</td>
<td>18,477,608</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$21,683,907</td>
</tr>
</tbody>
</table>

Note (9) Transactions with the University and University Educational Trust

The Foundation and the University provide various services on each other’s behalf. Such services are appropriately billed. At June 30, 2003 and 2002, receivables from other activities and due from the University are approximately $2,346,802 and $999,213, respectively. Accounts payable include approximately $949,932 and $1,595,886 due to the University at June 30, 2003 and 2002, respectively.

Amounts billed by the Foundation and included in revenues for the years ended June 30, 2003 and 2002 totaled approximately $6,569,617 and $6,650,416, respectively. Amounts billed to the Foundation and included in expenses for the years ended June 30,
2003 and 2002 totaled approximately $4,293,358 and $4,002,703 respectively.

During the year ended June 30, 2003 and 2002, the Foundation transferred fixed assets totaling $1,077,169 and $12,321,380, comprised of newly constructed buildings and renovations for various colleges to the University. The University assumed ownership and management of these facilities.

Note (10) Other Postretirement Benefits

In addition to the Foundation’s multi-employer defined benefit pension plan, the Foundation sponsors a defined benefit health care plan that provides postretirement medical benefits to full-time employees who have at least 5 years of service and attained age 50 while in service with the Foundation. The plan is contributory up to a predetermined cap. The Foundation’s maximum contribution will increase by no more than 5% per year. The Foundation’s policy is to fund the cost of medical benefits in amounts determined at the discretion of management. The following table summarizes the Foundation’s accrued postretirement benefit cost recorded in accrued liabilities in the accompanying statements of financial position:

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit obligation at June 30</td>
<td>$9,215,402</td>
<td>$6,704,039</td>
</tr>
<tr>
<td>Fair value of plan assets at June 30</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Funded status</td>
<td>$(9,215,402)</td>
<td>$(6,704,039)</td>
</tr>
<tr>
<td>Accrued benefit cost recognized in the statements of financial position</td>
<td>$(3,733,938)</td>
<td>$(2,928,094)</td>
</tr>
</tbody>
</table>

Weighted average assumptions as of June 30:
- Discount rate: 6.50% 7.00%
- Expected long-term rate of return on plan assets: N/A N/A

For measurement purposes, the 2003 annual assumed rate of increase in the per capita cost of covered benefits (i.e., health care cost trend rate) is 9% for those younger than 65 years of age and 10% for those age 65 and older for 2003, and is assumed to decrease gradually to a maximum of 5.5% in 2005 and thereafter.

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit cost</td>
<td>$1,079,736</td>
<td>$977,529</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>273,891</td>
<td>297,088</td>
</tr>
<tr>
<td>Plan participants’ contributions</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>$273,891</td>
<td>$297,088</td>
</tr>
</tbody>
</table>

Note (11) Temporarily Restricted Net Assets

Temporarily restricted net assets totaling $22,758,254 and $22,274,883 at June 30, 2003 and 2002, respectively, are restricted for campus programs activities.
### Assets:

**Current Assets**
- Cash and cash equivalents:
  - On hand and in commercial accounts
  - Cash equivalents
- Marketable securities, at fair value (note 4)
- Short-term investments, at fair value (note 4)
- Investments restricted as to use - debt service, at fair value (note 4)

**Receivables**
- Sponsored programs (note 2)
- Contributions, net (note 5)
- Other activities, net of allowance for doubtful accounts of $67,854 for 2003 and $69,522 for 2002

**Inventories**
- Prepaid expenses and deferred charges
- Due (to) from other activities

**Property, plant, and equipment:**
- Land
- Buildings and improvements
- Equipment, furniture, and fixtures
- Orchards
- Construction in progress
- Less accumulated depreciation and amortization
- Total property, plant, and equipment

**Other Assets**
- Long-term investments restricted as to use-debt service, at fair value (note 4)
- Long-term investments, at fair value (note 4)
- Contributions receivable, net of current portion (note 5)

**Liabilities and Net Assets:**

**Current Liabilities**
- Accounts payable
- Accrued liabilities
- Deferred income
- Deposits held in custody for others (note 2)
- Current portion of lease obligations (note 7)
- Current portion of bonds and note payable (note 6)
- Receipts in excess of expenditures on specific sponsored programs (note 2)

**Noncurrent Liabilities**
- Accrued liabilities (note 10)
- Noncurrent portion of bonds and note payable (note 6)
- Unitrust liability (note 2)
- Lease obligations (note 7)

**Net assets (note 2 and 3)**
- Unrestricted
- Temporarily restricted (note 11)

### June 30, 2003 and 2002

<table>
<thead>
<tr>
<th></th>
<th>General</th>
<th>Designated</th>
<th>Auxiliary Activities</th>
<th>Sponsored Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets</td>
<td>11,795,132</td>
<td>214,009</td>
<td>664,351</td>
<td>1,000</td>
</tr>
<tr>
<td></td>
<td>75,584</td>
<td>5,591,115</td>
<td>961,443</td>
<td></td>
</tr>
<tr>
<td>Total receivables, net</td>
<td>5,666,699</td>
<td></td>
<td>961,443</td>
<td></td>
</tr>
<tr>
<td>Total current assets</td>
<td></td>
<td>3,026,260</td>
<td>3,026,260</td>
<td></td>
</tr>
<tr>
<td>Property, plant, and equipment</td>
<td>6,348,611</td>
<td>8,348,760</td>
<td>6,335,647</td>
<td>3,815,193</td>
</tr>
<tr>
<td></td>
<td>3,701</td>
<td>2,120,000</td>
<td>2,120,000</td>
<td>1,184,868</td>
</tr>
<tr>
<td>Total property, plant, and equipment</td>
<td>9,821,974</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total other assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>15,162,510</td>
<td>8,352,461</td>
<td>28,873,993</td>
<td>5,000,061</td>
</tr>
</tbody>
</table>

| Liabilities and Net Assets |       |            |                      |                    |
| Current Liabilities       | 2,223,595| 63,793     | 3,305,363            | 3,815,193          |
| Total current liabilities | 488,681  | 63,793     | 1,459,318            | 1,011,166          |
| Accrued liabilities       | 1,109,117| 409,648    | 12,729               |                    |
| Deferred income           | 562,263  | 705,738    |                      |                    |
| Deposits held in custody for others | 65,354 | 659 | 730,000 |
| Current portion of lease obligations | | | |
| Current portion of bonds and note payable | | | |
| Receipts in excess of expenditures on specific sponsored programs | | | |
| Noncurrent Liabilities   | 2,982,259| 3,733,938  | 8,600,000            |                    |
| Total noncurrent liabilities | | | | |
| Total liabilities        | 2,521,854| 3,797,731  | 12,165,363           | 3,815,193          |
| Net assets (note 2 and 3) | | | | |
| Unrestricted              | 2,640,656| 4,554,730  | 16,708,630           | 1,184,868          |
| Temporarily restricted (note 11) | | | | |
| Total net assets         | 2,640,656| 4,554,730  | 16,708,630           | 1,184,868          |
| Total liabilities and net assets | 5,162,510| 8,352,461  | 28,873,993           | 5,000,061          |
Bright Idea No. 348:
Make guests feel at home

<table>
<thead>
<tr>
<th>Campus Programs</th>
<th>2003 Total</th>
<th>2002 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$7,680</td>
<td>$9,992,532</td>
<td>$7,055,882</td>
</tr>
<tr>
<td>6,861</td>
<td>2,696,501</td>
<td>1,547,374</td>
</tr>
<tr>
<td>14,541</td>
<td>12,689,033</td>
<td>8,603,256</td>
</tr>
<tr>
<td>157,430</td>
<td>233,014</td>
<td>1,498,064</td>
</tr>
<tr>
<td>115,333</td>
<td>5,706,448</td>
<td>6,749,121</td>
</tr>
<tr>
<td></td>
<td>961,443</td>
<td>472,716</td>
</tr>
<tr>
<td>272,763</td>
<td>6,900,905</td>
<td>8,719,901</td>
</tr>
<tr>
<td>1,201,466</td>
<td>3,026,260</td>
<td>2,830,272</td>
</tr>
<tr>
<td></td>
<td>1,201,466</td>
<td>1,607,099</td>
</tr>
<tr>
<td>664,172</td>
<td>3,989,048</td>
<td>2,830,618</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,865,638</td>
<td>8,216,774</td>
<td>7,267,989</td>
</tr>
<tr>
<td>11,478</td>
<td>1,910,647</td>
<td>2,164,243</td>
</tr>
<tr>
<td>1,504</td>
<td>302,760</td>
<td>184,495</td>
</tr>
<tr>
<td>15,703,206</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>17,869,130</td>
<td>30,020,119</td>
<td>26,939,884</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>728,910</td>
<td>944,611</td>
<td>247,701</td>
</tr>
<tr>
<td>2,005,583</td>
<td>31,334,922</td>
<td>29,325,830</td>
</tr>
<tr>
<td>8,692</td>
<td>7,490,199</td>
<td>6,738,554</td>
</tr>
<tr>
<td>131,963</td>
<td>131,963</td>
<td></td>
</tr>
<tr>
<td>805,252</td>
<td>3,149,767</td>
<td>1,862,749</td>
</tr>
<tr>
<td>3,548,437</td>
<td>43,051,362</td>
<td>38,305,699</td>
</tr>
<tr>
<td>(555,245)</td>
<td>(14,642,108)</td>
<td>(13,387,090)</td>
</tr>
<tr>
<td>2,993,192</td>
<td>28,409,254</td>
<td>24,919,609</td>
</tr>
<tr>
<td></td>
<td>9,821,974</td>
<td>5,46,736</td>
</tr>
<tr>
<td></td>
<td></td>
<td>13,104,949</td>
</tr>
<tr>
<td>3,378,629</td>
<td>3,376,629</td>
<td>4,443,756</td>
</tr>
<tr>
<td>3,378,629</td>
<td>13,200,603</td>
<td>18,095,441</td>
</tr>
<tr>
<td>$24,240,951</td>
<td>$71,629,976</td>
<td>$69,954,934</td>
</tr>
</tbody>
</table>

* See accompanying notes to combining statements of financial position
WHAT MAKES A BRIGHT IDEA EVEN BRIGHTER?

- Join parts in new ways
- Keep it simple
- Understate
- Laugh about it
- Make it smarter
- Raise it higher
- Adjust the rhythm
- Add time
- Electify
- Move a mountain
- Change the lettering
- Reverse motion
- Vary the apparatus
- Make it lighter
- Put it together in a different way
- Replace the middle
- Give it a kick
- Translate to another language
- Mold it in metal
- Increase memory
- Pour liquids into it
- Reduce the tempo
- Put it on a shelf
- Fold it up
- Make it shorter
- Automate
- Wave it around
- Take the path less traveled
- Bridge the gap
- Weather-proof it
- Make it work
- Sharpen the edges
- Wash it
- Write a guide for it
- Polish the buttons
- Tum it around
- Chain it together
- Make it more distinctive
- Discuss it with others
- Another angle
- Clock the speed
- Make it fly
- Add examples
- Slice it up
- Make it narrower
- Make it fail safe
- Go for a swim
- Switch windows
- Vary the content
- Drain it to the bilge
- Go for a walk
- Make it wider
- Mold it in wax
- Ask how high?
- Make it ring
- Upgrade the wiring
- Add a door
- Create a working model
- Make it last a long time
- Add a brake
- Put a cork in it
- Make it more streamlined
- Box it up
- Cushion the shock
- Exchange cores
- Replace the frame
- Bottle it
- Miniaturize
- Make it bigger
- Add sound
- Overhaul the engine
- Roll the dice
- Add sound effects
- Knit it in wool
- Sand the rough spots
- Pick a number
- Write about it
- Dig a mole hole
- Oil the parts
- Make it more durable
- Try something new
- Observe closely
- Tweak the process
- Convert power
- Exchange parts
- Write copious notes
- Flavor to taste
- Reverse action and reaction
- Think "Barbecue"
- Make it lower
- Rub it
- Get a second opinion
- Occupy less space
- Make it use less room
- Make it three dimensional
- Paint it
- How does it smell?
- Sleep on it
- Make it stronger
- Roll it around
- Organize the process
- Give it a name
- Make it simpler
- Transform the operation
- Correct how it runs
- Change the order
- Follow a different set of rules
- Replace the bulbs
- Play it to music
- Switch purposes
- Write a paper
- Spindle it
- Make it easier
- Illustrate it
- Substitute people
- Alter the size
- Make it brighter
- Exchange relationships
- Replace the siding
- Enrich it with silver
- Trade places
- Make it more effective
- Bake it
- Record your results
- Polish the surface
- Re-position
- Pull, don't push
- Adjust the adjustability
- Read
- Smooth it with silk
- Add functions
- Sharpen a point
- Shake it
- Choose something else
- Lighten it
- Ask questions
- Run by land
- by sea
- by air
- Alter the seating
- Make less noise
- Think "Hamburger"
- Expand the dimensions
- Change the temperature
- Expand the range
- Zoom in/out
- Make it more natural
- Make it louder
- Substitute a different scale
- Chisel it in stone
- Teach others about it
- Test it thoroughly
- Color it
- Connect another system
- Revise something
- Put theory into practice
- Switch supports
- A different thought
- Add other parts
- Think inside, outside, beneath, above, beside the box
- Other times
- Try it in summer
- Fall
- Winter
- Spring
- Issue a statement
- Stretch it out
- Make it more efficient
- Go deeper
- Can it with tin
- Roughen the surface
- Restructure
- Make it transportable
- Talk about it
- Go backwards and forward
- Make it economical
- Push, don't pull
- Other ways to stop
- Entertain suggestions
- Add new ingredients
- Ring it with brass
- Reverse cause and effect
- Change the way it's built
- Get it dirty
- Concentrate it
- Make it in steel
- Vary a stitch
- Boil it
- Exchange the can
- Balance it
- Change the behavior
- Make it more understandable
- Convert a step
- Make it more comfortable
- Other ways to start
- Full steam ahead
- Compare it to the competition
- Increase current
- Lengthen it
- Shuffle and resort the parts
- Transform the base
- Change the focus
- Trade stages
- Augment the controller
- Add aroma
- Experiment
- Look at the layers
- Alter the action
- Make it more flexible
- Curve the straight lines
- Clad it with copper
- Make a decision with it
- Have it make copies
- Alter its direction
- Utilize another development
- Make it faster
- Elaborate the design
- Scour history for priors
- Put a cover on it
- How are you going to distribute it?
- Amend the authority
- Add motion
- Educate yourself in theory
- Revise the body
- Switch the connections
- Make it amusing
- Identify significant events
- Compress it
- Keep it clean
- Drill a hole into it
- Modify the amount
- Make it more maintainable
- Do something on impulse
- Vary conditions
- Enrich with art
- Substitute color schemes
- Add more to it
- Change the focus
- Look at it from a distance
- Heat it up
- Try it night and day
- Swap substances
- Group things together
- Rise higher
- Reason things out
- Smooth it out in linen
- Save your senses
- Compose narrative
- Try something else

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