



MESSAGE FROM  
THE PRESIDENT

# PARTNERS

I am proud to present the Cal Poly Pomona Foundation, Inc. Biennial Report for 2003-2004 and 2004-2005. Important fiscal, programmatic and partnership contributions by the Foundation have promoted university advancement and progress toward achieving a learning-centered environment.

This report provides an opportunity to review the many accomplishments of the Foundation as it has helped 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, campus activities, scholarships and development of real property programs and partnerships within the local community.

During the past two years, the Foundation has undertaken a number of initiatives which resulted in major facility improvements. These advancements include:

- Further development of the Innovation Village Research Park
- Addition of the American Red Cross facility
- Realization of development plans for Phase III of Innovation Village
- Extension of Kellogg Drive
- Completion of the Center Court at the Bronco Student Center
- Development, design and construction of Phase III of the University Village
- Extension of Campus Drive and the new entrance to the University Village
- Opening of the Vista Café to provide food service to Residential Suites
- Implementation of a Faculty/Staff Housing Program
- Completion of the remodel of the Bronco Bookstore with implementation of the BroncoGear section

On behalf of the university community, I wish to express my gratitude for the strong leadership and direction exhibited by the Foundation's staff and its Board of Directors. The Foundation will be celebrating its 40th anniversary in 2006 and I thank them for their valuable contributions to both the university and the multitude of students, faculty and staff that have benefited from their efforts and I look forward to their continued success in the future.

Sincerely,

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



CAL POLY POMONA FOUNDATION

# VISION AND MISSION

## Vision

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.

## Mission

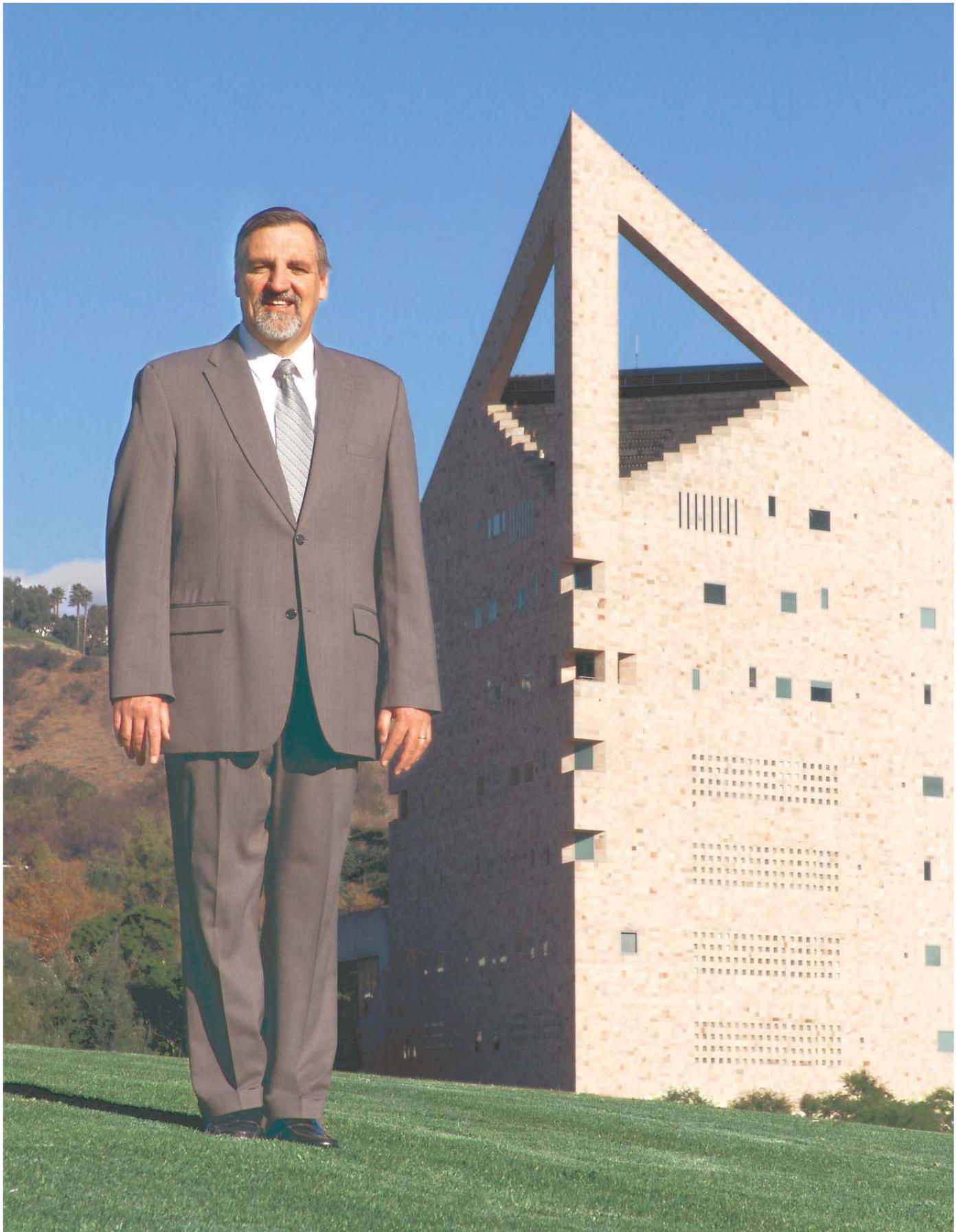
The Cal Poly Pomona Foundation, Inc., established in 1966, is an integral component of the educational mission of the university. In pursuit of this mission, the Foundation is a partner in the university community which includes students, faculty, staff, administrators, alumni and members of the larger 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 that 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 of ethics, honesty, competency, and professionalism in all its employees.
- Developing and motivating employees to express an entrepreneurial spirit by using creativity, innovation, initiative and open communication.
- Maintaining its commitment to affirmative action, equal opportunity, and career development in a safe working environment.

The Cal Poly Pomona Foundation, 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

### 2003-2004

J. Michael Ortiz  
Chair, Ex-Officio Director  
Barbara Argo  
Ex-Officio Director  
J. Michael Berman  
Ex-Officio Director  
Glenda Brock  
Ex-Officio Director  
Jason Dyogi  
Ex-Officio Director  
Patricia L. Farris  
Ex-Officio Director  
Gary Fredericksen  
Ex-Officio Director  
Tomas Morales  
Ex-Officio Director  
Ronald Simons  
Ex-Officio Director  
Edwin Barnes  
Member at Large Director  
Edward Hohmann  
Dean Director  
Rochelle Kellner  
Faculty Director  
David Kopplin  
Faculty Director  
Sue Moore  
Staff Director  
Marian Sherman  
Staff Director  
Jesse Cerda  
Student Director  
Cesar Bravo  
Student Director  
Lowell Overton  
Community Director  
Oliver Santos  
Community Director  
Andre Valencia-Dupret  
Community Director

### 2004-2005

J. Michael Ortiz  
Chair, Ex-Officio Director  
Barbara Argo  
Ex-Officio Director  
Debra Brum  
Ex-Officio Director  
Glenda Brock  
Ex-Officio Director  
Jason Dyogi  
Ex-Officio Director  
Patricia L. Farris  
Ex-Officio Director  
Gary Fredericksen  
Ex-Officio Director  
Tomas Morales  
Ex-Officio Director  
Ronald Simons  
Ex-Officio Director  
Edwin Barnes  
Member at Large Director  
Edward Hohmann  
Dean Director  
Daniel Hostetter  
Faculty Director  
David Kopplin  
Faculty Director  
Becky Pepping  
Staff Director  
Marian Sherman  
Staff Director  
Jesse Cerda  
Student Director  
Darren Ross  
Student Director  
Lowell Overton  
Community Director  
Oliver Santos  
Community Director  
Andie Valencia-Dupret  
Community Director

Became inactive from board membership during 2004-05 fiscal year  
Art Suwansang, Student Director

## ABOUT US

The Cal Poly Pomona Foundation, Inc. was created in 1966 to serve and support the "educational needs of the university" while providing affordable goods and services to the campus-community 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 the 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, Provost and 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, two faculty representatives, one dean representative, one member-at-large representative, and three community representatives.

The Board of Directors establish financial and administrative policies 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 \$2,418,681 to the university in direct financial support (\$569,015 in 2002, \$557,758 in 2003, \$705,375 in 2004 and \$586,533 in 2005). The Foundation further supports the university through its Award Winning Dining Services; Foundation Housing Service (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 student scholarships 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 surplus revenue to the campus through designated gifts to the university in the

FOUR DECADES  
SUPPORTING  
QUALITY  
EDUCATION



# 1966-2005

## CAL POLY POMONA FOUNDATION, INC.

form of construction of new facilities, equipment purchases, university event donations, publications, development, public relations and staff assistance for university activity planning and promotions. Over the past two years, the Foundation provided funding and administrative support in the completion of Innovation Village Project Phase II, and Phase III of University Village, as well as Center Court at the Bronco Student Center, completion of bookstore renovation, opening Subway and opening the Geneva Café at Innovation Village.

As the largest employer of Cal Poly Pomona students, the Foundation provided jobs for 1,226 students in 2003-2004 and 1,215 students in 2004-2005. 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 \$3,177,163 expended on student payroll in 2003-2004 and \$2,849,170 in 2004-2005, 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 by providing diversity training and professional development seminars.

The Foundation actively supports programs and projects by partnering with the university on numerous campus events - The Annual Fall Conference, BroncoFusion, Hot Dog Caper, Harvest Auction and the Founders' Day celebration to name a few. It also provides many employment opportunities in support of the Student Intern Program.

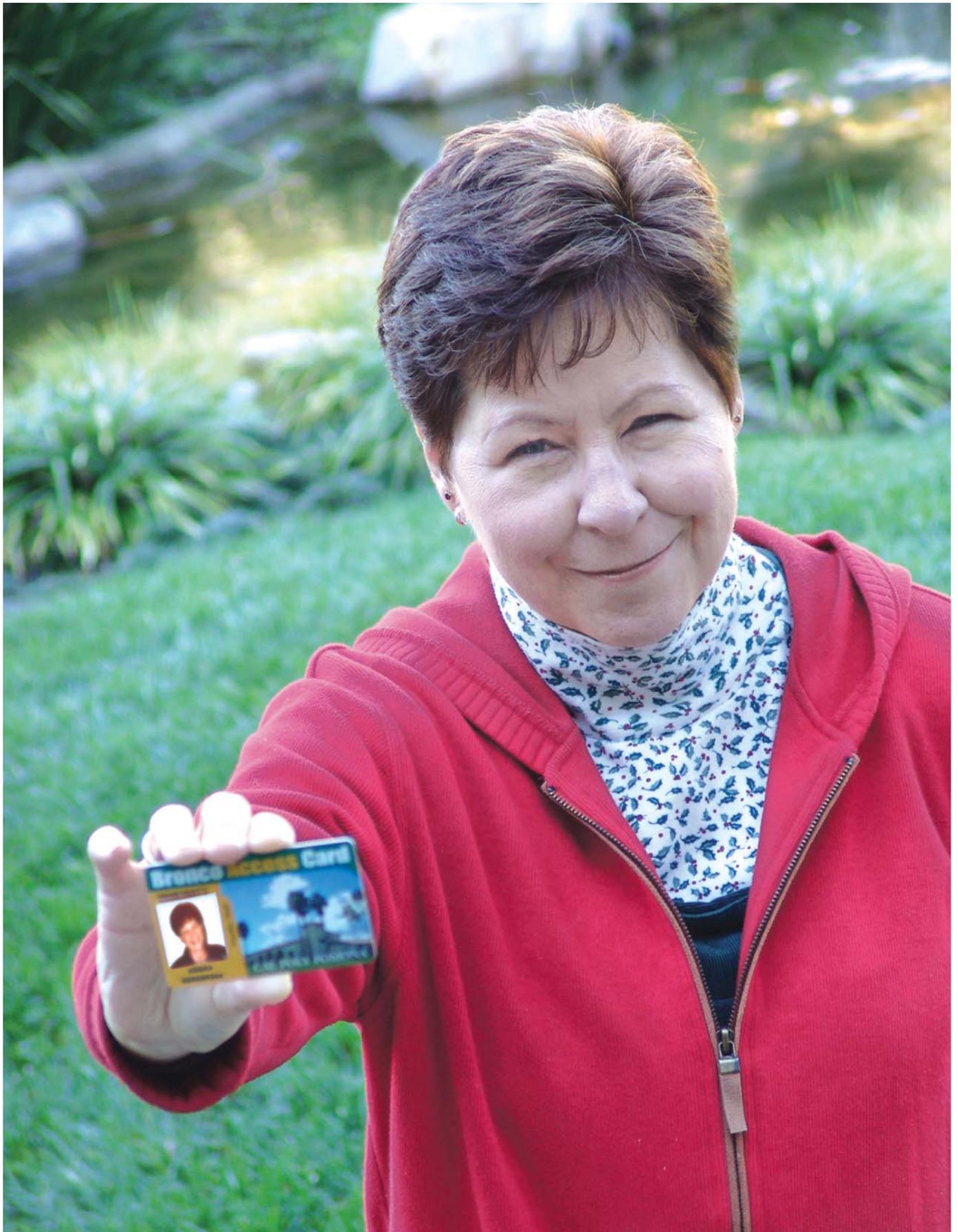
While serving campus constituents, the Foundation also supports outreach programs to the outside community through the Foundation CARES Program (Community Assistance Reinforcing Educational Success). The Foundation CARES Program was developed by employees to provide ongoing community outreach. During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

	2005	2004	2003	2002	Total
Athletics Programs	\$50,000	\$40,000	\$40,000	\$80,000	\$ 210,000
News & Publications	139,517	167,941	152,765	186,977	647,200
Office of Development	85,300	78,229	23,594	40,437	227,560
University Public Relations	273,922	419,205	329,224	256,927	1,279,278
Special Foundation Grants	37,794		12,175	4,674	54,643
<b>Sub-Total</b>	<b>\$586,533</b>	<b>\$705,375</b>	<b>\$557,758</b>	<b>\$569,015</b>	<b>\$2,418,681</b>





# ADMINISTRATIVE AND FINANCIAL SERVICES

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. Enterprise operations include the Bronco Bookstore, CTTI Books, 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 Administrative and Financial Services Department. This department's mission is to provide quality, accurate and timely information and analysis to meet the growing needs of the Foundation. This department is responsible for and coordinates all administrative matters affecting the Foundation.

The university is provided services through the migration and upgrade of the financial accounting system from MPE to UNIX. On-line 24/7 access to real time information was improved through the implementation of terminal services with training sessions for staff and users, web enabled forms, agreements and procedures and electronic reporting to reduce redundancy, and efficiently process transactions. The financial accounting system was upgraded with the conversion of the fixed assets module from MPE to TRIAD in the Bi-tech module. With the financial accounting system terminal services in place, administration and project managers have access to pertinent information for decision-making purposes. In addition, internal managers have been assigned to work with the colleges, divisions and project managers in meeting the needs of their programs and scholarships.

Financial reports have been developed to meet the needs of the university to allow for the review of their Foundation resources along with the efficient administration of receipts, 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. Purchasing cards are being used more to pay for goods and with the interface, we now upload the card holder's and vendor's name with the transactions. Data backup and recovery is an important responsibility and we have implemented a backup system that enables us to restore the data 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 administration, human resources and payroll with the collection, management, analysis and distribution of critical labor data - resulting in improved use of labor resources thereby reducing our costs. The web-based system is now interfaced between human resources and payroll, allowing for current data to be passed along to track employee's information, attendance and monitor daily labor activities. Standard or custom reports and reminders are scheduled to run automatically giving managers up-to-date information and control. With the conversion of all departments to this web-based software, the Foundation is experiencing 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. University ride share scrip was converted to the Bronco Access Card, eliminating the necessity to print, track, and maintain scrip by the Foundation and university. We also implemented a centralized Gift Card Program for our commercial enterprise operations providing our customers access to our various venues.

**GIFTS, BEQUESTS,  
AND DONATIONS**

During the past two years, California State Polytechnic University, Pomona and its various organizations received donations and gifts in the amount of \$13,124,030 and the Foundation received and administered \$6,438,884 of that amount.

**Endowments and Donations**

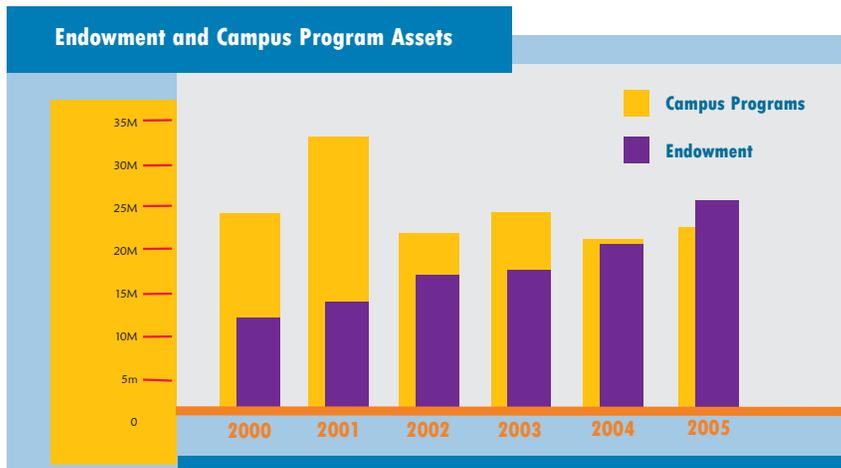
The university encourages friends to contribute to endowments, scholarships/campus programs and projects that promote academic excellence. Cal Poly Pomona endowments are held in the University Educational Trust (UET) and are valued at \$25,638,006 and \$20,931,641 and scholarships/campus programs held in the Foundation are valued at \$23,308,607 and \$22,305,722 at June 30, 2005 and 2004 respectively. The UET Board of Directors approved the establishment of an endowment incentive program and provided \$200,000 matching funds for new endowments.

**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 23701(d) and the United State 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. 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.

	Endowments	Campus Program
2000	\$12,461,798	\$24,281,803
2001	14,689,011	33,416,024
2002	17,560,736	22,924,286
2003	18,109,604	24,240,951
2004	20,931,641	22,305,722
2005	25,638,006	23,308,607





## REAL ESTATE

The vision of the Real Estate Department is to provide industry expertise for the accumulation and growth of a real estate-based portfolio of properties in support of university programs.

### Innovation Village Research Park

The Foundation continues developing 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 amenities, and a student base.

In 2004 the American Red Cross chose Cal Poly Pomona's Innovation Village for its intellectual capital and research resources. With its research and development programs, the American Red Cross strengthens its life-saving mission by improving blood safety and creating health improvements that could save or enhance thousands of lives each year.

The American Red Cross joins the already established business community of Innovation Village - a home to the NASA Commercialization Center. Innovation Village is 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.

CSU Chancellor Charles Reed was an invited guest at the U.S. Senate Health, Education, Labor and Pensions (HELP) Committee roundtable entitled "Higher Education and Corporate Leaders: Working Together to Strengthen American's Workforce." Chancellor Reed shared information on building public-private partnerships as CPP and the Foundation have done with the American Red Cross at Innovation Village. There are plenty of opportunities for us to work closely with business partners in our community, including the sponsoring of scholarships, internships, and job placement opportunities. Additionally, several of our campuses have undertaken innovative joint ventures that benefit all parties involved. CPP and the Foundation are launching a joint public/private partnership known as Innovation Village. The new American Red Cross regional headquarters that just opened at Innovation Village will be the largest blood processing facility in the country. The university offers the American Red Cross a strategic location and access to vast university resources. In return, having that facility offers the university prime educational and research opportunities.

Cal Poly Pomona Foundation's efforts in developing public/private partnerships between campus and Innovation Village tenants has created an environment where the public and private sectors can collaborate on projects supporting the mission of the university while providing opportunities for our students and faculty. During 2004-05 fifteen students have served internships at the NASA Commercialization Center and several went on to full-time employment. The relationship between Cal Poly Pomona and the American Red Cross offers enormous potential for the CSU, for the Pomona Valley, as well as the entire Southern California region.

Planning for Phase III of Innovation Village has begun. Trammel Crow Company has been selected to proceed with development plans. They propose to finance and construct a 100,000-120,000 square foot speculative office/research building in Innovation Village. The university and the Foundation propose to enter into long-term ground lease/sublease agreements to accomplish this development project.

Educational and financial benefits to the campus and the community include providing a setting for the interface between the university's human and technological resources and those of the private sector and not-for-

profit organizations. Innovation Village promotes and supports technology transfer, student and faculty professional advancement employment, as well as economic development.

An Affiliates Program has been approved by the cabinet, the president, and the various campus units designed to offer tenant employees of Innovation Village Research Park privileges similar to those enjoyed by faculty and staff. This supports the partnering and connections between the campus and industry. The Affiliates Program and its offerings are listed on the Innovation Village website: [www.innovationvillage.org](http://www.innovationvillage.org). Company employees of Innovation Village Research Park are now visiting our campus for food services, entertainment and fitness programs and are beginning to utilize their new Affiliate status.

### Faculty/Staff Housing

The Foundation fosters a strong sense of community by offering local home purchase opportunities to faculty and staff. Over the past two years the development of low-income housing assistance has expanded in an effort to show that the university is committed to having a strong, vibrant neighborhood near the campus. The Real Estate Department has investigated the acquisition of numerous homes located adjacent to the campus for purposes of resale to faculty/staff subject to a ground lease. A total of 11 homes have been acquired through the end of the year, an increase of 7 homes from the prior year.

Ten of the eleven homes are located within the residential tract of homes located immediately north of university property currently being developed for Innovation Village and south of the 57 freeway overpass at Valley Boulevard. These acquisitions have the potential to fulfill two objectives: (1) the existing residential home on the property can be made available to faculty and staff on a ground lease from the Foundation, which will help provide affordable housing options to future recruits of the university; (2) the long-term objective of having property that could be converted to meet future university needs.



The Foundation Faculty/Staff Housing Program sends a message to the community and to Cal Poly Pomona employees that the campus is very positive about this neighborhood and is showing this by making it easier for university employees to purchase homes in the area. Home ownership is a critical factor in neighborhood stability.

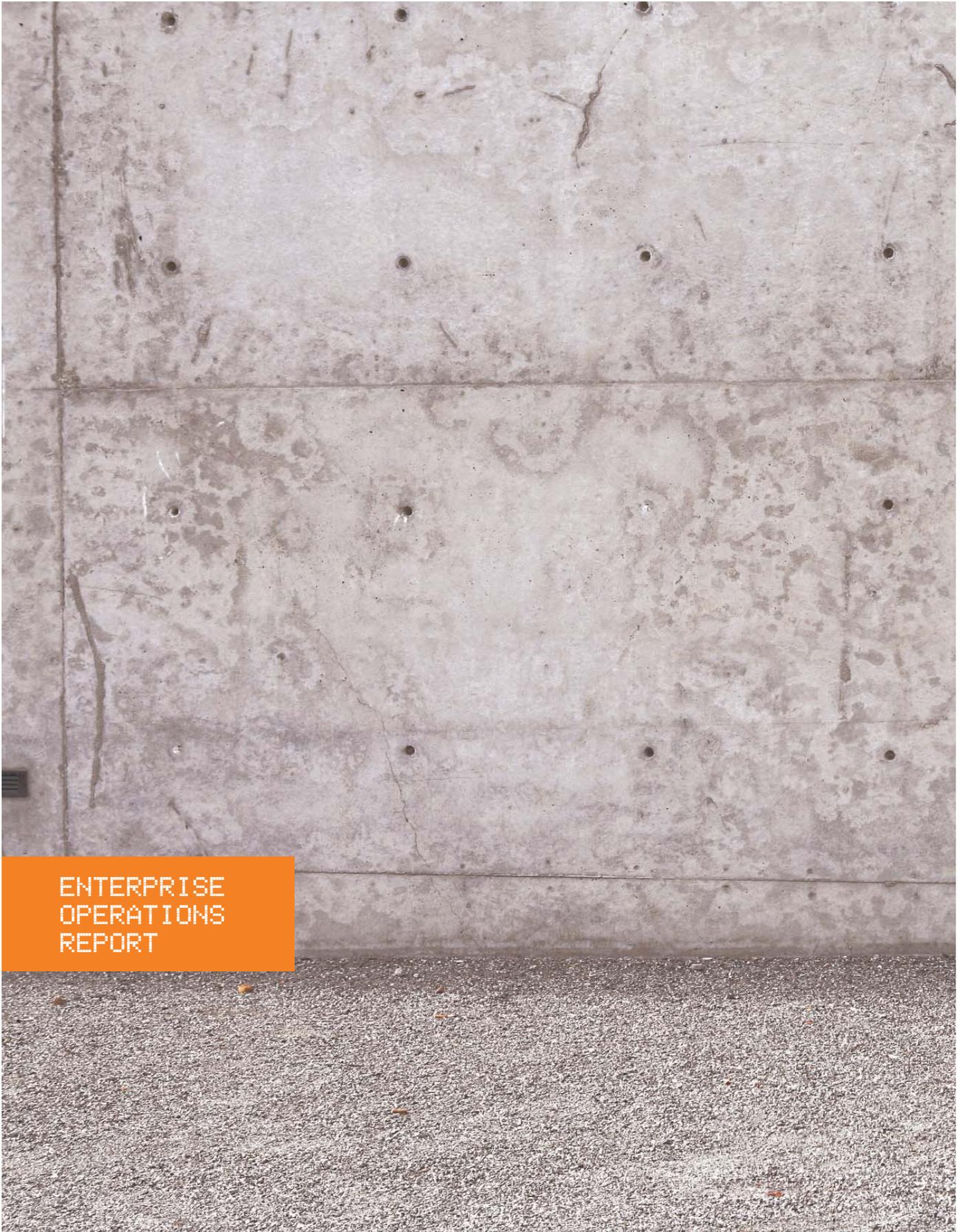
Housing Assistance Information Program has also expanded over the past two years. The Foundation and its Real Estate Department have developed two products designed to deliver housing assistance information to the campus community:

- **Hard Copy Information Packets.** These packets contain a variety of local information, statistics, contact points and consultants specific to the surrounding communities. These packets are made available at each Fall Conference and on request throughout the year.

- **Housing Assistance Website.** The Foundation website includes a link to an electronic equivalent to the hard copy information packet described above at: [www.foundation.csupomona.edu/HousingAssistance/main.asp](http://www.foundation.csupomona.edu/HousingAssistance/main.asp). This website also features properties available to the campus.

The Foundation continues to look at opportunities to develop new housing units on campus and works on establishing partnerships with private developers to create off campus housing locations.





ENTERPRISE  
OPERATIONS  
REPORT





## FOUNDATION HOUSING AT THE VILLAGE

The University Village is managed by Foundation Housing Service and provides Cal Poly Pomona students apartment style living in a gated community within walking distance to the center of the university. Students who have completed at least 36 units or are over the age of 21 are eligible to reside in one of the three unique styles of apartments at University Village. The goal of Foundation Housing Service is to provide affordable housing in an environment where students feel safe and connected to the university community. The Village is comprised of more than just apartment buildings. The Village is a living and learning centered community that has a full team of professionals, as well as student community advisor staff residing on site who provide support in the form of resident life programs, leisure activities, problem solving, convenient services, and governance in the form of a community council.

Foundation Housing Service retained the services of MGT of America in 2004 to complete a strategic plan that would guide us towards operating a larger and more complex operation. This long range plan was completed and accepted by the Foundation Board of Directors in December 2004, complementing the plans to build five additional apartment buildings. The strategic plan noted Foundation Housing Service's strengths as having diverse and knowledgeable staff, well documented procedures, historically high occupancy and residents that viewed living in the Village as a positive experience.

Challenges noted in the strategic plan included maintenance of the older buildings, the need for more staff for Phase III, and the need to engage students to participate more in the living and learning community. During 2004-05, Foundation Housing Service also worked with the university to re-route and improve the shuttle bus service, coordinate a community service officer safety and security patrol program, and improved the protocol for handling information related to emergencies. By the fall of 2005, the University Village had successfully expanded its capacity 58% and was prepared to house nearly 1,300 students.

The completion of the University Village Phase III was the highlight of the past two year construction period and resulted in many improvements beyond the addition of five new apartment buildings. The new community center addition, maintenance shop, high speed fiber to both new and existing apartments, improved parking, new main entrance, improved landscaping, additional security cameras and emergency telephones were all part of this \$28 million dollar project.

The Phase III construction project ultimately received an award for water conservation from the Metropolitan Water District of Southern California through the Save Water, Save-A-Buck Rebate Program. The award was received because of the thoughtful use

of unique Australian-made dual flush toilets for the Phase III apartments that use only half the amount of water of a conventional toilet and cost less because of the rebate program.

The Foundation Housing Service professional staff worked tirelessly over the past two years keeping the residents informed of the status of construction, coordinating resident programs, and managing the checking in and checking out of students at various times during the year. The resident life staff worked closely each year with the university on projects such as the Student Handbook and Planner, Alcohol and Other Drugs Committee and the Apartment Fair. The staff continued its involvement and participation in the ACUHO Internship, WACUHO 2004 Exhibits planning committees. In April 2004, the Director of Foundation Housing Service provided an internal training session to all Foundation managers and supervisors on the subjects of Motivating and Recognizing Employees utilizing the Myers Briggs type indicator. In 2005, Foundation Housing Service geared up its staffing according to the strategic plan in preparation to serve the new larger resident population. Plans were completed to recruit two new full-time complex directors and two part-time graduate student assistant complex directors along with a team of 24 community advisors by the fall of 2005.



The Foundation Facilities Management Department manages the repair and maintenance of all Foundation buildings and building systems. University Village with Phase III is comprised of 33 buildings and represents the largest area of responsibility for the Facilities Management Department. Facilities Management provided critical assistance during the two year construction of Phase III, providing their expertise and knowledge about the Village at every construction meeting while working out of temporary quarters due to their new building being under construction. Each summer, up to five apartment buildings are completely renovated as part of the ongoing program to maintain the student apartments. For the past two years resident students have rated the services of the Facilities Management Department among the highest of all service areas in the Village.

The mission of Foundation Dining Services is to serve a diverse community by providing quality food at a reasonable price. Our award winning 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.

In 2005, the National Association of College & University Food Services (NACUFS) awarded Second Place to Los Olivos Dining Commons in the Loyal E. Horton Award, Residence Hall Dining - Themed Dinner category. 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. Communication is our strategy for success. Food committees, town hall meetings, improved employee relationships, and a Dining Services "team" are examples of this success. Price benchmarking for all units was reported and posted so that customers could fairly evaluate our pricing structures. A 5-year strategic plan was developed to review our dining services and the needs of our customers and implement new venues around the campus community.

Foundation Dining Services proudly supports the California Grown Program. This is a partnership of California government and agriculture. At Cal Poly Pomona, which supports agriculture education, this program reflects the Foundation's focus using resources for learning. In support of this program, meals are prepared and served to the campus community using California grown products. A study has shown that if Californians increase their purchases of California grown produce by 10% annually, it would result in the addition of 5,565 new jobs, help our farms, community and economy to thrive. This program will not only benefit our campus community, but all Californians as well. In a 2004 television commercial featuring Governor Schwarzenegger, he urged Californians to choose locally grown products in order to "keep farmers farming, teachers teaching and the whole state going strong."

The Center Court at the Bronco Student Center opened, offering a wide assortment of food items to the campus along with increased seating capacity. The strategic plan reviewed the needs of our customers and venues were changed to meet the needs of our diverse campus. Wok & Rome was closed, Subway was opened, Kikka Sushi was expanded. Subway has been well accepted by the campus community and received three sales awards from Subway Corporate Headquarters.

With the opening of the University Residential Suites, we were offered the opportunity to provide dining service options to residents living on campus. Vista Café opened providing prepared food and convenience store items.

Our meal options include flexible meal points for use at various campus venues. Sales at the Farm Store have grown with the opening of the South Campus Drive extension as students from the Residential Suites, resident halls and University Village "go shopping" for groceries. The store is open seven days a week and features the finest quality grocery products including delicatessen items such as cheese, sausage and milk products and locally and California grown fruits and vegetables. A wide variety of organic and health foods are also available. Farm Store sales have grown over 25% since 2004 with the increased usage of flexible meal points sales.

Card readers in vending machines are proving to be very successful providing additional use of the Bronco Access Card.

Providing excellent service to the campus is done in many ways. Dining Services continues to receive "A" grade ratings from the Los Angeles County Health Department as employees attend ServSafe Food Program classes to keep up-to-date on safety guidelines. Annette Pettit, Senior Associate Director, is certified to teach and certify students in a Food Certification Class and she also provides etiquette classes at no cost to campus clubs.



Campus catering needs were reviewed and updated to better handle the refreshment requirements of our customers. To meet everyone's budget restrictions, we now provide full service, limited service, drop-off or pick-up service options and, we offer both indoor and outdoor locations around the campus.

During the last year, we have been busy expanding our operations to offer a wide variety of products and services. Our reach to customers also broadened as we opened the Geneva Café in the American Red Cross building located in the Innovation Village. Foundation Dining Services is a leader in the choices we offer on campus. We have managed it effectively by reducing costs through effective purchasing partnerships with our vendors and our manufacturers.

The Library Café Project was approved as a possible Starbucks coffee location. Construction of the Library Expansion will begin in 2005-2006.

Each of our managers and employees has been challenged to keep pace with changes in student enrollment. One of the biggest challenges any business faces is simultaneously fulfilling daily obligations to customers and employees while, at the same time, investing sufficient resources in activities and enterprises that permit it to succeed in the future.

## FOUNDATION DINING SERVICES







## KELLOGG WEST CONFERENCE CENTER AND LODGE

Kellogg West is a full service hotel and conference center and since its opening in 1971, is not only one of the oldest conference centers in Southern California, it has remained one of the preeminent facilities of its kind. The hotel has 85 guest rooms and suites, 21 meeting rooms with over 16,000 square feet of meeting space and a restaurant that can seat up to 250 guests. A member of the prestigious IACC (International Association of Conference Centers) and a recent recipient of the Leadership Level of the GreenLodging Program of the State of California, Kellogg West has a reputation of providing a unique venue for groups to conduct meetings in a facility that not only has been continually upgraded throughout the years, but a venue that provides the finest service it can to not only meet, but exceed, its guests' expectations.

Kellogg West has a full-time and part-time staff of 86 hospitality professionals that are trained to provide their guests with the service standards expected by today's business and personal travelers. The vision of Kellogg West has remained the same. That is to provide its guests with professional and courteous service, in an environment that is attractive, comfortable, current and clean with the attention to detail that Kellogg West has become known for. The operation has three main departments - Sales, Rooms Division and Food & Beverage. Each department is headed by a professional that has a vast experience of the operation of Kellogg West and of the hospitality industry.

The fiscal year of 2003-2004 proved to be one of the most successful years in the history of the operation. The financial performance exceeded expectations and revenues increased over the previous year by 12.9%. Profitability also improved dramatically over the previous year by nearly 73.5%. All major capital projects were completed on time and within budget. These included the beginning of a two year project to re-pave the entire roadway and parking of the property. Additionally, all public area furniture was replaced, which completed the five year project of renovating all guest rooms and public area furniture, carpeting and wall treatments. The end result has produced a warm, but contemporary feel that blends with the surrounding environment of the property.

An upgrade was made to the reservation system of Kellogg West allowing guests to book rooms on line. This continues to grow and allows management the opportunity to fill vacancies with the important transient market, one that continues to be important to the future success of Kellogg West. One way to monitor the success of the business is the response of its guests; and for the fifth year in a row, all three Guest Satisfaction Surveys completed by the clients and guests of Kellogg West, have improved over the previous year. This result is extremely rewarding to the entire staff and one taken with great pride.

As positive as the 2003-2004 fiscal year was, 2004-2005 had its challenges. One of the major keys of success for any business is its ability to forecast its future revenues based on its past perform-

ance. This is especially true in the hospitality industry. After several years of trying to determine the trends of Kellogg West, the management team has been able to establish that the hotel follows an alternating year trend. This means that every other year seems

to be a strong revenue producing year. A big part of this is that many of the clients of Kellogg West alternate between Southern and Northern California each year. In addition to this revenue trend, there were extenuating factors that affected the financial performance of Kellogg West this year.



In October 2004, Kellogg West suffered extensive damage to the Main Lodge from a combination of the heavy rains and an inadequate sealing of the roof from the re-piping project of the summer. This damage caused the Main Lodge to be shut down from mid-October until the end of December. A substantial amount of revenue was lost and, although you can never put an exact dollar amount on what was lost from potential revenue, the entire claim for insurance reimbursement was just under one million dollars.

In spite of all the difficulties, there were positive results in the 2004-2005 fiscal year. The elimination of two key department managers resulted in an overall savings in labor of ninety-five thousand dollars. Responsibilities were restructured with positive operational results being realized. All capital projects were completed on time and within budget. Guest surveys improved for a sixth straight year. Finally, just because revenues were down doesn't mean efforts weren't made to generate new business. Kellogg West added over a dozen new businesses to its list of returning clients. Additionally, several other long standing clients booked business from other offices within their organization. Finally, Kellogg West has partnered with the American Red Cross on several events and has established a strong relationship with this Innovation Village neighbor.

The hospitality industry is always a challenge as its businesses are so dependent on many factors outside of its control. This is even more prevalent at a university hotel and conference center. Each year Kellogg West continues to rise to the occasion and take on all challenges and respond to all obstacles. We are very proud of the results obtained at Kellogg West over the last two years even with all the challenges and obstacles we had to respond to, especially in the second year of this report. We look toward a bright future and are very optimistic on the opportunities that lie ahead.

## BOOKSTORE SERVICES

A wide range of services and supplies are provided to the campus community by our Bronco Bookstore. Our Book Department carries all texts for undergraduate programs, as well as a large selection of study guides and reference materials. Our General Reading section also includes current Best Sellers and books by campus authors. The Bronco Bookstore is the place to find Cal Poly Pomona emblematic clothing and gifts; along with school, office and technical supplies; and seasonal gifts and greeting cards. The Bronco Computer Store offers students, faculty and staff academic discounts on select software, accessories, and computer systems. As an authorized Apple Computer reseller, the latest in computer innovations can be found here.

Involvement in the National Association of College Stores and the California Association of College Stores provides the bookstore staff with industry information and professional development. Karen Ward, Director of Bookstore Services, achieved designation as a Certified Collegiate Retailer (CCR) through the National Association of College Stores in 2005.

Bronco Bookstore began the 2003-2004 year with a bang. Construction began right after the completion of the 2002-2003 academic year on the final phases of our 2 year remodel plan. First, the walls came down on our popular Pony Express. That additional area allowed for an expanded Cal Poly BroncoGear section. In perhaps the most ambitious move, one side of the large stairway was removed adding additional floor space. Overall, bright new fixtures and flooring brought a light, updated look to the store. The reaction to the "new" store has been overwhelmingly positive from all of our stakeholders. Additionally, Cal Poly Pomona emblematic sales have shown strong increases as a result of the additional space.

Every year we think our Grad Fair was the best it could possibly be. This year, we once again exceeded our expectations with the best one ever! During the two day event class ring sales more than doubled, announcement sales were up 25% and cap and gown sales were up 50% over the previous year. Potential grads appreciate having the "one stop shop" to take care of all their graduation needs. The Commencement Shop during commencement weekend also had record sales. Bookstore staff spent the 3 days selling Cal Poly Pomona memorabilia, disposable cameras and film, and providing last minute caps & gowns to graduates.

Assistant Director, General Merchandise Division, Clint Aase is out to clothe the campus in green and gold! Clint worked with several different campus departments to provide uniforms and campus attire. He was able to save University Facilities a sizable amount of money when ordering their uniform shirts. During new student orientation, the Orientation Services team sported polo shirts specially designed for them and purchased through the bookstore. Our growing selection of BroncoGear apparel has students excited and showing their school spirit by wearing Cal Poly Pomona clothing around campus.

The biggest challenge for the year in Bookstore Services was reacting to decreasing campus budgets and lower student enrollment. Both of these issues affected revenue in all areas of the store, but particularly in computer and textbook sales. Keeping tight controls on expenses during the year brought the bottom line in slightly ahead of budget.

2004-2005 has been a successful building year for Bronco Bookstore. With our space recently remodeled, we turned our focus to improving processes. The biggest changes came in the textbook area. Assistant Director, Book Division, Suzanne Donnelly, who joined our staff in February 2004, determined that the place to begin making improvements in providing textbook services on campus was with faculty. The success of the entire textbook process rests with getting timely requisitions from faculty.

Summer marked our first "Adoption Campaign" which rewarded faculty for turning requisitions in on or before the due date. This will be the focus for the coming year, as timely faculty adoptions result in the ability to find more used books. Timely book adoptions also increase our buyback list, enabling us to purchase more books from our students. A record setting Spring Closing Buyback gave students back \$317,404 for their books. 14,075 books were purchased, which was an increase of 3,971 books over the same period the previous year. Increases in buyback can be attributed to 3 factors: (1) strong marketing campaign increased visibility, (2) additional remote buyback site placed outside the Campus Center Marketplace; and (3) campaign to receive requisitions in time to add titles to our buyback list.



Bronco Bookstore also had a great deal of success in offering more used books for sale to students. Our students, as well as nationwide research, tell us that textbook prices are of major concern to them. Bookstore Management met during the summer with the Chair of the Academic Senate and the ASI President to discuss book prices and other related issues. We thought it was important to begin a dialogue to let students know we were also concerned about textbook prices and that we were looking at ways to keep them as low as we possibly could. This dialogue continued throughout the year and yielded positive results. We have reacted to this challenge by offering more used books for sale, with very positive results. While other CSU campuses reported decreases in sales during the spring Quarter of 2005, Bronco Bookstore responded with a 9.22% increase in units sold, as well as an 8.32% increase in textbook revenue. We are very optimistic that continuing to offer students a choice to purchase a new or used book will bring continued success in the coming academic year.

Industry surveys showed that the Internet is a major part of our student's daily life and the Bookstore's online sales are reflecting this trend. We made the decision to keep the textbook ordering site open for pick up orders through the first week of classes. This decision was made after realizing that it was our customer's decision as to whether they would like to purchase their books inside the bookstore or if they would prefer to purchase their books online and have us pull their orders for them. The first quarter this was in effect, online textbook sales increased 55%.

Our Computer Store also had a banner year, almost doubling sales from the previous year. Strong campus department sales along with a university-sponsored faculty laptop program were beneficial. Continued strength also came from increased student sales as a result of the trend-setting iPod. The Computer Team worked with Foundation Marketing to update signage in the Computer Store providing an updated look and more information on what is offered.

CTI Books continues to run the popular US Postal Service substation. This always comes back in Customer Surveys as a very important service. As the USPS begins to offer more and more services online, this could become a challenging operation and one we will continue to monitor in the coming year. Declining enrollment has affected Graduate book sales at CTI. We have found that many instructors have forgotten that Graduate course books are available at CTI Books, and a marketing campaign will be developed for Fall 2005 to re-acquaint them with CTI.

Overall, the bookstores are positioned well for an expected increase in enrollment. We will continue to focus and expand on the successes we have had this year.

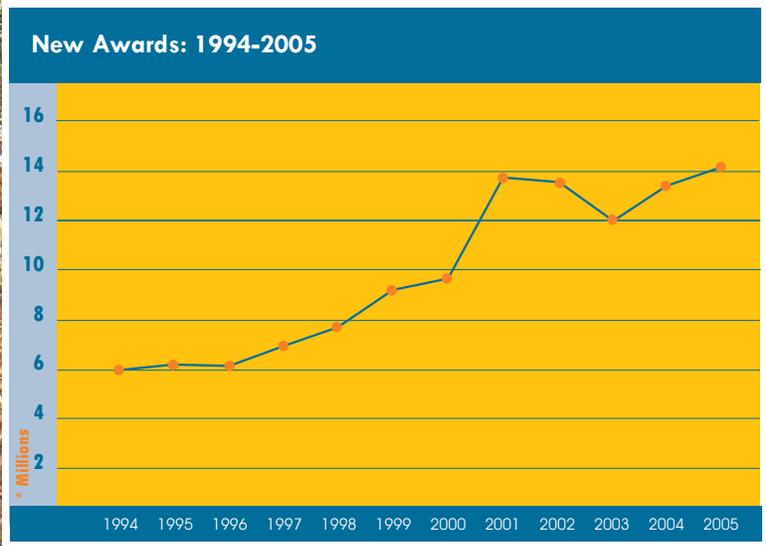
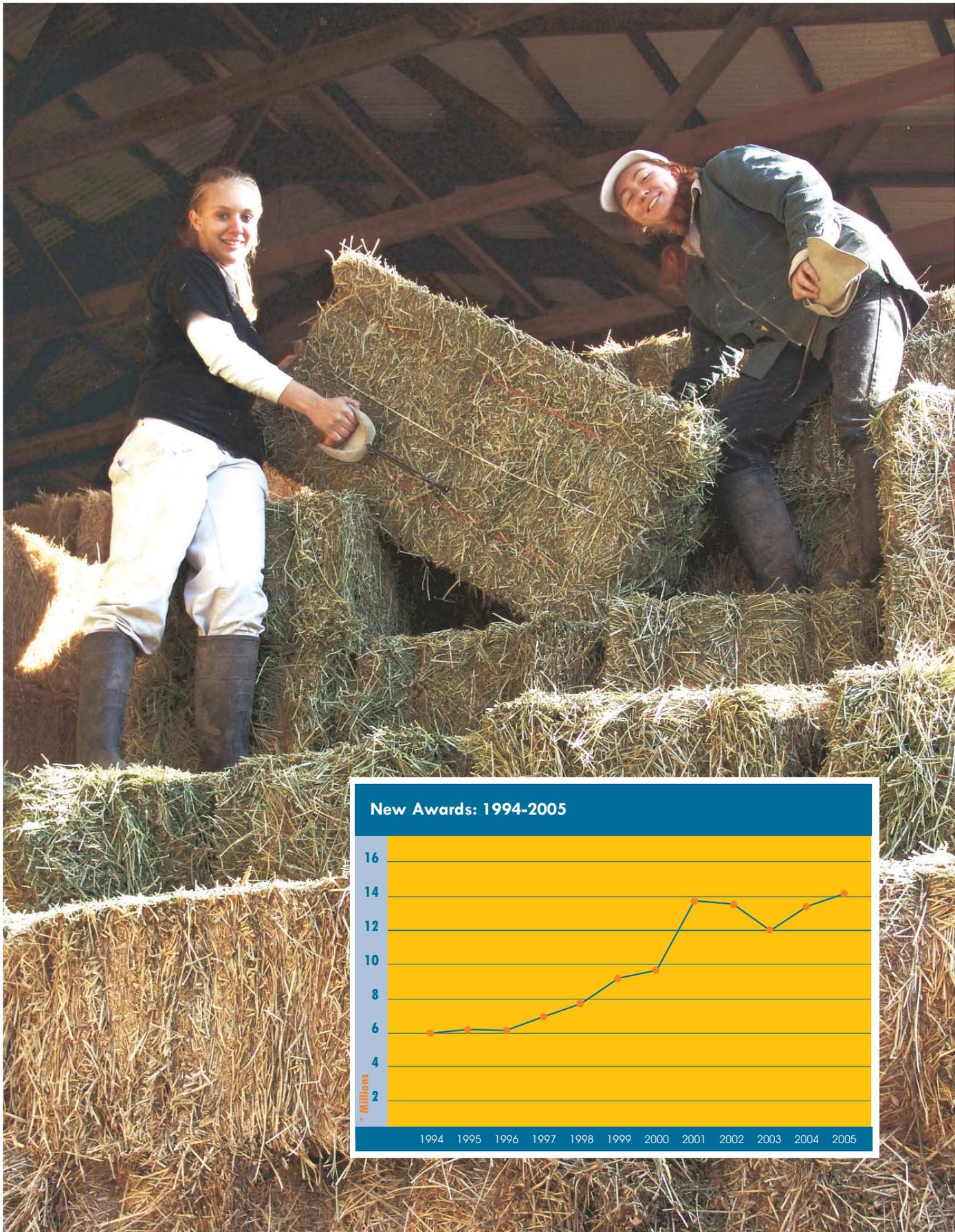






2003-2004  
2004-2005

# CREAT AND CONTECT ADMITSTINOR



## RESEARCH AND SPONSORED PROGRAMS

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 is fiscally responsible for the funds awarded and legally responsible assuring adherence to performance goals, time schedules, and/or other requirements per the terms and conditions of the agency contract.

The mission of the Office of Grants and Contracts is to contribute to the integrity of the Foundation and the university by maintaining the highest standards in financial and administrative support services for sponsored programs. The Office of Grants and Contracts is committed to providing personalized services, generating goodwill, and providing support that enhances the effectiveness of programs and the development of new opportunities while maintaining strict compliance with agency terms and conditions.

**Our goals include:**

- Provide excellent services to our customers.
- Maintain the highest ethical, professional, and financial standards.
- Promote an environment that is conducive to efficiency and effectiveness.
- Maintain positive and productive working relations with the Foundation and with our customers.
- Be identified as an integral part of the Foundation and the university.

The services Foundation provides include review of contracts for consistency with established internal policy, agency regulations, and external governing laws. Following acceptance of a contract, we provide maintenance of an accounting, budgeting, and reporting system providing full-fiscal support; preparation of fiscal reports for project directors and funding agencies; collection and disbursement of funds for research and service awards; and immediate and continuing assistance to project directors in interpreting rules of funding agencies, contract specifications, and all administrative aspects of their project. Over the past ten years, Foundation has been audited by various external entities and has not had a disallowed cost or a management letter comment.

Since 1994, new awards have been steadily increasing each year. (See new awards chart).

During the past two years, the Foundation has been awarded over \$28 million in new awards. For the fiscal year ended June 30, 2005, Foundation administered over 300 grant and contract projects totaling nearly \$47 million in funds to be expended over the next few years.

During the past year, the Foundation and the university implemented CSU Chancellor's Office Executive Order 890 relating to sponsored project administration involving 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.

The Foundation also implemented a system where the project directors can have direct access to our Bi-Tech accounting system allowing real-time access to their project account balances 24 hours a day. In addition, Foundation continues to enhance our web-enabled expenditure forms and procedures to reduce redundancy and efficiently and timely process transactions relating to grant and contract accounts.

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 research and service sponsored programs and is committed in continuing the highest level of service required for sponsored project administration.

Awards by Funding Type	Percentage 2003-2004	Percentage 2004-2005
Exempt Organizations	3%	2%
Federal	68%	68%
Private	9%	9%
State and Local Government	20%	21%
<hr/>	<hr/>	<hr/>
	100%	100%

Activity by Academic Unit	Amount Expended 2003-2004	Amount Expended 2004-2005
Academic Affairs	\$ 342,170	\$ 609,891
Agriculture	1,088,262	1,075,215
Business Administration	104,157	102,436
Letters, Arts, and Social Sciences	191,975	472,598
Extended University	1,144,817	1,088,722
Education	2,164,414	2,112,066
Engineering	579,360	613,621
Environmental Design	170,860	85,393
Hotel and Restaurant Management	89,913	233,011
Instructional Technology and Academic Computing	79,176	76,172
Learning Resource Center	1,303,281	1,351,742
Science	5,108,163	3,799,113
Student Affairs	866,842	666,367
<hr/> <b>Grand Total for Fiscal Year Ended June 30, 2005</b>	<hr/> <b>\$13,233,390</b>	<hr/> <b>\$12,286,346</b>

## GRANT AND CONTRACT AWARDS

Barbara Way, Letters, Arts, and Social Sciences  
Fairplex  
Fairplex Tree Inventory  
\$30,000

Belinda Acuna, Engineering  
Cal State University Sacramento Foundation  
CSU Phase III LSAMP  
\$85,503

Belinda Acuna, Engineering  
University of California, Office of the President  
MESA CSEMS Scholarship Program  
\$56,250

Bonny Burns, Agriculture  
Agriculture Research Initiative  
Effects of Feeding Regular Eggs, Omega-3 eggs  
\$25,000

Carol Comfort, Learning Resource Center  
United States Department of Education  
College Reading Skills  
\$344,230

Carol Keating, Office of Research and Sponsored Programs  
Air Resources Board  
ARB Student Services  
\$460,000

Claudia Pinter-Lucke, Science  
National Science Foundation  
Cal Poly Pomona Robert Noyce Scholarship Program  
\$494,100

Consuelo Rodriguez, Student Affairs  
United States Department of Education  
Child Care Means Parents in School Program  
\$149,299

Consuelo Rodriguez, Student Affairs  
California Department of Education  
State Preschool Program  
\$143,883

Consuelo Rodriguez, Student Affairs  
California Department of Education  
Children's Center Instructional Materials  
\$541

Consuelo Rodriguez, Student Affairs  
California Department of Education  
Pre-Kindergarten Resource  
\$1,532

David Still, Agriculture  
University of California, Los Angeles  
Research Center for Dietary Supplements  
\$84,204

David Still, Agriculture  
Cal State Fresno University  
Genetic Map. of Seq. Tags in Lettuce  
\$80,310

David Still, Agriculture  
Agriculture Research Initiative  
Varietal Improvement of Iceberg Lettuce  
\$86,369

David Still, Agriculture  
Trustees of Indiana University  
Comparative Genomics of the Compositae  
\$52,000

David Still, Agriculture  
Agriculture Research Initiative  
Agilent 2100 Bioanalyzer for RNA Analysis  
\$28,544

Debra Brum, ITAC  
Cal State University San Bernardino Foundation  
Improving Access to Information Systems  
\$82,335  
Dennis Lopez, Education  
United States Department of Education  
Project REACH—Realizing Educational Achievement and  
Coll. Honors  
\$1,172,629

Don Hoyt, Science  
National Institute of Health  
SCORE Program  
\$1,415,425

Donald Straney, Science  
Howard Hughes Medical Institute  
Building Inquiry and Integration Into the Science  
Experience  
\$277,810

Douglas Lewis, Agriculture  
Agriculture Research Initiative  
Enhancing Research Capabilities Human Nutrition through  
Gas Chromatograph  
\$40,000

Ed Walton, Science  
University of Alabama  
NOVA  
\$36,770

Ed Walton, Science  
University of Alabama  
NOVA-Community College Workshop  
\$36,905

Frank Torres, Learning Resource Center  
United States Department of Education  
McNair Post-Baccalaureate Achievement  
\$220,427

Fred Bet Pera, Science  
Avery Dennison  
Avery Student Services  
\$25,000

Fred Bet Pera, Science  
City of Industry  
City of Industry Internship Program  
\$26,000

Fred Bet Pera, Science  
VC Bud Jenkins Coatings Scientist  
Coating Student Services  
\$13,000

Fred Bet Pera, Science  
Pall Medical  
Pall Medical Student Internship Program  
\$20,268

Fred Bet Pera, Science  
Metropolitan Water District  
MWD-Student Services  
\$490,000

Fred Bet Pera, Science  
Peterson Systems  
Peterson Systems Student Intern  
\$21,155

Fred Bet Pera, Science  
Energetics, Inc.  
Energetics, Inc. Student Services  
\$15,669

Fred Bet Pera, Science  
South Coast Air Quality Management District  
AQMD Public Affairs Student Intern  
\$28,000  
Fred Bet Pera, Science  
Future Concepts  
Future Concepts Student Intern  
\$20,592

Fred Bet Pera, Science  
South Coast Air Quality Management District  
AQMD Student Intern  
\$20,000

Fred Bet Pera, Science  
Criterion Catalysts & Technologies  
Criterion Catalysts Student Services  
\$7,787

Gary Kinsey, Education  
Walnut Valley Unified School District  
Win Win Project Internship Consortium  
\$600,000

Gerald Herder, Engineering  
Metropolitan Water District  
The Solar Cup Project  
\$61,400

Gerald Taylor, Environmental Design  
Environmental Systems Research Institute, Inc.  
Santa Ana River Park Progress  
\$25,000

Hofu Wu, Environmental Design  
Geltz Communications, Inc.  
SCE EnergySmart Thermostat Study and Validation  
\$10,024

Hollie Lund, Academic Affairs  
Trustees of the California State University  
Realizing The Civic Mission of Education in the CSU  
\$18,593

Hollie Lund, Academic Affairs  
Trustees of the California State University  
Linking Service Learning in the Visual Arts  
\$2,500

Hua Hwang, Engineering  
Raytheon Company  
Efficient Clutter Suppression for Radar Systems using  
Array Antenna  
\$40,000

Hubertus Von Bremen, Science  
Texas Engineering Experiment Station  
Study of Controllable Active Materials  
\$43,289

James Alderson, Agriculture  
Agriculture Research Initiative  
Inflammatory Response of Mares to Artificial  
Insemination  
\$23,699

James Alderson, Agriculture  
Agriculture Research Initiative  
Minimally Invasive Sterilization Study  
\$41,986



# GRANT AND CONTRACT AWARDS

Jane Mathis Lowe, Student Affairs  
United States Department of Education  
Student Support Services  
\$260,181

Jared Stallones, Education  
Hacienda La Puente Unified School District  
Teaching American History  
\$428,760

Jawaharlal Mariappan, Engineering  
The Lemelson Foundation  
Implementin Socially Responsible Entrepreneurial Projects  
\$25,200

Jerald Chesser, Collins School of Hotel and Restaurant  
Management  
Glendale Community College  
Developing an Intersegmental Pipeline to Ag-Related  
Degrees  
\$78,314

Jill Adler-Moore, Science  
Gilead Science, Inc.  
AmBisome Nonclinical Research Study  
\$230,558

Joan Bissell, Education  
Los Angeles County Office of Education  
LACOE After School Training and Technical Assistance  
\$243,649

Joan Bissell, Education  
Los Angeles County Office of Education  
LACOE Collaborative After School Project  
\$203,196

Joan Bissell, Education  
California Department of Education  
Advancing School-Age and After School Programs  
\$300,000

Joan Leong, Science  
California Department of Fish and Game  
Bird-Foot Checkerbloom Reserve Design  
\$16,742

Joan Leong, Agriculture  
Agriculture Research Initiative  
Role Insect Pollinators Weed Centaurea Melitensis  
\$13,105

Joan Woodward, Environmental Design  
Sequoia Riverlands Trust  
Sequoia Foothills Planning Framework  
\$23,424

Jadye Selco, Science  
California Community Foundation  
FEDCO Classroom Enrichment Fund  
\$40,000

Jadye Selco, Science  
Hacienda La Puente Unified School District  
Science Institute for Teachers  
\$67,074

Judith Jacobs, Science  
University of California, Office of the President  
San Gabriel Valley Math Project  
\$60,000

Judith Jacobs, Science  
West Covina Unified School District  
San Gabriel Valley Math Science Partnership  
\$205,219

Judith Jacobs, Science  
The Regents of the University of California  
CMP Modeling and Leadership Institute  
\$37,800

Julie Holland, Extended University  
National Aeronautics and Space Administration  
Establishment of a New NASA Business Incubator  
\$5,000

Kathleen Hayden, Engineering  
Jet Propulsion Laboratory  
NASA Pair: Deep Space Robotic Rover Project  
\$586,260

Ken Gruber, Science  
Oregon Health & Science University  
Mechanism of Melanocortin & AGRP Signaling  
\$141,062

Koushik Adhikari, Agriculture  
United States Department of Education  
Enhancing Research Capabilities of Human Nutrition  
\$40,000

Kurt Vandervoort, Science  
National Science Foundation  
NUE: Linking Introductory Physics Laboratories with  
Modern Technology  
\$99,862

Laurie Riggs, Science  
California Postsecondary Education Commission  
Math and Science Teacher Education Recruitment  
\$297,199

Laurie Riggs, Science  
Rialto Unified School District  
Math Science Partnership Grant with Rialto  
\$18,000

Laurie Riggs, Science  
Snowline Joint Unified School Dist  
College Readiness Program Using  
Technology/Differentiated  
\$30,000

Lisa Nelson, Letters, Arts, and Social Sciences  
John Haynes and Dora Haynes Foundation  
Open Space & Community Sustainability in San Gab.  
Valley  
\$1,430

Lisa Wang, Engineering  
National Science Foundation  
MRI: Acquisition of Seismic Simulating System For  
Integrated Research  
\$125,300

Maria Omary, Agriculture  
Agriculture Research Initiative  
Dev of Fiber-Rich Snacks for Hispanic Youths  
\$36,035

Marie Caudill, Agriculture  
Agriculture Research Initiative  
Influence of Genetics and Ethnicity on Choline Status in  
Women  
\$80,684

Martin Sancho, Agriculture  
Agriculture Research Initiative  
Manufacture of Strawberry-flavored Yogurt Beverage  
Containing Prebiotics  
\$10,000

Michael Casner, Extended University  
Georgetown University  
CASS/Cooperative Managers for Central America III  
\$136,583

Michael Liang, Letters, Arts, and Social Sciences  
Chuang Foundation  
Effects of Panax Notoginseng Supplement Non-Diabetic  
Adults  
\$8,200

Michele Rash, Agriculture  
Agriculture Research Initiative  
Bovine Spongiform Encephalopathy Symposium  
\$24,320

Nicole Wickler, Science  
University of California, Office of the President  
San Gabriel Valley Science Project  
\$53,000

Pam Sperry, Science  
University of Minnesota  
Bridges to the Doctoral Program  
\$13,436

Peggy Sears Perry, Agriculture  
California Department of Education  
Garden Enhanced Nutrition Education  
\$30,000

Pilar O'Cadiz, Education  
Los Angeles County Office of Education  
LACOE After School Training and Technical Assistance  
\$15,000

Ramesh Kumar, Agriculture  
California Landscape Contractors  
Comparison Distribution Uniformities Soil Moisture  
\$4,816

Ricardo Quintero, Learning Resource Center  
United States Department of Education  
Upward Bound-North  
\$379,496

Ricardo Quintero, Learning Resource Center  
United States Department of Education  
Upward Bound-South  
\$320,000

Ricardo Quintero, Learning Resource Center  
California Department of Education  
Summer Food Service-Upward Bound  
\$6,342

Robert Gallegas, Learning Resource Center  
United States Department of Education  
Upward Bound Math and Science Competition  
\$222,916

Robert Gallegas, Learning Resource Center  
California Department of Education  
Summer Food Service-Upward Bound Math Science  
\$1,874

Sowmya Mitra, Agriculture  
Agriculture Research Initiative  
Environmental Studies to Quantify Heavy Metal  
Accumulation in Soil  
\$65,082

Sowmya Mitra, Agriculture  
Agriculture Research Initiative  
Irrigation Runoff from Urban Turf and Landscape  
\$8,000

Stephen Wirkus, Science  
National Science Foundation  
REU Site: Applied Mathematical Sciences Summer Inst.  
\$129,011

Stephen Wirkus, Science  
National Security Agency  
Applied Mathematical Sciences Summer Institute  
\$54,805

Steve Wickler, Agriculture  
Agriculture Research Initiative  
Muscle Function during Deline Locomotion  
\$10,000





Susan Algert, Agriculture  
 Agriculture Research Initiative  
 Geocoding of Pomona Food System as a Tool in Community  
 \$23,003

Tarun Kapoor, Collins School of Hotel and Restaurant  
 Management  
 California Department of Education  
 CalProNet: Center for Leadership Development  
 \$238,660

Thuan Nguyen, Engineering  
 BP West Coast Products LLC  
 Study to Minimize Solids from Coke Calciner Sulfur Oxide  
 Emissions  
 \$49,730

Tomas Morales, Academic Affairs  
 United States Department of Education  
 Teacher Pathways Reaching Excellence Through Partnerships  
 \$1,434,025

Tomas Morales, Academic Affairs  
 United States Department of Education  
 Teacher Pathways--Evaluation Services  
 \$118,800

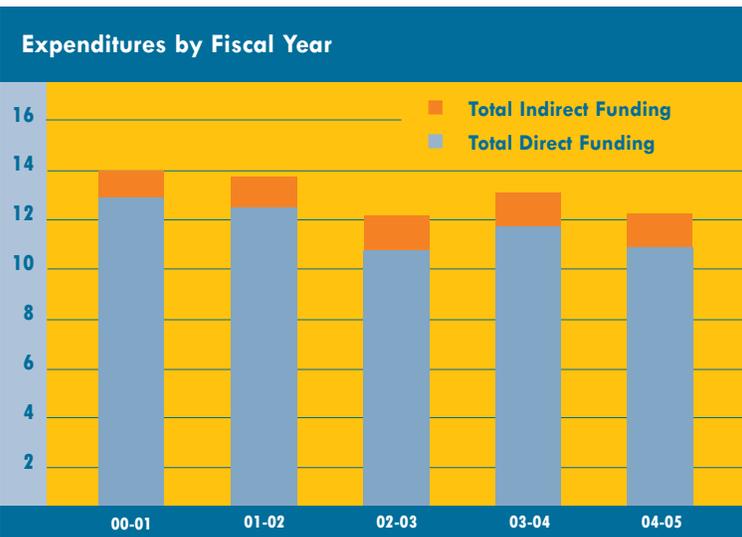
Uei-Jiun Fan, Engineering  
 National Science Foundation  
 Integrating Service-Learning into Engineering Curricula  
 \$96,843

Wayne Bidlack, Agriculture  
 Nestle USA, Inc.  
 The Protein Efficiency Ration of Alacid 741 Casein  
 \$9,793

Wei-Jen Lin, Agriculture  
 Agriculture Research Initiative  
 Examination of Water Testing Methods for  
 USDA Forest Service  
 \$2,000

Wei-Jen Lin, Agriculture  
 Agriculture Research Initiative  
 Protein-Protein Interactions in Botulinum Neurotoxin Complex  
 \$24,678

William Morse, Letters, Arts, and Social Sciences  
 Council for International Exchange of Scholars  
 Border Crossings-A Trans-Atlantic Project in Theatre  
 \$21,800



## AWARDING AGENCIES FOR RESEARCH AND SPONSORED PROGRAMS

### FEDERAL AWARDS

Cal State University Fresno  
 Cal State University Sacramento Foundation  
 Cal State University San Bernardino Foundation  
 California Department of Education  
 California Department of Fish and Game  
 California Department of Food and Agriculture  
 California Postsecondary Education Commission  
 Council for International Exchange of Scholars  
 Emporia State University  
 Georgetown University  
 Glendale Community College  
 Hacienda La Puente Unified School District  
 Jet Propulsion Laboratory  
 Molecular Express, Inc.  
 Mt. San Antonio College  
 National Aeronautics and Space Administration  
 National Institute of Health  
 National Science Foundation  
 National Security Agency  
 Oregon Health & Science University  
 Texas Engineering Experiment Station  
 The Regents of the University of California  
 Trustees of Indiana University  
 Trustees of the California State University  
 United States Department of Agriculture  
 United States Department of Education  
 United States Department of Housing and Urban  
 Development  
 United States Department of Interior  
 United States Department of Justice  
 United States Department of Labor  
 United States State Department  
 University of Alabama  
 University of California Los Angeles  
 University of California, Office of the President  
 University of Minnesota  
 World Learning

### PRIVATE ORGANIZATION AWARDS

American Chemical Society  
 Amphastar Pharmaceuticals  
 Avery Dennison  
 Ayurvet Limited  
 BioTech Associates, Ltd., Inc.  
 BP West Coast Products LLC  
 California Landscape Contractors  
 City of Industry  
 City of San Fernando  
 Con Agra Foods, Inc.  
 Criterion Catalysts and Technologies  
 Dupree, Inc.  
 Elkhorn City Area Heritage Council  
 Energetics, Inc.  
 Environmental Systems Research Institute, Inc.  
 Fairplex  
 Fundacion La Puerta  
 Future Concepts  
 Geltz Communications, Inc.  
 Gilead Science, Inc.  
 Harvest Research and Investment  
 IBM Corporation  
 Metropolitan Water District  
 Molecular Express, Inc.  
 Nestle USA, Inc.  
 Northrop Grumman, Inc.  
 Nutrilite Health Institute  
 Pall Medical  
 Peterson Systems  
 Raytheon Company  
 San Diego River Park Lakeside Conservancy  
 San Pedro Bay Estuary Project  
 Sequoia Riverlands Trust  
 Shinji Shumeikai  
 Southern California Edison  
 The Big Sur Land Trust  
 The IAMS Company  
 VC Bud Jenkins Coatings Scientist  
 Western University

### STATE AND LOCAL GOVERNMENT AWARDS

Air Resources Board  
 Agricultural Research Initiative  
 California Department of Education  
 California Department of Food and Agriculture  
 County of Orange  
 Hacienda La Puente Unified School District  
 Los Angeles Office of Education  
 Metropolitan Water District  
 Rialto Unified School District  
 Snowline Joint Unified School District  
 South Coast Air Quality Management District  
 The Regents of the University of California  
 University of California, Office of the President  
 Walnut Valley Unified School District  
 West Covina Unified School District

### EXEMPT ORGANIZATIONS AWARDS

American Chemical Society  
 Bulawayo Polytechnic Institution  
 California Community Foundation  
 California Endowment  
 Chuang Foundation  
 Claremont Community Foundation  
 Coleman Foundation, Inc.  
 Howard Hughes Medical Institute  
 John Haynes and Dora Haynes Foundation  
 National Collegiate Inventors Group  
 Stuart Foundation  
 The Environmental Institute of Golf  
 The Lemelson Foundation  
 The Ralph M. Parson's Foundation  
 W. K. Kellogg Foundation



## CAMPUS PROGRAMS AND SCHOLARSHIPS

Activity/Revenue

The Foundation provides administrative support for \$21,886,565 (as of June 30, 2005) in campus program assets and \$1,422,042 (as of June 30, 2005) in scholarship 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 achievements.



Campus programs and scholarships generated a surplus of \$262,287 and \$2,916,818 for fiscal years ending June 2004 and 2005, respectively. The Foundation transferred fixed assets totaling \$903,402 and \$1,289,876, comprised of newly constructed buildings and renovation for various colleges to

the university. In addition, the Foundation transferred a pledge receivable of \$1,000,000 and stock of \$790,950 to the University Educational Trust, an auxiliary of the University.

## COLLEGE OF THE EXTENDED UNIVERSITY

The College of the Extended University (CEU) offers educational solutions to domestic and international constituents by using the combined support of a professional staff with the many resources of the campus. With the opening of the Center for Training, Technology and 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, construction management, business writing, fundraising and grant writing for research and sponsored programs, and a variety of personal enrichment courses. CEU also provides customized training to dozens of corporate clients and has established a strong reputation for its international programs in China, Vietnam and Europe.

Additional international student programs are offered through the Cal Poly English Language Institute (CELI). 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.

With a focus on technology, CEU offers a wide range of advanced computer training programs through its ExtendTech unit. ExtendTech offers non-credit certificate programs, both in the computer lab and online, in the areas of database administration/development, multimedia and graphic design, programming, network administration and information security. ExtendTech is also reaching out to younger audiences by offering several "Build Your Own Computer" workshops and a new Youth Digital Arts Certificate covering everything from basic drawing to computer animation.

Providing a unique dimension to Cal Poly Pomona are two business incubators located within CEU. The NASA Commercialization Center and AccelTech are charged with using the best practices in technology commercialization to help early stage technology businesses successfully launch new products. These two organizations offer a unique blend of services, facilities and support to companies that might otherwise find it difficult to succeed. 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.

Revenues are as follows:		
	2003-2004	2004-2005
College of Agriculture	\$460,605	\$695,289
Alumni Affairs	42,042	27,717
College of Letters, Arts & Social Sciences	539,760	524,603
Athletics	411,279	511,307
College of Business Administration	368,677	321,078
College of Extended University	651,555	482,002
School of Education and Integrative Studies	296,667	359,010
College of Engineering	457,073	515,025
College of Environmental Design	343,180	351,911
Collins School of Hospitality Management	1,175,391	1,402,660
Instructional Technology Center	10,358	13,256
Library	71,504	100,902
College of Science	399,044	721,159
University Support	2,348,053	4,719,953
<b>Total:</b>	<b>\$ 7,575,188</b>	<b>\$ 10,745,872</b>

## AGRICULTURE AID-TO-INSTRUCTION

### 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 the 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.

### 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. Revenue at the Beef Unit is generated from exhibits and breeding services. 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. From student laboratory projects, new items have been developed and approved by the USDA. Sale of beef products have been down since the announcement of BSE last year. A website is being developed and dedicated to the Meat Lab.

### 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. Farm Store sales continue to increase with consistent growth in production and sales.

During 2004, studies were made to create a plan to move the Horticulture Production Unit's primary production area to the AGRIsclapes location during the fall of 2005.

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, CA. In 2004, Bob's Barnacle Band won the Founder's Trophy.

### 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.

During 2004/2005, we explored crop patterns which match the future mission of the department. In the future, the department will continue to explore specialty crop agriculture, versus typical agronomic crops. This would include an increase in the acreage of crops such as u-pick for the Farm Store, hydroponics, and the production of small scale, high dollar value crops. Field crops and hay will still fill up acreage and be utilized as a rotational crop.



### AGRIsclapes Farm Store

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

In 2003, the Farm Store at Kellogg Ranch underwent a significant management change and new sales initiatives were launched. On campus sales were increased and on line shopping with convenient pick up points on campus initiated. Store personnel have set up the 1938 Ford truck as a mobile sales facility and currently sell farm store merchandise on campus and at local companies in the community.

With the opening of the South Campus Drive road extension, a more open route directly to the Farm Store became accessible. The project provides an additional 100 parking spaces and improved directional signage directly from Temple. The Farm Store continues to provide campus grown produce, ornamental horticulture items, meat products and locally grown produce to the anticipated customer base.



## EXECUTIVE STAFF



G. Paul Storey



David F. Prenovost



Ernest G. Kawai



Edwin Santiago



Genie Apodaca



Stephan E. Lauzier



Andy Abelman



Kenneth Fisher



Annette Pettit



Brett Roth



Karen Ward



Katherine L. Ramsey

## MANAGEMENT PERSPECTIVE

During the past 40 years, the Foundation has gained fiscal strength and management stability with the direction of an excellent staff. In 1966, we began as a small auxiliary organization under the direction of John Francis, the Foundation's first Executive Director; we served, listened, planned and grew with the university.

The Foundation is a unique organization with a structure that allows service in ways that are immediately responsive to the university's needs. The Board of Directors provides guidance and direction. The dedicated staff provides the necessary talent and energy. The students and the educational enterprise provide the structure that is supported by the Foundation's activities.

We have expanded our operations by constructing a new bookstore building, building the Kellogg West Conference Center and Lodge, creating 3 phases of the University Village complex, renovating our dining services venues, planned and created the Innovation Village Complex and partnered with American Red Cross to have them open an operation within the Innovation Village complex. With housing prices escalating, as an incentive to draw incoming faculty members to Cal Poly Pomona, the Foundation has developed a faculty/staff housing project that has purchased 11 homes near the campus. Once renovations are complete, homes are offered to faculty/staff on a land-lease option.

Our financial services operation has developed into an organization that provides service to the university and now provides 24/7 access to financial information. The Foundation also provides post-award services on grants and contracts awarded to the campus 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.

While the manner in which the Foundation operates continues to evolve in response to the changing university environment, its mission remains constant. Management's objective is to effectively convey the essence of this mission. Wait and see what transpires during the next decade with the further development of Phase III of the University Village and other projects currently in development.

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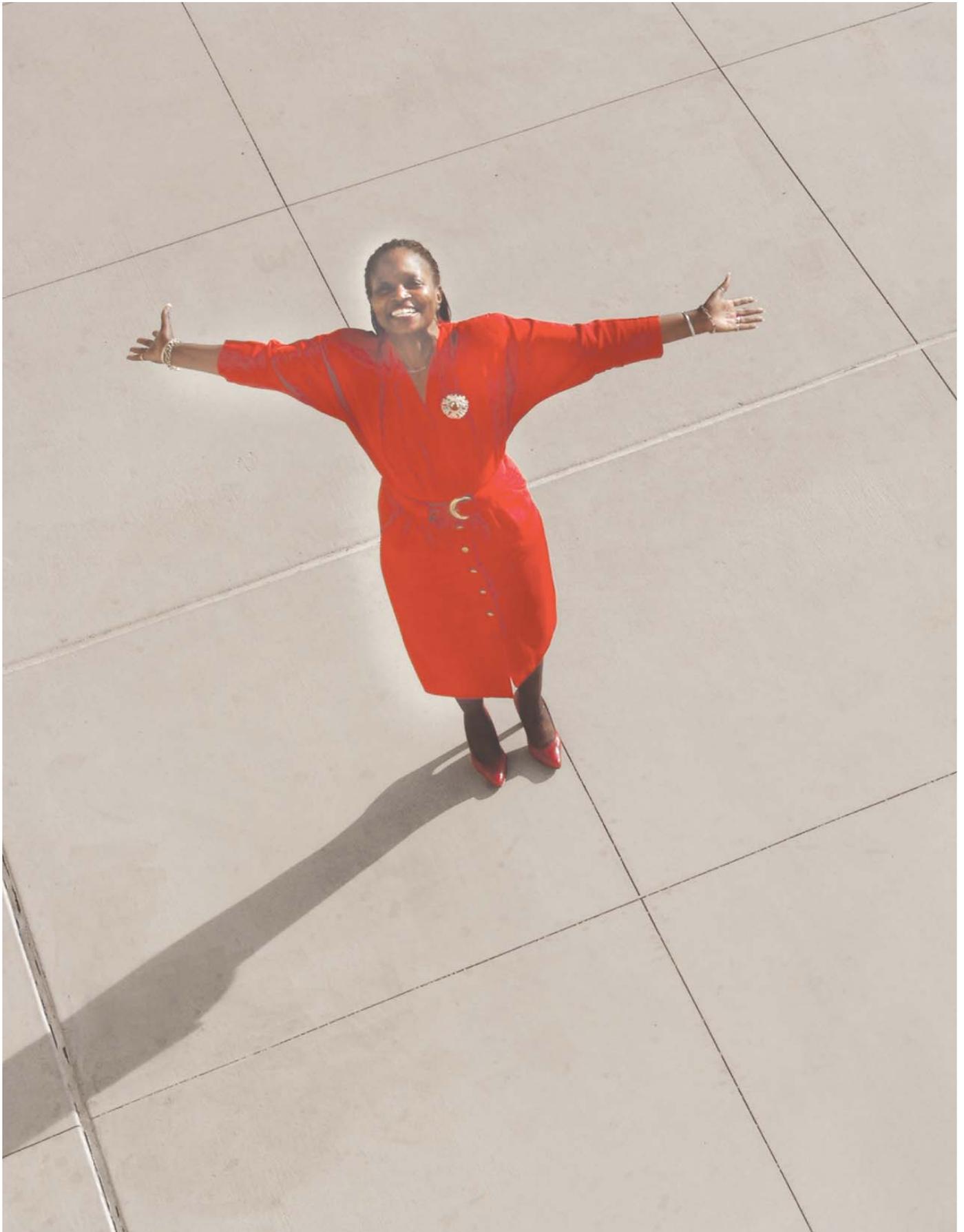
[www.Foundation.CSUPomona.edu](http://www.Foundation.CSUPomona.edu)



# 03-05

## EXECUTIVE STAFF

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## INDEPENDENT AUDITORS' REPORT

### **The Board of Directors Cal Poly Pomona Foundation, Inc.**

We have audited the accompanying statements of financial position of the Cal Poly Pomona Foundation, Inc. (a California State University Auxiliary Organization) (the Foundation) as of June 30, 2005 and 2004, 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.

We conducted our audits 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, 2005 and 2004, 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 11, 2005 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.

VICENTI, LLOYD & STUTZMAN, LLP  
August 11, 2005

## STATEMENTS OF FINANCIAL POSITION Year Ended June 30, 2004 - 2005

	2005	2004
<b>Assets</b>		
Current assets:		
Cash and cash equivalents:		
On hand and in commercial accounts	\$ 2,004,745	\$ 1,122,522
Cash equivalents	3,123,794	8,542,027
Total cash and cash equivalents	5,128,539	9,664,549
Marketable securities, at fair value (note 4)	12,253,845	11,067,183
Other short-term investments, at fair value (note 4)	4,637,321	2,133,127
Investments restricted as to use – debt service, at fair value (note 4)	399,862	444,015
Total	17,291,028	13,644,325
Receivables:		
Sponsored programs (note 2)	1,842,081	2,650,808
Contributions, net (note 5)	691,502	1,461,481
Other activities, net of allowance for doubtful accounts of \$162,595 for 2005 and \$150,757 for 2004	2,789,266	3,434,203
Total receivables, net	5,322,849	7,546,492
Inventories	1,511,983	1,406,831
Prepaid expenses and deferred charges	115,502	340,611
Total current assets	29,369,901	32,602,808
Property, plant and equipment		
Land	527,523	474,984
Buildings and improvements	33,682,188	33,273,633
Infrastructure	3,431,153	-
Equipment, furniture and fixtures	8,160,569	7,764,103
Orchards	131,863	131,863
Construction in progress	3,677,804	976,925
Total	49,611,100	42,621,508
Less accumulated depreciation and amortization	(17,846,806)	(15,958,452)
Total property, plant and equipment	31,764,294	26,663,056
Other assets:		
Long-term investments restricted as to use – debt service, at fair value (note 4)	516,750	512,446
Long-term investments, at fair value (note 4)	8,941,148	8,482,499
Contributions receivable, net of current portion (note 5)	883,109	2,467,311
Total other assets	10,341,007	11,462,256
Total assets	\$ 71,475,202	\$ 70,728,120
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 3,618,813	\$ 2,870,273
Accrued liabilities	1,244,223	2,193,825
Deferred income	1,527,049	1,583,760
Deposits held in custody for others	135,798	214,391
Current portion of lease obligations	79,482	78,103
Current portion of bonds payable (note 6)	780,000	755,000
Receipts in excess of expenditures on specific sponsored programs (note 2)	1,545,400	1,736,226
Total current liabilities	8,930,765	9,431,578
Noncurrent liabilities:		
Accrued liabilities	6,065,633	5,057,720
Noncurrent portion of bonds and note payable (note 6)	7,325,000	8,105,000
Unitrust liability (note 2)	800,946	748,796
Lease obligations (note 7)	194,925	274,779
Total noncurrent liabilities	14,386,504	14,186,295
Total liabilities	23,317,269	23,617,873
Net assets (notes 2, 3, 12 and 13):		
Unrestricted	31,469,112	28,399,025
Temporarily restricted	16,688,821	18,711,222
Total net assets	48,157,933	47,110,247
Total liabilities and net assets	\$ 71,475,202	\$ 70,728,120



**STATEMENTS OF ACTIVITIES**  
**Year Ended June 30, 2005**

	Unrestricted	Temporarily Restricted	Total
Revenues and support (note 2 and 8):			
Enterprise activities:			
Sales	\$ 28,485,015	\$	\$ 28,485,015
Commissions, fees, and other	633,263		633,263
Investment income (note 4)	47,139		47,139
Total auxiliary activities	29,165,417		29,165,417
Sponsored programs revenue	12,286,346		12,286,346
Campus program activities:			
University programs support	6,733,946		6,733,946
Contributions		3,359,059	3,359,059
Investment income (note 4)	135,643	517,224	652,867
Total campus programs revenue	6,869,589	3,876,283	10,745,872
General activities:			
Investment income (note 4)	961,410		961,410
Rental property	747,501		747,501
Administrative fees and other revenue	515,910		515,910
Total general activities	2,224,821		2,224,821
Total revenues and support	50,546,173	3,876,283	54,422,456
Net assets released from restrictions	3,995,282	(3,995,282)	
Total revenues and support and net assets released from restrictions	54,541,455	(118,999)	54,422,456
Expenses and other changes (notes 2, and 8):			
Enterprise activities:			
Dining Services	9,275,028		9,275,028
Bookstores	10,917,942		10,917,942
Kellogg West Conference Center	1,802,071		1,802,071
University Village Housing	2,932,262		2,932,262
Continuing Education	2,506,400		2,506,400
Agriculture-aid-to-Instruction	1,302,175		1,302,175
Total enterprise activities	28,735,878		28,735,878
Sponsored programs expenses:			
Direct expenses	11,019,834		11,019,834
Indirect expenses	1,266,512		1,266,512
Total sponsored programs expenses	12,286,346		12,286,346
Campus programs expenses:			
University programs support	7,434,465		7,434,465
Scholarships	394,589		394,589
Total campus programs expenses	7,829,054		7,829,054
General expenses:			
Rental property expense	562,471		562,471
Administrative	1,471,086		1,471,086
Total general expenses	2,033,557		2,033,557
Designated expenses (note 3)	586,533		586,533
Total expenses	51,471,368		51,471,368
Other changes – transactions with affiliates (note 8)		1,903,402	1,903,402
Total expenses and other changes	51,471,368	1,903,402	53,374,770
Total change in net assets	3,070,087	(2,022,401)	1,047,686
Net assets at beginning of year	28,399,025	18,711,222	47,110,247
Net assets at end of year	\$31,469,112	\$16,688,821	\$ 48,157,933

\* See accompanying notes to financial statements

**STATEMENTS OF ACTIVITIES**  
**Year Ended June 30, 2004**

	Unrestricted	Temporarily Restricted	Total
Revenues and support (notes 2 and 8):			
Enterprise activities:			
Sales	\$ 28,146,429	\$	\$ 28,146,429
Commissions, fees, and other	359,541		359,541
Investment income (note 4)	4,741		4,741
Total auxiliary activities	28,510,711		28,510,711
Sponsored programs revenue	13,233,390		13,233,390
Campus programs revenue:			
University programs support	3,980,462		3,980,462
Contributions		3,079,825	3,079,825
Investment income (note 4)	49,487	465,414	514,901
Total campus programs revenue	4,029,949	3,545,239	7,575,188
General activities:			
Investment income (note 4)	546,479		546,479
Rental property	780,313		780,313
Administrative fees and other revenue	464,941		464,941
Total general activities	1,791,733		1,791,733
Total revenues and support	47,565,783	3,545,239	51,111,022
Net assets released from restrictions	5,071,444	(5,071,444)	
Total revenues and support and net assets released from restrictions	52,637,227	(1,526,205)	51,111,022
Expenses and other changes (notes 2, 9, and 10):			
Enterprise activities:			
Dining Services	9,418,694		9,418,694
Bookstores	10,053,679		10,053,679
Kellogg West Conference Center & Lodge	1,836,471		1,836,471
University Village Housing	2,645,877		2,645,877
Continuing Education	2,805,305		2,805,305
Agriculture-aid-to-instruction	1,339,372		1,339,372
Total enterprise activities	28,099,398		28,099,398
Sponsored programs expenses:			
Direct expenses	11,732,193		11,732,193
Indirect expenses	1,501,197		1,501,197
Total sponsored programs expenses	13,233,390		13,233,390
Campus programs expenses:			
University programs support	6,889,012		6,889,012
Scholarships	423,889		423,889
Total campus programs expenses	7,312,901		7,312,901
General expenses:			
Rental property expense	571,834		571,834
Administrative	936,212		936,212
Total general expenses	1,508,046		1,508,046
Designated expenses (note 3)	705,375		705,375
Total expenses	50,859,110		50,859,110
Other changes – transactions with affiliates (note 8)		1,289,876	1,289,876
Total expenses and other changes	50,859,110	1,289,876	52,148,986
Total change in net assets	1,778,117	(2,816,081)	(1,037,964)
Net assets at beginning of year- restated (note 13)	26,620,908	21,527,303	48,148,211
Net assets at end of year - restated (note 13)	\$ 28,399,025	\$ 18,711,222	\$ 47,110,247

**STATEMENTS OF CASH FLOWS**  
**Year Ended June 30, 2005 and 2004**

	2005	2004
Cash flows from operating activities:		
Change in net assets	\$ 1,047,686	\$ (1,037,964)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	2,176,390	2,197,292
Realized and unrealized gains and losses on investments, net	(785,707)	(348,006)
Loss on disposal of fixed assets	246,302	63,288
Transfer of fixed assets	903,402	1,289,876
Changes in operating assets and liabilities:		
Receivables	3,807,845	1,882,673
Inventories	(105,152)	503,817
Prepaid expenses and deferred charges	225,109	(37,851)
Accounts payable	748,541	(757,454)
Accrued liabilities	58,311	1,955,439
Deferred income	(56,711)	314,899
Deposits held in custody for others	(78,593)	(121,608)
Receipts in excess of expenditures on specific sponsored programs	(190,826)	(1,055,072)
Net cash provided by operating activities	<u>7,996,597</u>	<u>4,849,329</u>
Cash flows from investing activities:		
Purchases of fixed assets	(8,427,332)	(1,751,937)
Purchases of investments	(11,563,799)	(11,073,367)
Proceeds from sales and maturities of investments	8,200,000	5,500,000
Net cash used in investing activities	<u>(11,791,131)</u>	<u>(7,325,304)</u>
Cash flows from financing activities:		
Repayments of principal on capital lease obligations	(78,475)	(63,710)
Repayments of principal on bonds payable	(755,000)	(730,000)
Decrease in debt reserve funds	39,849	4,982
Increase in Unitrust liability	52,150	240,219
Net cash used in financing activities	<u>(741,476)</u>	<u>(548,509)</u>
Net decrease in cash and cash equivalents	<u>(4,536,010)</u>	<u>(3,024,484)</u>
Cash and cash equivalents, beginning of year	<u>9,664,549</u>	<u>12,689,033</u>
Cash and cash equivalents, end of year	<u>\$ 5,128,539</u>	<u>\$ 9,664,549</u>
Supplemental disclosure of cash flow information:		
Interest paid during the year	<u>\$ 396,063</u>	<u>\$ 419,729</u>
Noncash investing and financing activities:		
The Foundation entered into capital lease obligations for office equipment totaling \$52,320 in 2004.		

\* See accompanying notes to financial statements







## 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 enterprise activities including, dining service, bookstores, conference center lodge, apartment style housing, continuing education and agricultural aid to instruction; the accumulation and management of campus program and student scholarship funds on behalf of the University; and the development and administration of faculty staff housing and a research park, 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, 2005 and 2004.

#### **(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, 2005 and 2004 were \$1,068,147 and \$1,335,859, 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.

**(e) Contributions Receivable**

Contributions receivable expected to be received beyond one year are recorded at the net present value of anticipated future cash flows. The discount rate used during the years ended June 30, 2005 and 2004 was 6%.

**(f) Inventories**

Inventories, consisting primarily of textbooks, food and supplies, are stated at the lower of cost (weighted average) or market.

**(g) Property, Plant, and Equipment**

Property, plant, and equipment are stated at cost or, if donated, at their estimated fair market value at the date of donation. Depreciation is provided using the straight-line method over the assets' estimated useful lives, which range from 3 to 40 years.

**(h) Deposits Held in Custody for Others**

Funds administered by the Foundation on behalf of University-affiliated ancillary organizations are recorded as deposits held in custody for others and are recorded as a current liability. It is management's belief that the Foundation is acting as an agent for the transactions of these ancillary organizations. Accordingly, the financial activities of such organizations have not been recorded in the accompanying statements of activities.

**(i) Unitrust Liability**

The Foundation administers irrevocable charitable remainder trusts that provide for the payment of lifetime distributions to the trustors or other designated beneficiaries. Upon the demise of the lifetime beneficiary, the trusts provide for the distribution of assets to the Foundation for the benefit of campus organizations. Remainder trust funds designated to the campus organizations are recorded as donations in the accompanying financial statements in the years received. The fair value of the trusts' assets has been included in the accompanying statements of 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 enterprise activities, less the general and administrative allocation to enterprise activities, totaled \$48,103,049 and \$48,471,560 for the years ended June 30, 2005 and 2004, 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, 2004 amounts have been reclassified to conform with the June 30, 2005 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:

	2005	2004
Agriculture state share reserve	\$ 75,000	\$ 75,000
Equipment replacement	4,601,955	3,378,166
Foundation emergency reserve	120,152	120,152
Indirect cost disallowance	191,107	184,481
Interim Design Center	432,409	567,715
Pine Tree Ranch reserve	22,634	21,657
Postretirement medicts	500,040	334,455
Venture capital/Real estate reserve	842,032	644,041
Other	13,695	57,817
	<u>\$6,799,024</u>	<u>\$5,383,484</u>

Expenditures of Board-designated program activities for the years ended June 30, 2005 and 2004 are summarized as follows:

	2005	2004
Athletic program	\$ 50,000	\$ 40,000
News and publications	139,517	167,941
Office of Development	85,300	78,229
Special Foundation grants	37,794	
Public relations	273,922	419,205
	<u>\$ 586,533</u>	<u>\$ 705,375</u>

**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:

	2005	2004
Treasury notes	\$ 99,530	\$ 103,127
Commercial paper	13,478,939	10,512,499
Equity securities	12,253,845	11,067,183
Investments by type	<u>\$25,832,314</u>	<u>\$21,682,809</u>

	2005	2004
Marketable securities	\$12,253,845	\$11,067,183
Other short-term investments	4,637,321	2,133,127
Long-term investments	8,941,148	8,482,499
Investments by type	<u>\$25,832,314</u>	<u>\$21,682,809</u>

Investment return for the years ended June 30, 2005 and 2004 is as follows:

	2005	2004
Net realized and unrealized gains and losses	\$ 785,707	\$ 348,006
Interest and dividend income	875,709	718,115
	<u>\$ 1,661,416</u>	<u>\$ 1,066,121</u>

Investment return is allocated to various activities as follows in 2005 and 2004:

	2005	2004
Enterprise activities	\$ 47,139	\$ 4,741
Campus program activities	652,867	514,901
General activities	961,410	546,479
	<u>\$ 1,661,416</u>	<u>\$ 1,066,121</u>

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

	2005	2004
Cash equivalents	\$ 17	\$ 43,508
Corporate Debt Securities	399,845	400,507
U.S. government obligations	516,750	512,446
	<u>\$ 916,612</u>	<u>\$ 956,461</u>

**Note (5) Contributions Receivable**

Contributions receivable are expected to be received as follows at June 30, 2005 and 2004:

	2005	2004
Within one year	\$ 947,779	\$ 1,583,273
Within two to five years	871,400	2,635,680
After five years	25,000	125,000
	<u>1,844,179</u>	<u>4,343,953</u>
Less allowance for uncollectible contributions	(111,444)	(121,792)
Less discount to reflect contributions receivable at present value	(158,124)	(293,369)
	<u>\$ 1,574,611</u>	<u>\$ 3,928,792</u>

**Note (6) Bonds and Line of Credit**

A summary of bonds payable at June 30, 2005 and 2004 follows:

	2005	2004
Bonds collateralized by the unrestricted revenues of the Foundation - Series 2000 Bonds (b)	\$ 4,680,000	\$ 4,815,000
Bonds collateralized by the unrestricted revenues of the Foundation - Series 2002A Bonds (c)	3,425,000	4,045,000
	<u>8,105,000</u>	<u>8,860,000</u>
Less current portion	(780,000)	(755,000)
Noncurrent portion of bonds payable	<u>\$ 7,325,000</u>	<u>\$ 8,105,000</u>

(a) 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), also includes two federally 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 CTTI is located on land leased from the University. 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.

(b) 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.

(c) In fiscal year 2005, the Foundation entered into an unsecured revolving line of credit for \$2,000,000 for purposes of working capital and to provide bridge financing for local real estate purchases of housing (limited to single-family residences) for faculty and staff of the University. The note is renewable annually and the outstanding principal balance bear interest at the bank's prime rate or 2.5% above the LIBOR rate. The line of credit matures in November 2005. There were no balances outstanding as of June 30, 2005 and June 30, 2004.

Future minimum principal payments on bonds are as follows:

Year ending June 30:	
2006	\$ 780,000
2007	810,000
2008	835,000
2009	870,000
2010	910,000
Thereafter	3,900,000
	<u>\$ 8,105,000</u>

Interest expense on the bonds payable totaled \$393,349 and \$417,953 for the years ended June 30, 2005 and 2004, respectively.

## Note (7) Leasing Commitments

### Operating Leases as Lessee

The Foundation has a dining 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 dining service facility. For the years ended June 30, 2005 and 2004, such amount totaled \$270,634 and \$262,564, respectively, which was included in rent expense.

Land and certain facilities used in the Foundation operations are leased 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 2035.

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, 2005 are as follows:

Year ending June 30:	
2006	\$ 117,576
2007	110,992
2008	109,676
2009	109,257
2010	63,000
	<u>Total</u>
	\$ 510,501

### Capital Leases As Lessee

The Foundation has various non-cancelable capital lease agreements for office equipment with terms of 60 months and interest ranging from 6.6% to 8.5%.

Future minimum payments under non-cancelable capital lease agreements at June 30, 2005 are as follows:

Year ending June 30:	
2006	\$ 79,482
2007	85,618
2008	91,819
2009	17,488
	<u>Total</u>
	274,407
	Less amount representing interest
	16,965
	<u>Present value of net minimum lease payments</u>
	\$257,442

### 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, 2005 are as follows:

Year ending June 30:	
2006	\$ 744,857
2007	467,370
2008	467,370
2009	467,370
2010	422,370
Thereafter	17,968,500
<b>Total</b>	<b>\$ 20,537,837</b>

### Note (8) 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, 2005 and 2004, receivables from other activities and due from the University are approximately \$735,560 and \$1,717,855, respectively. Accounts payable include approximately \$839,479 and \$901,133 due to the University at June 30, 2005 and 2004, respectively.

Amounts billed by the Foundation and included in revenues for the years ended June 30, 2005 and 2004 totaled approximately \$6,569,370 and \$7,999,089, respectively. Amounts billed to the Foundation and included in expenses for the years ended June 30, 2005 and 2004 totaled approximately \$4,911,707 and \$4,481,087 respectively.

During the year ended June 30, 2005 and 2004, the Foundation transferred fixed assets totaling \$903,402 and \$1,289,876, comprised of newly constructed buildings and renovations for various colleges to the University. The University assumed ownership and management of these facilities. During the year ended June 30, 2005 the Foundation transferred a pledge receivable of \$1,000,000 and stock of \$790,950 to the University Educational Trust, an auxiliary of the University.

### Note (9) 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, 2005 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. Due to a sluggish economy and lower returns in the equity markets, the contribution rate for the year ended June 2005 was 8.456% or \$579,198 and for the year ended June 2004 was 4.012% or \$287,234. The contribution rate is 10.321% for fiscal year 2006 and is projected to be 10.4% for fiscal year 2007. The following table sets forth the most recent information provided by PERS which is as of June 30, 2003 (the latest date for which information is available):

Present value of Benefits	
Active members	\$ 17,991,847
Transfers	2,120,829
Separated members	1,852,792
Receiving payments	8,480,413
<b>Total</b>	<b>30,445,881</b>
Present value of future employer normal costs	6,402,673
Present value of future employee contributions	3,091,485
<b>Entry age normal accrued liability</b>	<b>\$ 20,951,723</b>
Actuarial value of assets:	
Employer reserves	\$ 17,671,982
Active employee account balances	3,246,452
<b>Total valuation assets</b>	<b>\$ 20,918,434</b>

### Note (10) Other Postretirement Benefits

In addition to the Foundation's multiemployer defined benefit pension plan, the Foundation sponsors a defined benefit health care plan that historically has provided postretirement medical benefits to full-time employees who have at least 5 years of service and have attained age 50 while in service with the Foundation. On October 1, 2004 the eligibility requirement was changed for new full-time employees. Newly hired employees will be 75% vested at age 50 if they have 10 years of service. With every additional year of service the vesting increases by 5% reaching 100% for employees who are age 50 or older and have at least 15 years of service. In addition, if an employee is age 50 or older and the employee's age plus years of service is 70 or more the employee is 100% vested. On July 1, 2005 this new eligibility requirement also became effective for employees hired prior to October 1, 2004.

The Foundation's policy is to fund a significant portion of the cost of medical benefits in amounts determined at the discretion of management. The Foundation's maximum contribution will increase by no more than 5% per year.

Because the Foundation has not yet finalized its approach to recognizing benefits that will be provided by the Medicare Prescription Drug, Improvement and Modernization Act of 2003 this disclosure does not include any adjustments to the Benefit Obligation or Benefit Cost.

The following table summarizes the Foundation's accrued postretirement benefit cost recorded in accrued liabilities in the accompanying statements of financial position:

	2005	2004
Benefit obligation at June 30	\$(9,984,196)	\$(10,177,226)
Fair value of plan assets at June 30	0	0
<b>Funded status</b>	<b>\$ (9,984,196)</b>	<b>\$(10,177,226)</b>
Prepaid (accrued) benefit cost recognized in the statements of financial position	\$(6,063,693)	\$(5,059,873)

Assumptions as of June 30	2005	2004
Discount rate	5.75%	6.50%
Expected plan assets	N/A	N/A

For measurement purposes the 2005 annual assumed rate of increase in the per capita cost of covered benefits (i.e., health care cost trend rate) is 10%, decreasing gradually to 5.5% in 2010 and remaining at that level thereafter.

	2005	2004
Benefit cost	\$ 1,313,170	\$ 1,620,465
Employer contributions	\$ 309,350	\$ 294,530
Plan participants' contributions	\$ 0	\$ 0
Benefits paid	\$ 309,350	\$ 294,530

### Note (11) Commitments

During the 2002-03 fiscal year, the Foundation entered into two ground leases with the State of California, acting through the Board of Trustees of the California State University to begin development of a research park. The Foundation entered into a ground sublease with a future tenant of the research park and the Foundation agreed to develop and construct the common infrastructure to serve the tenants of the park. The research park is being developed by the Foundation on sixty-five acres of land at California State Polytechnic University, Pomona. The estimated current cost of the common infrastructure is approximately \$9.0 million. During the 2003-04 fiscal year, the Foundation agreed to finance the construction of certain capital costs with respect to the first phase infrastructure for the research park. The capital cost of the first phase infrastructure project is \$3,431,153 and was completed February 2005.

During the 2003-04 fiscal year, the Foundation entered into a ground and facilities lease agreement (Capital Lease) with the State of California, acting through the Board of Trustees of the California State University (Board) and agreed to undertake the financing of certain capital costs with respect to the University Village Phase III construction by the Board of an additional 466 bed-spaces (the "Project") at the University Village student housing complex located at California State Polytechnic University, Pomona. The Board assisted the Foundation by issuing its System Revenue Bonds in 2004-05 and applied the proceeds of such Bonds to the construction and acquisition of the Project by the Board; and leasing the Project to the Foundation pursuant to the Capital Lease, subject to the following general terms and conditions: (i) the maximum annual debt service under the Capital Lease shall not exceed \$1,830,625 and the scheduled term of the Capital Lease is 31 years from completion of the construction of the Project in September 2005.

During the 2004-05 fiscal year, the Foundation received an offering memorandum by Common Fund Realty Investors, LLC (the "Fund") and entered into a subscription agreement to be a subscriber in the Fund for an aggregate purchase price (commitment) of \$1,500,000. Subsequent to year end the Foundation received and funded two capital calls of 15.5% and 25.2% for a total of \$610,000. The Fund currently has equity commitments over \$340 million from 124 institutional investors and consists of 18 assets in 6 markets encompassing 4.0 million square feet of office, industrial, retail, multi-family projects and development opportunities.

### Note (12) Temporarily Restricted Net Assets

Temporarily restricted net assets totaling \$16,688,821 and \$18,711,222 at June 30, 2005 and 2004, respectively, are restricted for campus programs activities.

### Note (13) Restatement of Beginning Net Assets

a) During the fiscal year ended June 30, 2005, the Foundation realized it had not recorded a prior year pledge receivable. Therefore, the Foundation restated its net assets as of June 30, 2003 and recorded the pledge receivable.

The Foundation's net assets as of June 30, 2003 have been restated as follows:

	Unrestricted	Temporarily Restricted	Total
Net assets as of June 30, 2003, as previously reported	\$ 26,620,908	\$ 21,226,230	\$ 47,847,138
Prior year pledge receivable		301,073	301,073
Net assets at June 30, 2003, as restated	\$ 26,620,908	\$ 21,527,303	\$ 48,148,211

b) During the fiscal year ended June 30, 2005, the Foundation realized it had not reported the release of net assets utilized to complete construction of the business incubator research space and the cost of developing Innovation Village. Therefore, the Foundation restated its net assets as of June 30, 2004 and reported the release of these assets.

The Foundation's net assets as of June 30, 2004 have been restated as follows:

	Unrestricted	Temporarily Restricted	Total
Net assets as of June 30, 2004, as previously reported	\$ 26,813,372	\$ 19,995,802	\$ 46,809,174
Prior year pledge receivable		301,073	301,073
Release of net assets	1,585,653	(1,585,653)	
Net assets at June 30, 2004, as restated	\$ 28,399,025	\$ 18,711,222	\$ 47,110,247

### Note (14) Subsequent Events

The Foundation entered into three escrows for the purchase of three single-family residential houses for a total of approximately \$1,075,088 in support of the California State Polytechnic University, Pomona's mission to develop affordable faculty staff housing options to attract and retain employees for the University. Under the terms and conditions of the sale, the Foundation will retain the land under a long-term lease and sell the single-family house to a faculty member with specific covenants, conditions and restrictions.



# 1966 1975

1966 1967 1968 1969 1970 1971 1972 1973 1974 1975

## 1966

- The Cal Poly Kellogg Unit Foundation, Inc. is incorporated and begins operations
- First Foundation Board of Directors include Mr. Julian A. McPhee, Dr. Robert C. Kramer and Mr. Cecil W. Jones
- President Robert C. Kramer served as President of Cal Poly Pomona and Chairman of the Foundation Board of Directors



## 1967

- El Patio Bookstore is incorporated into Foundation operations
- Foundation contributes \$30,000 to University Union building fund
- First un-audited financial statements report total assets \$412,346, fixed assets \$83,788 and net surplus \$39,119

## 1968

- Los Olivos Commons, resident dining hall opens
- Food service begins to operate 7 days a week
- 175 students involved in Agriculture projects share profits of \$3,000

## 1966

## 1969

- Technical assistance program begins in Tanzania
- 8 Polled Hereford cows donated to Beef Unit to begin breeding program

## 1970

- Bookstore remodeled and floor space increases by 1/3
- Board rate at Los Olivos Commons for 1970-71 is \$537



## 1968

## 1971

- Los Olivos introduces a salad bar and ice cream machine
- Kellogg West Center for Continuing Education opens
- Campus Center offers a hamburger, soft drink and French fries for 50 cents
- Financial statements report investments \$299,294, revenues \$2.7 million, inventory \$279,187 and fund balance \$1.4 million



## 1966

## 1972

- Bookstore sales exceed \$1 million
- Made to order sandwiches are featured in the Faculty/Staff Dining Room
- Foundation accepts 4 Arabian mares donated by the Wigley Ranch



## 1973

- Foundation contributes \$20,000 to Athletics
- Schedule of classes sells for 40 cents at bookstore, calculators sell for \$395

## 1971

## 1974



## 1974

- Union Station and the Ice Cream Shoppe opens in University Union
- Lunch at Kellogg West costs \$2.50

## 1975

- John R. Kropf appointed as Director of Foundation Services
- Research grants administered by the Foundation total \$467,500

Not printed at state expense

# 1976 1985

1976 1977 1978 1979 1980 1981 1982 1983 1984 1985

1976

- 200 Agriculture students are involved in enterprise projects
- Bookstore extends hours to serve evening students
- Pine Tree Ranch incorporated into Foundation Operations
- Financial statements report: assets \$4.7 million, liabilities 534,110, revenues \$4.9 million and fund balance \$4.2 million



1977

- Los Olivos adds self-serve breakfast line
- President Hugh La Bounty elected Chairman of the Foundation Board of Directors

1978

1978

- Hillside Wing added to Kellogg West
- Full-time Director of Development appointed
- Foundation contributes \$110,000 to build Child Care Center



1979

- Hot dog wagon introduced
- Bookstore carries over 385,000 textbooks
- New equipment purchased for nursery in Ornamental Horticulture

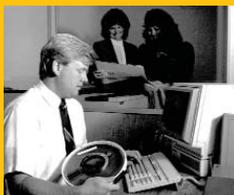
1979



1980

- Foundation administers \$1.2 million in research grants
- Equine Research Center opens
- Arabian horse show schedule expanded
- Financial statements report: revenues \$8.9 million, designated gifts \$255,992, reserves \$1.4 million, assets \$6.3 million and fund balance \$4.1 million

1982



1981

- Beef Unit enters LA County Fair
- Patio and awning added to the bookstore
- Raymond Burr orchid collection established

1982

- The Foundation is awarded \$136,900 in special grants
- The Foundation office computerized
- Unlimited seconds offered at Los Olivos



1983

- Horticulture Improvement Training Program begins in Yemen
- Union Station redecorated and name changed to Sound Stage
- Batcheller Conservatory in Ornamental Horticulture dedicated

1984

- Foundation administration offices in Building 55 dedicated
- Computer store opens
- Campus Center introduces wide variety of "make-your-own" bars
- First annual Research Awareness Week begins
- Financial statements report: assets \$9.7 million, note payable \$21,378, revenues \$13 million and fund balance \$6.7 million

1984

1985

- University Village opens - Vending office computerized
- PolyNet and teleconferencing added to Kellogg West
- Bronco Card, discount dining card introduced
- Annual Hot Dog Caper begins

1985



# 1986 1995

1986 1987 1988 1989 1990 1991 1992 1993 1994 1995

## 1986

- Make your own pizza introduced at Campus Center
- El Patio Bookstore changes its name to Bronco Bookstore and moves into Building 66
- Poly Trolley introduced



## 1986



- Blazing Saddle Beer Bar remodeled

- Center for Hospitality Management constructed
- Kellogg West refurbished

## 1988

- Annual Food Fair at Los Olivos Commons begins
- Bookstore offered Saturday hours during the first week of rush
- Financial statements report: assets \$23.4 million, fixed assets \$11.9 million, endowment \$75,000, campus programs \$5.8 million, revenues \$21 million and fund balance \$10.4 million



- Café Bibliotech added to Library

- President Bob H. Suzuki becomes Chairman of Foundation Board of Directors
- The Ice Cream Shoppe remodeled and renamed Oscar's
- Residents move into Phase II of the University Village

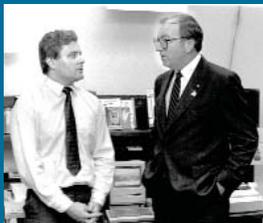
## 1991

- Campus Books opens as our first off-campus bookstore
- Taco Bell Express cart opens in Campus Center



## 1994

- Nestle Tollhouse cookie and gourmet coffee cart tester in Campus Center
- Research activity has increased steadily exceeding \$6 million



- Bronco Bookstore became an authorized Apple Computer Service Center
- The Cal Poly Kellogg Unit Foundation, Inc. changes its name to the Cal Poly Pomona Foundation, Inc.
- George Takei, To the Stars, author signing
- Financial statements report assets \$33.2 million, endowments \$1.3 million, investments \$9.8 million, revenues \$22.7 million and fund balance \$11.5 million

## 1995

- G. Paul Storey becomes Executive Director of Foundation
- Vending subcontracted to outside vendor
- Bronco Bookstore Supply Department begins catalog ordering program



## 1995

# 1996 2005

1996 1997 1998 1999 2000 2001 2002 2003 2004 2005



1996

1996

- Facilities work order system was initiated
- First Grad Fair is held
- CBORD computer system was purchased by the University Village
- Campus Center became the new, colorful Campus Center Marketplace
- Carl's Jr./Green Burrito opened as the nations first college-based dual-concept restaurant

1997

- Kellogg West was nominated for the "Best in the West" award presented by Successful Meeting Magazine
- Campus Center was awarded 2nd place in the Loyal E. Horton Award Category of Specialty Restaurant or Shop.
- Round Table Pizza opened

1999



1998

- NACAS awarded the Innovative Achievement Award for the second year in a row to Dining Services for their CURB (College and University Resource Board)
- \$8,198,447 in grants and contract expenditures administered

2000

1999

- Kellogg West completes million dollar renovation
- NASA Commercialization Center opens
- CPELI welcomes 100 new and old faces to the programs



2001



2000

- Panda Express opens at Campus Center Marketplace
- Kellogg West partners with Pegasus with its GDS reservation provider
- PonyPak online textbook ordering begins
- Foundation C.A.R.E.S. Program was created to support outreach in local community

2001

- In honor of Norman J. Priest, an endowed scholarship was created for Foundation student employees
- Faculty/Staff Housing Resource Kit became available
- Bronco Access Debit Card introduced to campus
- Campus Books moves to Innovation Village and becomes CTI Books



2002

- Kikka Sushi opened
- Kellogg West launches on-line reservations for guest rooms through its website

2003

- President J. Michael Ortiz becomes chair of Foundation Board of Directors
- Center Court at Bronco Student Center opens

2003



2004

- American Red Cross and AccelTech moves into Innovation Village
- Dining Services participates in the California Grown Program
- Faculty/Staff Housing Program - first home sold on land-lease option

2005

2004

2005

- Los Olivos Dining Commons wins 2nd Place in the Loyal Horton Themed Dinner Awards from NACUFS
- South Campus Road Extension completed
- University Village Phase III opened
- Financial statements report assets \$71.4 million, investments \$25.8 million, fixed assets \$49.6 million, revenues \$54.4 million bonds payable \$8.1 million and net assets \$48.2 million



\* Not printed at state's expense

