



# How to Prepare a Pro Forma

By Budget Planning & Analysis  
July 11, 2023



# Agenda

- **Quarterly Report Deliverables**
- **Proforma Structure**
  - Number of years: Actuals, Budget, and Projection
  - Summary & Detailed P&L
  - Reserves
  - Debt Service Coverage Ratio
  - Assumptions and Modeling of Revenues & Expenses
  - Building, Equipment, and Maintenance Refresh Schedule (BEMR)
- **Changes for Your Current Pro Forma**

# Pro Forma Definition

- **A pro forma financial statement is a planning tool based on certain assumptions and projections.**
- **We use it primarily to ensure that our projected revenues and reserves are adequate to cover our operations, financing (bond debt), capital improvement, building, equipment, and maintenance refresh**
- **A pro forma is required by the CO Finance & Treasury prior to a major capital construction to ensure the operation can sustain the repayment of bond debt, usually 30 years**
- **A well-constructed pro forma should tell the story of your present and future financial activities, indicate where you may have potential issues so you have time to prepare and adjust. It should also be *simple* enough for a reader to follow step-by-step**

# Pro Forma Structure

# Quarterly Report Deliverables

- Quarterly Report Template (financial & narrative) provided by BPA
- Quarterly Pro Forma

Term	Template Sent	Template Due
22-23 Year End	July 18, 2023	<b>July 25, 2023</b>
23-24 Q1	October 20, 2023	November 3, 2023
23-24 Q2	January 22, 2024	February 5, 2024
23-24 Q3	April 19, 2024	May 3, 2024
24-25 Year End	July 19, 2024	July 29, 2024

# Number of Years

- **Include two years of actuals, the current year's budget, YTD, and projection, and at least nine future years of forecast**
- **Actuals 20-21, 21-22; Budget from 22-23 to 31-32**
- **The primary budget year should evolve as we progress through the year to include Budget, YTD, and Projection**
- **We are reporting on 22-23 year-end, so the primary budget year should be 22-23**
- **Q1-Q3: include budget, YTD, projection; year-end: budget and actuals only**

# Summary & Detailed P&L

- Provide both summary and detail pro forma
- Summary – executive summary that highlights high-level information such as revenue and expenditure trends, net income, dscr, reserves, etc.
- Detail –*by program or by department (lowest cost center level), showing all account numbers.* Acceptable details include your summary trail balance by account or Tableau data download
- Summary and Detailed should be on separate tabs, but key totals should match

# Summary P&L



**PRO FORMA**  
(ASI Ledger)  
Facilities and Operations & Campus Recreation Center  
As of March 17, 2022

		FY 19-20 Actual	FY 20-21 Actual	FY 21-22 Projected	FY 22-23 Budget	FY 23-24 Budget	FY 24-25 Budget
<b>REVENUE</b>							
Return of Surplus Fee	01	(14,628,000)	(15,940,000)	(18,925,002)	(17,052,000)	(15,764,000)	(15,251,000)
Program Revenue	02	(259,331)	(160,301)	(172,355)	(288,315)	(292,764)	(297,347)
Membership	03	(56,986)	(5,402)	(19,000)	(57,000)	(58,710)	(60,471)
Merch Sales & Services	04	(56,084)	12	(11,052)	(24,340)	(25,070)	(25,822)
Lease & Rental	05	(245,136)	(47,522)	(52,982)	(182,951)	(188,440)	(194,093)
Interest Income	06	(470,236)	(123,805)	(110,000)	(110,000)	(113,300)	(116,699)
Over/Short, Cost Rec, Spon	07	(67,142)	1	(14,292)	(45,751)	(47,123)	(48,537)
Other Income	08	(26,795)	(39,237)	(6,000)	(6,000)	(6,180)	(6,365)
<b>Total</b>		<b>(15,809,710)</b>	<b>(16,316,254)</b>	<b>(19,310,683)</b>	<b>(17,766,357)</b>	<b>(16,495,587)</b>	<b>(16,000,334)</b>
<b>EXPENSES</b>							
Salaries - Professional	09	2,991,259	3,045,478	3,524,827	4,413,158	4,545,553	4,681,919
Salaries - Hourly	10	3,684,654	1,065,904	3,425,382	5,825,480	6,000,244	6,180,252
Overtime	11	9,855	2,372	14,174	34,000	35,020	36,071
Benefits	12	2,240,190	1,530,847	1,565,844	2,428,956	2,501,825	2,576,880
S&S/Mktng/Ins/Travel&RHT/S&M	13	1,147,850	2,455,678	820,758	1,531,411	1,577,353	1,624,674
Equipment/Software/Lease & Rental	14	232,560	246,025	506,584	628,137	646,981	666,390
Utilities	15	488,230	352,450	732,495	851,278	876,816	903,120
Prof & Contracted Services	16	477,065	235,753	482,766	1,081,240	1,113,677	1,147,088
Fees from University/Other Agency	17	427,132	417,229	272,412	307,187	316,402	325,895
Repairs & Maintenance	18	275,521	134,545	281,156	314,210	323,636	333,345
Depreciation	19	255,663	239,821	250,000	350,000	360,500	371,315
Bad Debt	20	-	-	-	-	-	-
Capital	22	176,985	18,646	58,209	-	-	-
				650	1,300	1,339	1,379
<b>Total (w/o transfers)</b>		<b>12,406,964</b>	<b>9,744,748</b>	<b>11,935,257</b>	<b>17,766,357</b>	<b>18,299,346</b>	<b>18,848,328</b>
<b>NET INCOME</b>		<b>(3,402,746)</b>	<b>(6,571,506)</b>	<b>(7,375,426)</b>	<b>-</b>	<b>1,803,759</b>	<b>2,847,994</b>

# Detailed P&L

## CAL POLY POMONA PARKING & TRANSPORTATION SERVICES

	COVID-19 Pandemic												
	Semester Conversion												
	Open SSB Year 1	Open HSG Year 2	Year 3	Year 4	Year 5	Year 5	Year 5	Year 6	Year 7	Year 8	Year 9		
2017/18	2018/19	2019/20	2020/21	2021/22	As Of Q3	Budgeted	Projected	2023/24	2024/25	2025/26	2026/27		
305002 Fund Balance	(6,705,172)	(7,321,826)	(6,252,225)	(7,042,787)	(2,047,286)		(7,427,142)	(12,927,144)	(13,395,618)	(14,377,460)	(15,668,137)		
<b>Revenue</b>	7.91%	-4.07%	-10.23%	-9.14%	1138.76%		66.90%	-0.96%	-0.96%	7.61%	0.25%		
504003 Parking Permits	(8,502,449)	(8,156,076)	(7,321,400)	(355,601)	(4,405,058)	(5,881,721)	(7,352,151)	(7,352,151)	(7,281,644)	(7,211,449)	(7,760,190)	(7,779,591)	
504004 Parking Coin Gates	(1,296,041)	(1,108,101)	(754,664)	(47,327)	(982,877)	(807,887)	(1,009,859)	(1,009,859)	(1,000,174)	(990,583)	(990,583)	(990,583)	
504400 Allow for BadDebt	(1,815)	(11,119)	(674)	(207)	(16)	(263)	-	-	-	-	-	-	
505201 Reimbursements - External				(1,989,276)	(6,796,912)	(4,264,240)	(4,264,240)	(4,264,240)					
570544 Tr In fr CSUS44-TF Camp Svc													
580090 Revenue - Other	(25,257)	(24,806)	(22,545)	(37,022)	(35,533)	(34,742)	(68,300)	(68,300)	(68,300)	(68,300)	(68,300)	(68,300)	
580092 CSURMA Dividend Revenues	(1,991)	(949)	(2,327)	(2,159)	(1,256)	(1,267)	(2,534)	(2,534)	(2,534)	(2,534)	(2,534)	(2,534)	
580093 Other Non-Operating Revenues					(3,731)								
580094 Cost Recovery fr Other CSU 948	(56,431)	(49,464)	(89,193)	(4,259)	(24,032)	(60,414)	(76,947)	(76,947)	(76,947)	(76,947)	(76,947)	(76,947)	
580095 Cost Recovery fr External Srce	(55,560)	(71,503)	(55,300)	(16,398)	(61,288)	(31,179)	(11,722)	(11,722)	(11,722)	(11,722)	(11,722)	(11,722)	
<b>Total Revenue</b>	<b>(9,939,544)</b>	<b>(9,422,018)</b>	<b>(8,246,103)</b>	<b>(2,452,249)</b>	<b>(12,310,703)</b>	<b>(11,081,713)</b>	<b>(12,785,753)</b>	<b>(12,785,753)</b>	<b>(8,441,321)</b>	<b>(8,361,535)</b>	<b>(8,910,276)</b>	<b>(8,929,676)</b>	
<b>Expenses</b>													
<b>Salaries</b>													
601201 Management	111,924	104,594	30,361	109,800	109,800	102,525	129,450	129,450	132,039	134,680	137,373	140,121	
601300 Support Staff	475,779	586,934	546,710	266,763	271,161	235,140	326,151	326,151	332,674	339,328	346,114	353,036	
601301 Overtime	16,012	24,194	29,432	9,956	3,392	5,858	10,188	10,188	10,392	10,600	10,812	11,028	
601303 Student Assistant	28,067	-	-	-	-	-	-	-	-	-	-	-	
601814 Shift Differential	4,200	12,247	10,392	5,810	790	451	741	741	756	771	786	802	
601816 Special Stipends					3,084	30,609	32,950	32,950	33,609	34,281	34,967	35,666	
601817 IDL/ Sick Leave	1,978	(1,978)	-	-	-	-	-	-	-	-	-	-	
602001 Work Study	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Salaries</b>	<b>637,960</b>	<b>725,991</b>	<b>616,895</b>	<b>392,751</b>	<b>388,226</b>	<b>374,583</b>	<b>499,480</b>	<b>499,480</b>	<b>509,470</b>	<b>519,659</b>	<b>530,052</b>	<b>540,653</b>	
<b>Benefits</b>													
603001 OASDI	37,244	43,689	37,769	23,924	23,631	22,914	30,562	30,562	31,173	31,797	32,433	33,081	
603003 Dental Insurance	14,360	14,267	12,882	8,780	8,332	6,285	8,819	8,819	8,995	9,175	9,359	9,546	
603004 Health and Welfare	187,605	200,945	189,306	129,507	117,935	98,817	136,351	136,351	139,078	141,860	144,697	147,591	
603005 Retirement	166,037	192,731	179,680	116,850	112,507	110,322	148,862	148,862	151,839	154,876	157,974	161,133	
603008 Industrial Disability		16,329											
603009 Non-Industrial Disability	964	(964)	-	-	-	-	-	-	-	-	-	-	
603011 Life Insurance	373	380	142	117	112	192	263	263	268	274	279	285	
603012 Medicare	8,935	10,334	8,833	5,595	5,527	5,361	7,150	7,150	7,293	7,439	7,588	7,739	
603013 Vision Care	1,075	1,195	1,038	609	554	437	604	604	616	628	641	654	
603014 Long-Term Disability Insurance	75	38	15	46	47	35	45	45	46	47	48	49	
603015 Flex Cash	-	-	-	-	-	-	-	-	-	-	-	-	
603091 Dental Care Annuitants	6,068	4,243	3,483	3,704	3,235	1,697	2,263	2,263	2,308	2,354	2,402	2,450	
603092 State ProRata-MedBen Annuitant	95,234	77,628	60,543	71,520	73,096	30,926	41,235	41,235	42,472	43,746	45,059	46,410	
603100 NDI/IDL Claims Reimburse	(964)	(15,365)	-	-	-	-	-	-	-	-	-	-	
603889 Uniform Allowance	4,777	7,992	2,240	(1,705)	1,187	857	1,077	1,077	1,099	1,121	1,143	1,166	
<b>Total Benefits</b>	<b>521,783</b>	<b>553,442</b>	<b>495,933</b>	<b>366,667</b>	<b>268,645</b>	<b>277,843</b>	<b>377,231</b>	<b>377,231</b>	<b>385,188</b>	<b>393,316</b>	<b>401,620</b>	<b>410,103</b>	
<b>O/E</b>													
604001 Telephone Usage		4,996	3,638	3,634	3,639	3,145	5,681	5,681	5,795	5,911	6,029	6,149	
604990 Other Communications	18,348	41,586	41,586	38,497	28,644	(702)	(702)	(702)	(716)	(730)	(745)	(760)	

# Reserves by Fund

"OFF CAMPUS" RESERVES	FY 19-20 Actual	FY 20-21 Actual	FY 21-22 Budget	FY 21-22 Projected	FY 22-23 Budget
<b>OPERATING RESERVE (UB001)</b>					
Opening Balance - July 1	(19,788,964)	(22,406,909)	(26,061,949)	(26,061,949)	(25,571,605)
Fiscal Year Net Income	(2,617,945)	(4,497,141)	40,344	40,344	(929,435)
Transfer In					
Transfer Out		842,101	450,000	450,000	1,929,515
<b>Closing Balance-June 30</b>	<b>(22,406,909)</b>	<b>(26,061,949)</b>	<b>(25,571,605)</b>	<b>(25,571,605)</b>	<b>(24,571,525)</b>
<b>MAINT &amp; REPAIR (UB002)</b>					
Opening Balance - July 1	(4,197,845)	(2,469,542)	(2,450,580)	(2,450,580)	(1,754,674)
Transfer In	-	(352,529)	-	-	(1,929,515)
Transfer Out	192,000				
Expenditures	1,536,303	371,491	695,906	695,906	3,684,189
<b>Closing Balance-June 30</b>	<b>(2,469,542)</b>	<b>(2,450,580)</b>	<b>(1,754,674)</b>	<b>(1,754,674)</b>	<b>-</b>
<b>CAPITAL IMPROVEMENT (UB003)</b>					
Opening Balance - July 1	(312)	(312)	(317,717)	(317,717)	(561,854)
Transfer In		(489,572)	(450,000)	(450,000)	-
Transfer Out					
Expenditures	-	172,167	205,863	205,863	-
<b>Closing Balance-June 30</b>	<b>(312)</b>	<b>(317,717)</b>	<b>(561,854)</b>	<b>(561,854)</b>	<b>(561,854)</b>
<b>GRAND TOTAL</b>	<b>(24,876,763)</b>	<b>(28,830,246)</b>	<b>(27,888,133)</b>	<b>(27,888,133)</b>	<b>(25,133,379)</b>
Return of Surplus Fee for next year	15,940,000	18,925,000	17,052,000	17,052,000	15,764,000
Net Reserve	(8,936,763)	(9,905,246)	(10,836,133)	(10,836,133)	(9,369,379)

- Summary-level only showing beginning balance, net income, transfers in and out
- Provide the BEMR schedule and show the corresponding planned expenses in the reserves (more on this later)

# Debt Service Coverage Ratio (DSCR)

- If your operating budget funds bond payments, reflect the DSCR
- DSCR for a self-support unit is 1.25. Confirm your budgeted DSCR for future years meets the minimum
- This means our net operating income should exceed our bond payment (debt service) by at least 25%
- DSCR of 1.0 is still a balanced budget. However, if revenue came in below projection, our operating fund may not be adequate to fund the bond payment

# Assumptions & Rev/Exp Modeling

- **Provide a list of logical assumptions used for modeling**
- **Examples: enrollment, occupancy rate, permit sales history, HEPI adjustment**
- **Avoid embedding assumptions in formulas as they are difficult for reviewers to understand the flow of information**
- **Your revenue modeling is going to be unique to your operations**

# Building, Equipment, Maintenance & Refreshes (BEMR)

## CSU Project Category Definitions

Recurring maintenance/repair: Activities, typically in cycles less than one year, required for ongoing, routine operations and maintenance of buildings and equipment. Work necessary to **keep** facilities, buildings, equipment, roads, sidewalks, sewer and water systems, utility infrastructure, and grounds in good repair, appearance, and operating condition. Regular, ongoing, scheduled maintenance and repair costs should be recorded only in a CSU operating fund (e.g., CSU fund 485, CSU Operating Fund; or CSU Fund 531, Housing Operations).

Non-Recurring Maintenance/Repair (NRMR) - Deferred Maintenance: Work required to **restore** facilities, buildings, equipment, roads, sidewalks, sewer and water systems, utility infrastructure, and grounds to their original condition or to such condition that they can be effectively used for their intended purpose, ensuring ongoing operation of the campus. Typically, this work occurs in cycles greater than one year (and is not funded as part of the new space budget allocation). Some campuses budget non-recurring maintenance separately and, for example, may establish (1) use of one-time funds for such expenditures, or (2) set aside permanent base funds to address non-recurring maintenance and deferred maintenance. (e.g., CSU fund 486, ACAD Deferred Maint.; or 532, Housing Maint. and Repair)

Capital Improvement Project (CIMP): An activity which **improves** or **alters** an existing space or creates new space. New construction of facilities, buildings, equipment, roads, sidewalks, sewer and water systems, utility infrastructure, and grounds are all capital expenditures, as distinguished from maintenance/repair. (e.g., CSU fund 487, ACAD Cap Improv; or 533, Housing Construction)

# Building, Equipment, Maintenance & Refreshes (BEMR, cont'd)

California State Polytechnic University, Pomona  
**Estimated Expenses Posted to Deferred Maintenance Funds**  
**Financial Model Estimates - Building Equipment and Maintenance Refresh (BEMR) Schedule**  
 Date

**Anne-Marie L. Larrabure:**  
 Please note that this file is to be used as a sample to build a BEMR based on current definitions and guidelines for non-routine deferred maintenance. This schedule should correspond (support) with the financial proforma with a minimum of 5 years of actuals and 20 years of projected fiscal years.

Area/Deferred Maintenance Funding Source																	
Fiscal Year																	
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20				
		Actuals	Actuals	Actuals	Actuals	Actuals	Projected										
Villag	Location	Project/Description	Refresh Cycle	Cost in Todays													
ANV	Anacapa A, B, C, D	Base mtd. Pump - up to 15 HP	20 year	\$107,226													
ANV	Anacapa	Bedroom furniture	Priority 3	\$217,560													
ANV	Anacapa A, B, C, D	Carpet	10 year	\$730,380											853,449		289,268
ANV	Anacapa A, B, C, D	Ceramic floor tile	20 year	\$275,576													
ANV	Anacapa A, B, C, D	Concrete pedestrian paving	20 year	\$20,720													
ANV	Anacapa	Dishwasher renewal	Priority 3	\$90,132											105,319		
ANV	Anacapa A, B, C, D	Electrical switchgear 120/208V	20 year	\$203,056													
ANV	Anacapa A, B, C	Elevator cab renovation - passenger	8 year	\$140,896													
ANV	Anacapa A, B, C	Elevator modernization - hydraulic	20 year	\$752,136													
ANV	Anacapa A, B, C, D	Emergency light (battery)	20 year	\$89,096													
ANV	Anacapa A, B, C, D	Exhaust fan - centrifugal room exhauster	20 year	\$12,950													
ANV	Anacapa A, B, C, D	Exhaust fan - propeller type	20 year	\$333,592													
ANV	Anacapa A, B, C, D	Exit signs (battery)	20 year	\$54,908													
ANV	Anacapa A, B, C, D	Fire alarm system, poin addressable	15 year	\$417,508													
ANV	Anacapa A, B, C, D	Fire sprinkler heads	20 year	\$81,844													
ANV	Anacapa Building A, B, C	Hallway lights renewal		\$31,080											36,317		
ANV	Anacapa A, B, C, D	High traffic exterior door system	20 year	\$272,813													
ANV	Anacapa A, B, C, D	HVAC system - dormitory/apartments	25 year	\$1,122,333													
ANV	Anacapa	Install emergency generator and power network	Priority 4	\$313,908													
ANV	Anacapa A, B, C, D	Interior door hardware	15 year	\$658,896											840,751		
ANV	Anacapa A, B, C, D	Kitchenette unit with cabinetry and amenities	20 year	\$262,799													
ANV	Anacapa A, B, C, D	Bathroom unit and hallway with cabinetry and amenities	20 year	\$131,399													
ANV	Anacapa A, B, C, D	Lighting - dormitory/apartments	20 year	\$263,489													
ANV	Anacapa Building A	Living room furniture	Priority 3	\$261,072													
ANV	Anacapa Building A, B, C	Mattress renewal		\$54,908													
ANV	Anacapa	Microwave renewal	Priority 3	\$46,620											54,475		
ANV	Anacapa A, B, C, D	Painted ceiling finish application	15 year	\$145,040													
ANV	Anacapa D	Pool filtration, treatment, pumping, heating systems	18 year	\$41,440											192,845		

# Changes for Your Pro Forma



# Thank you

Questions?