

**THE UNIVERSITY CORPORATION  
BOARD OF DIRECTORS  
JUNE 3, 2014**

A meeting of The University Corporation Board of Directors was called to order by Chair, Dianne F. Harrison at 3:03 p.m. on Tuesday, June 3, 2014, in the Sierra Center Colleagues Room, California State University, Northridge. A quorum was present.

**MEMBERS PRESENT:** Talar Alexanian, Luis Canton, Cristina Cadavid, Ronald Friedman, Dianne F. Harrison, Marbella Lupercio, Jesus Martinez-Ramirez, Jennifer Matos, Michael Phillips, Bob Rawitch, Louis Rubino, Michael Spagna, Sonia Vaswani, Christopher Woolett, Ben Yaspelkis

**MEMBERS ABSENT:** Harvey Bookstein, Dan Hosken

**STAFF PRESENT:** Heather Cairns, Elizabeth Corrigan, Rick Evans, John Griffin, Georg Jahn, Tim Killops, Elizabeth Kioussis, Michael Lennon, Krizel Leynes, Philia Militante, Linda Turner

**OTHERS PRESENT:** Dawn Ellerbee, Ryan Swartwood, Cheryl Van Buskirk

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**ITEM I APPROVAL OF MARCH 6, 2014 BOARD MINUTES**

**MSP (Alexanian/Lupercio): That the minutes of the March 6, 2014 Board of Directors meeting be approved as circulated.**

**ITEM II SPONSORED PROJECTS PRESENTATION**

Rick Evans introduced Assistant Professor of Biology, Cheryl Van Buskirk, who gave a presentation on her research into sleep and stress and her experiments using the microscopic *C. elegans* nematode worm. The research could potentially shed light on the function of sleep in humans.

**ITEM III APPOINTMENTS TO THE BOARD OF DIRECTORS**

The Chair announced the following appointments to the Board of Directors.

Faculty:

The terms of Dan Hosken and Jennifer Matos will expire on July 1, 2014. The University President has made the following appointments:

Dave Moon	Three-year term (2014-2017)
Jennifer Matos (reappointed)	Three-year term (2014-2017)

Community:

The term of Bob Rawitch will expire on July 1, 2014. The University President has made the following appointment:

Bob Rawitch  
(reappointed)

Three-year term (2014-2017)

Students:

The terms of Marbella Lupercio, Jesus Martinez-Ramirez and Christopher Woollett will expire on July 1, 2014. The University President will appoint three students to serve two-year terms.

**ITEM IV REPORT OF THE NOMINATING COMMITTEE AND ELECTION OF OFFICERS**

At the May 7, 2014 Executive Committee meeting, the Chair appointed Ben Yaspelkis, Dan Hosken and Marbella Lupercio to serve as the nominating committee. Dr. Yaspelkis presented the committee's recommendations for officers:

<i>Chair:</i>	Dianne Harrison
<i>First Vice President:</i>	Ben Yaspelkis
<i>Second Vice President:</i>	Sonia Vaswani
<i>Recording Secretary:</i>	Michael Spagna
<i>Treasurer:</i>	Jennifer Matos

**MSP (Rawitch/Friedman): That The University Corporation Board of Directors elect officers per the recommendations of the nominating committee, one-year terms to begin July 1, 2014.**

**ITEM VI RECEIPT OF MAY 7, 2014 EXECUTIVE COMMITTEE MINUTES AND CONSIDERATION OF ACTION ITEM**

**Discussion and Action Item:**

A. 2014/2015 Operating Budget (Executive Committee Item #6): Mr. Evans began by saying that the 2013/14 surplus to replenish reserves is projected at \$1.5 million, compared to the budgeted \$1.1 million. The 2014/15 budget reflects an increased financial commitment to the university, made possible by the Corporation's strong performance. Other significant items in the 2014/15 operating budget include: a 2.5% cost of living adjustment; the minimum wage increase effective July 1; the first full year of the Affordable Care Act; an increase in the payment to Student Affairs, from 1% to 1.5%, reflecting expanded food services in University Housing; and a budgeted 9% decrease in bookstore commissions.

The Executive Director continued that in FY 14/15, funds from the Sierra Center Building Reserve will be used to refresh bathrooms, paint the building exterior and reconfigure the third floor to create two additional offices and expand the conference room. The depleted Real Estate Reserve will receive \$500,000, and the Reserve for Student Housing Related Projects will receive its final installment bringing it to \$3.3 million – \$300,000 more than originally planned due to higher labor costs associated with construction.

Chief Financial Officer John Griffin reviewed the balance sheet, commenting on the pay down of debt and greater total assets. In reviewing the reserves, the CFO noted the need for a larger Sponsored

Programs reserve, due to greater sponsored activity. The 2014/15 General and Administrative (G & A) budget is only two percent over current year.

Matador Bookstore. Mr. Griffin stated that a 9% decrease in bookstore commission was budgeted due to the anticipated smaller number of freshmen. Referring to the pressure on faculty to keep student academic expenses down, Michael Phillips opined that a 9% decrease might be too optimistic.

Food Services. Elizabeth Corrigan, Associate Director of Campus Dining, presented the food services budget, noting external impacting factors, such as the minimum wage increase, the Affordable Health Care Act, higher franchise fees, as well as internal factors, such as the increased payment to Student Affairs and the commitment to student engagement with the new Program and Marketing effort. Ron Freidman asked how CSUN Dining's Cost of Goods Sold compares to other CSU institutions. Mr. Evans responded that management will gather the information from other CSU schools. The Chair also asked for a comparison to prices 'on the street.' Mr. Evans advised that the meal plan is one of the least expensive in the CSU.

Cristina Cadavid stated that some find Orange Grove Bistro (OGB) catering expensive. Ms. Corrigan responded that the *Campus Cuisine to Go* program was developed as a lower-cost catering option, without the amenities; Mr. Evans added that CSUN is the only campus with such a program and that campus catering is exclusive at most CSU schools. The OGB must compete for the university's business. Ms. Corrigan advised that a price analysis revealed that the OGB is cheaper than most catering.

Real Estate. Director of Sponsored Program and Real Estate, Georg Jahn stated that the goals of the real estate program are to add long-term, performing assets to the Corporation portfolio and provide a service to the university. He advised that the proposed net deficit is better than projection for the current year. Revenues are up due to the additional single-family home, increased College Court occupancy, and lower repairs and maintenance.

Sponsored Programs. Mr. Jahn stated that for FY 14/15, grant revenues are budgeted at a slight increase over current year. Mr. Jahn explained that an increase in expenses resulted from a new position that was added to respond to a Chancellor's Office audit finding.

Capital Budget. Associate Director of Administrative Services, Heather Cairns, presented the capital budget. FY 14/15 projects include: improvements to the Sierra Marketplace serving and cooking lines; water reduction and ADA improvements to University House grounds; and food service equipment upgrades.

**MSP (Phillips/Spagna): That The University Corporation Board of Directors approve the 2014/2015 operating budget as presented. (Appendix A)**

#### **ITEM VI                      SPONSORED PROGRAMS CUSTOMER SATISFACTION SURVEY**

Mr. Evans reported that Corporation staff did a presentation on the PRO-PI initiative at the 2014 Auxiliary Organizations Association (AOA) conference in January. The Corporation is viewed as a customer service leader amongst CSU auxiliaries.

Mr. Jahn reported on the spring 2014 post-award customer satisfaction survey. The Sponsored Programs division received 88% 'good' or 'very good' evaluations, and no 'unacceptable.' The 'detailed trial balance' continues to need improvement. Those who completed the survey and identified themselves received \$5.00 MataMoney cards. Michael Phillips suggested an analysis be done of the non-respondents and their reasons for not participating in the survey.

(Cristina Cadavid left.)

**ITEM VII UNIVERSITY LICENSING UPDATE**

Mr. Evans introduced Philia Militante, University Licensing Manager. Ms. Militante gave an update on licensing activities, and reported that the Matadome, Student Recreation Center and Valley Performing Arts Center have become popular locations for television, film, commercial, and photo shoots. Efforts to expand the program include developing a VPAC prospectus, advertising in *Compass Magazine*, a publication for location managers, and participating in the recent Association of Film Commissioners International show in Santa Monica, where CSUN was one of only three universities represented.

(Dianne Harrison passed the gavel to First Vice President Ben Yaspelkis and left.)

**ITEM VIII REAL ESTATE FUND – REPORT ON ACQUISITIONS**

Mr. Evans stated that one goal of the Corporation's Real Estate program is to maintain residential neighborhoods surrounding the campus. He introduced Linda Turner, Associate Director of Real Estate.

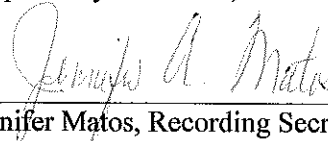
Ms. Turner gave a presentation on the renovations to the single-family home on Kinzie Street, which was acquired in July 2013, renovated and leased to a faculty member and his family. Ms. Turner reported that the Corporation had just acquired 18301 Halsted Street. The 1100 sq. ft. single-family home was built in 1928 and sits on a 22,526 sq. ft. property. With this purchase, the Corporation owns three properties on Halsted Street, between Etiwanda and Rathburn Avenues, directly across from student lot B6. The three properties total approximately two acres.

**ITEM IX ANNOUNCEMENTS**

The Executive Director presented outgoing directors with parting gifts.

There being no further business, the meeting concluded at 4:58 p.m.

Respectfully submitted,



Jennifer Matos, Recording Secretary

# OPERATING BUDGET

Proposed for Fiscal Year 14/15



The University Corporation  
Research, Investments and Commercial Services  
California State University, Northridge

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**The University Corporation  
Fiscal Year 2014-2015 Budget Summary**

	Budget FY 13/14	Projected FY 13/14	Budget FY 14/15
<b>Surplus/(deficit) by operating unit:</b>			
Bookstore	\$ 1,138,556	\$ 1,177,102	\$ 1,054,640
Food Services	1,613,813	2,083,908	1,847,766
Real Estate	(82,376)	(230,313)	(151,947)
General & Administrative	(2,306,852)	(2,313,509)	(2,337,252)
Sponsored Programs service fee @ 3.9%	1,111,500	1,199,250	1,209,000
<b>Total surplus from operations</b>	<u>1,474,641</u>	<u>1,916,438</u>	<u>1,622,207</u>
<b>Add back depreciation expense</b> <i>(non cash expense)</i>	1,659,914	1,659,391	1,579,041
<b>Cash generated from operations</b>	<u>3,134,555</u>	<u>3,575,829</u>	<u>3,201,248</u>
<b>Cash reductions:</b>			
Contribution to campus (Note A)	(938,662)	(938,662)	(1,250,000)
Principal payments on debt service	(680,000)	(699,646)	(736,000)
Capital expenditures	(300,000)	(300,000)	(300,000)
<b>Total cash reductions</b>	<u>(1,918,662)</u>	<u>(1,938,308)</u>	<u>(2,286,000)</u>
<b>Net cash generated to replenish reserves</b>	<u>\$ 1,215,893</u>	<u>\$ 1,637,521</u>	<u>\$ 915,248</u>
TUC contribution to CSUN ORSP (Note B)	(100,000)	(100,000)	(50,000)
<b>Adjusted net cash generated to replenish reserves</b>	<u>\$ 1,115,893</u>	<u>\$ 1,537,521</u>	<u>\$ 865,248</u>

**Notes:**

(A) New agreement with campus calls for FY 14/15 contribution of \$1,250,000.  
Funds for hospitality are included in this amount.

(B) Funding for one FTE support position in the CSUN ORSP office for a period of 3 years and a one-time contribution of \$50,000 towards a study to be conducted in the ORSP office. FY 14/15 is the third year.

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**The University Corporation**

**Balance Sheet  
Estimated as of June 30, 2014**

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## **BALANCE SHEET**

*Estimated for June 30, 2014 & June 30, 2015*

The balance sheet helps to assess the financial condition of a corporation by showing how operations affect the value of that corporation, the nature of its assets and liabilities, and the type and depth of the net assets ('retained earnings' in a for-profit environment).

The estimated balance sheet for 6/30/14 reflects the impact of FY 13/14 operations in comparison to 6/30/13. The balance sheet for 6/30/15 estimates the impact of the proposed FY 14/15 budget compared to the estimated 6/30/14 balance sheet. Explanations for significant category changes are provided below.

### ***Significant Changes for Year Ending 6/30/14***

Operating results for FY 13/14 resulted in an increase of \$3.1 million between the 6/30/14 estimated balance sheet and the 6/30/13 actual balance sheet. The primary factors for this increase were the gain in investments and current year surplus from operations. Balance sheet categories with significant variances have been footnoted to provide additional information.

### ***Footnotes for Significant Changes from 6/30/14***

1. A decrease of (\$741,000) in cash and cash equivalents due to the transfer of excess cash into the short-term investments account.
2. Following a suggestion from board members, a short-term investment account was established to increase the potential to earn income on funds held for requirements over the next three years. The increase of \$3.0 million in FY 13/14 is the result of positive cash flow generated from operations.
3. A net increase of \$1.0 million in investments, resulting from projected gains in the long-term investment pool.
4. A decrease of (\$397,000) in long-term lease liability due to scheduled lease payments for FY 14/15 moved to short-term leases and included in accounts payable.
5. An increase of \$1.7 million in current year surplus generated from operations.

### ***Footnotes for Significant Changes from 6/30/14 to 6/30/15***

The estimated balance sheet numbers for 6/30/15 reflect the impact of the proposed FY 14/15 budget on TUC's estimated financial position as of 6/30/14. Due to projecting balances a year from now, most of the 6/30/15 balances are flat compared to the estimated 6/30/14 balances. Those categories with significant changes are detailed below.

6. Net increase of \$525,000 in investments. Assumptions reflect a 5% return in the long-term investment pool offset by \$350,000 of projected endowment related expenditures.

7. Net fixed assets category reflects an increase of \$571,000. The details for this increase are as follows:
  - a. \$2.15 million increase in gross fixed assets:
    - FY 14/15 capital budget items — \$300,000;
    - Estimated expenditures for Student Housing related projects — \$1,600,000;
    - Estimated expenditures for La Tienda convenience store project — \$250,000.
  - b. The increase in fixed assets is offset by the (\$1.58 million) for FY 14/15 budgeted depreciation expense which results in an increase to accumulated depreciation.
8. Decrease in long-term lease liability of (\$418,000) after moving the scheduled FY 15/16 long-term lease liability payments to short term leases which is reflected in accounts payable.
9. Decrease of (\$1.5 million) in net surplus caused by a variety of factors including:
  - a. Increased contribution to campus;
  - b. Minimum wage increase to \$9.00 per hour on 7/1/14;
  - c. Impact of the Affordable Health Care Act over the entire year versus just six months in FY 13/14;
  - d. Continued decline in bookstore commission;
  - e. Increased revenue share to Student Affairs over the second half of the year;
  - f. New Program and Marketing position with related expenses for student and community engagement initiatives.

**The University Corporation  
Balance Sheet  
Estimated for June 30, 2014 & 2015**

	Comparative Balance 6/30/2013	Estimated Balance 6/30/2014	Estimated Balance 6/30/2015
<b>Assets</b>			
Cash and Cash Equivalents	\$ 3,871,552	\$ 3,130,000	\$ 3,200,000
Short-Term Investments	4,655,646	7,600,000	7,800,000
Accounts Receivable	556,241	820,000	820,000
A/R Grants & Contracts	2,469,435	2,150,000	2,150,000
Prepaid Deposits	79,617	92,000	92,000
Inventories	261,125	275,000	275,000
Investments	16,430,249	17,440,000	17,965,000
Fixed Assets, net	18,912,927	18,879,000	19,450,000
<b>Total Assets</b>	<b>\$ 47,236,792</b>	<b>\$ 50,386,000</b>	<b>\$ 51,752,000</b>
			(6)
			(7)
<b>Liabilities</b>			
Accounts Payable	\$ 1,724,868	\$ 1,981,000	\$ 1,981,000
Accrued Liabilities	4,081,277	3,920,000	3,920,000
Deposits Held in Custody for Others	1,700,518	1,775,000	1,775,000
Deferred Revenue	923,262	1,023,000	1,023,000
Long-Term Debt Mortgages	133,038	112,347	90,569
Long-Term Debt Bonds	3,966,015	3,567,527	3,154,039
Long-Term Lease Liability	8,919,655	8,522,200	8,104,745
<b>Total Liabilities</b>	<b>21,448,633</b>	<b>20,901,074</b>	<b>20,048,353</b>
			(8)
<b>Net Assets</b>			
Beginning Balance (unrestricted)	19,945,507	21,914,326	25,621,133
Permanently restricted	3,863,793	3,863,793	3,863,793
Current year surplus/(loss)	1,978,859	3,706,807	2,218,721
<b>Total Net Assets</b>	<b>25,788,159</b>	<b>29,484,926</b>	<b>31,703,647</b>
			(9)
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 47,236,792</b>	<b>\$ 50,386,000</b>	<b>\$ 51,752,000</b>

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**The University Corporation**

**Statement of Net Asset Reserves  
Estimated as of June 30, 2014**

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## STATEMENT OF NET ASSET RESERVES

Estimated for June 30, 2014

The Statement of Net Asset Reserves is separated into long-term and short-term reserves. The roll forward format reflects the changes that have occurred during the past year. TUC utilizes investment income from the long-term investment pool to replenish reserves linked to long-term investments, and net cash generated to replenish reserves linked to short-term investments.

### *Reserves linked to long-term investments:*

1. Sponsored Programs Reserve for Disallowances. Used to cover disallowed costs and penalties, as well as extraordinary, irregular or unbudgeted sponsored programs administration costs. Based on a FY 12/13 analysis and the current level of sponsored programs activity, the required minimum reserve is \$650,000.
2. Sponsored Programs Reserve for IT Improvements. Established in 2010 for Sponsored Programs-related information technology improvements, the maximum amount of this reserve is \$50,000.
3. Matador Bookstore Complex (MBC) Building Reserve. Established for major MBC repairs and renovations. FY 13/14 activity of \$43,000 reflects the exterior painting of the building. The \$250,000 reserve addition partially funds the estimated \$2.0 million HVAC renovation/electrical upgrade. The plan is to fund this requirement over the next three to four years.
4. Sierra Center Building Reserve. Established for major repairs and renovations to the Sierra Center building, the yearly allocation is \$100,000, with a target balance of \$500,000.
5. Arbor Court Building Reserve. Reserve established for major repairs and renovations to the Arbor Court building. The yearly allocation will be \$25,000 with a target balance of \$100,000.
6. University House Reserve. Reserve established for future renovation of the President's residence. The yearly allocation is \$25,000 with a target balance of \$100,000.
7. Current Operations Reserve. Required by California Education Code, provides contingency funding for unforeseen events. The Board approved \$600,000 for this reserve, approximately three months' General & Administrative expenditures.
8. Working Capital Reserve. Required by California Education Code, provides emergency funds for operational commitments as needed, including receivables financing for grants and contracts billed in arrears. The Board approved a reserve of \$1.5 million based on grants and contracts volume of \$18-\$20 million. TUC is now averaging \$28-\$30 million in sponsored programs activity and as required by TUC reserves policy, Management proposes a transfer of \$500,000 from the Undesignated General Reserve, increasing the balance to \$2.0 million.
9. Unplanned Capital Replacement Reserve. Required by California Education Code, covers the largest system failure that might occur outside the normal annual capital budget. The Board approved \$400,000 for this reserve.

10. Undesignated General Reserve. Depository for all funds added to the long-term reserves and the source of transfers to other reserve accounts. Primary source of funds is investment gains from the long-term investment pool.

Projected activity for FY 13/14 is as follows:

Beginning reserve balance	\$2,514,000
Add: Estimated investment gain	626,000
Less: Transfers to other long-term reserves	(1,400,000)
Estimated ending reserve balance	<u>\$1,740,000</u>

*Reserves linked to short-term investments:*

1. Real Estate Reserve. Established to purchase real estate for the university's strategic needs, the Board approved a balance of \$1.5 million for this reserve. FY 13/14 activity reflects the purchase of two homes – \$640,000 for the July purchase and refurbishment of the Kinzie Street house and \$425,000 for the purchase of another house on Halsted Street in April. The reserve will be partially replenished with a transfer of \$500,000 from the long-term undesignated general reserve.
2. Real Estate Repairs & Maintenance Reserve. Established for unforeseen major repairs & maintenance costs related to TUC's single-family homes. FY 13/14 activity of \$25,000 represents major plumbing repairs to three single-family homes. The maximum amount of this reserve is \$50,000.
3. Approved Capital Projects Reserve. Required by the California Education Code, this reserve funds Board approved capital projects. FY 13/14 activity saw the completion of the Freudian Sip – Oviatt Library project and the establishment of a \$500,000 construction project for the new La Tienda convenience store.
4. Reserve for Future Student Housing-Related Projects. This reserve was established in FY 11/12 for expansion/renovation of student housing projects related to the new 400-bed student housing facility opening summer 2015. The revised project estimate is now \$3.3 million to accommodate the requirement that construction trades be contracted at the prevailing wage rate determined by the California Department of Industrial Relations. A final \$1,250,000 allocation in FY 13/14 will complete the funding for the \$3.3 million revised project cost. Projected expenditures through 6/30/14 total \$103,434. The project includes:
  - a. Expansion of Geronimo's into adjoining Shoshone Room with Bamboo pan-Asian food concepts;
  - b. Construction of a Freudian Sip coffee house in the new student housing facility;
  - c. Geronimo's kitchen equipment upgrades;
  - d. Courtyard patio upgrade.
5. Net cash generated to replenish reserves. This summary reflects the projected FY 13/14 net cash generated for short-term reserve requirements and subsequent activity.

The projected activity for FY 13/14 is as follows:

Beginning balance	\$174,112
Add: Net cash generated to replenish reserves	1,537,521
Less: Transfers to short-term reserves	<u>(1,740,165)</u>
Estimated ending balance	<u>(\$28,532)</u>

The University Corporation  
 Schedule of reserves  
 Projected 6/30/14 balances

4/14/14

Reserves linked to long-term investments:	7/1/13		6/30/14		Projected 7/1/14		Projected Activity FY 14/15
	Balance	Additions	Transfers	Balance	Transfers	Balance	
Specific Purpose							
1. Sponsored Projects Reserve for Disallowances	\$ 650,000	\$ -	\$ -	\$ 650,000	\$ -	\$ 650,000	
2. Sponsored Projects Reserve for IT Improvements	50,000			50,000		50,000	
3. Reserve for MBC Building	893,201	(43,000)		850,201	250,000	1,100,201	
4. Reserve for Sierra Center Building	400,000			400,000	100,000	500,000	(350,000)
5. Reserve for Arbor Court Building	50,000			50,000	25,000	75,000	
6. Reserve for University House	35,000			35,000	25,000	60,000	
Required by Education Code							
7. Current Operations reserve (Board established level of \$600,000)	600,000			600,000		600,000	
8. Working Capital reserve (Board established level of \$1,500,000)	1,500,000			1,500,000	500,000	2,000,000	
9. Unplanned Capital Replacement reserve (Board established level of \$400,000)	400,000			400,000		400,000	
10. Undesignated general reserve - long term	2,514,440	625,753		3,140,193	(1,400,000)	1,740,193	400,000
Total Long-term Reserves	\$ 7,092,641	\$ 625,753	\$ (43,000)	\$ 7,675,394	\$ (500,000)	\$ 7,175,394	
Reserves linked to short-term investments:							
1. Real Estate reserve	\$ 1,072,845	\$ -	\$ -	\$ 8,152	\$ 500,000	\$ 508,152	
a. Purchase of house on Kinzie street & improvements				(539,693)			
a. Purchase of house at 18301 Halstead street				(425,000)			
2. Repairs & Maintenance Reserve for Real Estate	50,000	-	(25,000)	25,000	-	25,000	
3. Approved Capital Projects reserve	167,986	-	(158,151)	(9,835)			
a. Freudian Slip Oviatt Project				500,000		500,000	(500,000)
b. La Tienda refurbishment project							
4. Reserve for future Student Housing-Related Projects	1,998,292		(51,726)	1,946,566	1,250,000	3,196,566	(3,196,566)
5. Net cash generated to replenish reserves	174,112	1,537,521	(490,165)	1,221,468	(1,250,000)	(28,532)	865,278
Total Short-term Reserves	\$ 3,463,235	\$ 1,537,521	\$ (1,299,570)	\$ 3,701,186	\$ 500,000	\$ 4,201,186	
Total Reserves	\$ 10,555,876	\$ 2,163,274	\$ (1,342,570)	\$ 11,376,580	\$ -	\$ 11,376,580	

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# The University Corporation

## Division Budgets

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## CONSOLIDATED BUDGET REPORT OF ALL DIVISIONS

Following is a summary spreadsheet detailing the operating budgets of all TUC divisions, including:

- General and Administrative
- Bookstore
- Food Services
- Real Estate
- Sponsored Programs

Following the Consolidated Budget Report are the individual division budgets and accompanying narratives.



## GENERAL AND ADMINISTRATIVE (G&A)

There are six departments in the G&A Division: Executive, Accounting, Human Resources, Matador Bookstore Complex (MBC), Sierra Center, and Arbor Court. The MBC operation includes all facilities-related expenses and rental revenue from the College of Extended Learning and Quick Copies, in addition to common area maintenance reimbursement from Panda Express and El Pollo Loco.

### *Fiscal Year 13/14 Projection*

Fiscal Year 13/14 net G&A expenses have tracked close to budget all year and the projection is a small unfavorable variance of (\$7,000).

#### Net G&A expense

13/14 Budget	13/14 Projected	Variance
\$2,307,000	\$2,314,000	(\$7,000)

This small favorable variance is the combined result of the following factors:

- Savings of \$27,000 in insurance expense:
  - Cost of retiree health insurance was less than expected;
  - Cost of insurance for the MBC was less than expected.
- Savings of \$19,000 in repairs and maintenance expense from lower than expected expenses at the MBC.
- (\$20,000) decrease in other income resulting from less than budgeted endowment fee income.
- (\$20,000) increase in professional services expense resulting from higher ADP charges for a larger than expected number of employees.
- (\$16,000) increase in marketing expense for a new sports marketing agreement with Learfield Corporation.

### *Fiscal Year 14/15 Budget*

Reflecting continued emphasis on controlling expenses, the proposed G&A budget for FY 14/15 is just \$23,000 or 1.0% higher than projected FY 13/14 results. Here are the highlights:

#### Net G&A expense

13/14 Projected	14/15 Budget	Variance
\$2,314,000	\$2,337,000	(\$23,000)

#### *Primary factors –*

- \$58,000 increase in other income resulting from a rent increase for the College of Extended Learning in the MBC and higher handling fee income in Accounting.
- \$18,000 reduction in marketing expense resulting from the transfer of the sports marketing agreement with Learfield into the new Program and Marketing Department in Food Services.

- (\$35,000) increase in payroll and benefits expense resulting from the minimum wage increase on 7/1/14, and the first full year of TUC Human Resources functioning as a stand-alone department after the assumption in October 2013 of most services previously performed by CSUN HR.
- (\$24,000) increase in professional services due to additional cost for a second fraud assessment and higher ADP costs for payroll and HR systems.
- (\$14,000) increase in equipment/equipment rental resulting from purchasing new computers as part of the four year computer rotation recommended by CSUN IT.

**THE UNIVERSITY CORPORATION**  
**General and Administrative**  
**Fiscal Year 2014-2015**  
**Budget Summary**

	Budget	Projected	Proposed Budget
	2013-2014	2013-2014	2014-2015
<b>Revenue:</b>			
Bookstore Commissions	0	0	0
Food Service Sales	0	0	0
Food Service Commissions	0	0	0
Real Estate Rentals	0	0	0
Grants & Contracts	0	0	0
Indirect Cost Recovery	0	0	0
Licensing	\$ 75,000	\$ 75,000	\$ 80,000
Rental Income	624,328	627,691	661,631
Endowment Admin. Fee	160,000	137,000	146,000
Other Income	389,580	388,790	399,023
<b>Total Revenue</b>	<b>1,248,908</b>	<b>1,228,481</b>	<b>1,286,654</b>
<b>Operating Expenses:</b>			
Grants & Contracts Direct Expenditures	0	0	0
Cost of Goods Sold	0	0	0
Salaries & Wages	1,243,448	1,235,136	1,269,396
Benefits	445,495	454,258	455,009
Temporary Help	0	0	0
Allowance for Doubtful Accounts	0	0	0
Bank Charges	20,100	19,214	20,100
Bldg/Operating/Health Reserves	0	0	0
Building/Sanitation/Custodial	178,018	173,430	178,418
Communications/Telephone/Pagers	22,340	21,013	25,830
Depreciation & Amortization	444,260	443,302	442,923
Dues & Subscriptions	8,350	13,091	12,840
Equipment/Equipment Rental	18,020	9,613	23,450
Fees	0	99	0
Royalties	0	0	0
Freight/Postage/Mail Service	13,000	14,899	14,600
Insurance	154,284	126,874	134,592
Interest Expense	197,213	197,216	190,080
Taxes & Licenses	9,750	7,475	8,750
Legal & Audit Fees	44,000	55,682	55,000
Marketing/Advertising	5,000	21,571	3,000
Paper Goods	0	0	0
Parking & Security	888	888	1,388
Professional Services	337,440	356,940	380,872
Rent/Lease Expense	0	0	0
Utilities	236,088	230,344	236,088
Repairs & Maintenance	116,354	97,209	105,055
Supplies	39,225	40,308	38,465
Training/Conference Fees	5,685	4,208	7,400
Travel/Hospitality	16,800	19,220	20,650
Miscellaneous	0	0	0
<b>Total Operating Expenditures</b>	<b>3,555,758</b>	<b>3,541,990</b>	<b>3,623,906</b>
<b>Net Surplus (Deficit) Before G&amp;A</b>	<b>\$ (2,306,850)</b>	<b>\$ (2,313,509)</b>	<b>\$ (2,337,252)</b>

**MATADOR BOOKSTORE**

The FY 14/15 budget for the Matador Bookstore (Bookstore) reflects the continued challenges connected with declining sales in hardcover textbooks. Traditional brick & mortar college bookstores have had to adjust business models as they deal with increasing pressure from online sellers, peer-to-peer book sales, off-campus bookstores, and open source materials available online. The commission decrease over the past few years has been partially offset by the emergence and success of the textbook rental and e-book programs introduced by Follett Higher Education Group (Follett). Management collaborates very closely with Follett on all campus initiatives involving the bookstore.

***Fiscal Year 13/14 Projection***

Bookstore 13/14 results exceeded budget but still declined from the prior year. The positive outcome for this year resulted from expense activity coming in at budget coupled with increased sales activity from higher than expected student enrollment.

	13/14 Budget	13/14 Projected	Variance
Commission	\$1,239,000	\$1,278,000	\$39,000
Operating Expenses	100,000	100,000	0
Surplus	1,139,000	1,178,000	39,000

***Fiscal Year 14/15 Budget***

The 14/15 Bookstore budget reflects a conservative stance towards the ongoing trend of decreasing sales per student. Assuming a decrease of 9.30% in commission, the budget for 14/15 reflects a total decrease of (\$123,000) in surplus before allocation compared to projected results for 13/14. Operating expenses are slightly higher (\$4,000) than projected 13/14 results, with commission decreasing (\$119,000). Enrollment is expected to drop slightly compared to 13/14.

Surplus before G&A allocation for FY 14/15 is budgeted at \$1,055,000.

	13/14 Projected	14/15 Budget	Variance
Commission	\$1,278,000	\$1,159,000	(\$119,000)
Operating Expenses	100,000	104,000	(4,000)
Surplus	1,178,000	1,055,000	(123,000)

**THE UNIVERSITY CORPORATION**  
**TUC Bookstore**  
**Fiscal Year 2014-2015**  
**Budget Summary**

	Budget	Projected	Proposed
	2013-2014	2013-2014	2014-2015
<b>Revenue:</b>			
Bookstore Commissions	\$ 1,238,800	\$ 1,277,770	\$ 1,159,300
Food Service Sales	0	0	0
Food Service Commissions	0	0	0
Real Estate Rentals	0	0	0
Grants & Contracts	0	0	0
Indirect Cost Recovery	0	0	0
Licensing	0	0	0
Rental Income	0	0	0
Endowment Admin. Fee	0	0	0
Other Income	0	0	0
	<u>1,238,800</u>	<u>1,277,770</u>	<u>1,159,300</u>
<b>Total Revenue</b>	<b>1,238,800</b>	<b>1,277,770</b>	<b>1,159,300</b>
<b>Operating Expenses:</b>			
Grants & Contracts Direct Expenditures	0	0	0
Cost of Goods Sold	0	0	0
Salaries & Wages	22,500	22,800	23,100
Benefits	9,000	10,892	11,700
Temporary Help	0	0	0
Allowance for Doubtful Accounts	0	0	0
Bank Charges	0	0	0
Bldg/Operating/Health Reserves	0	0	0
Building/Sanitation/Custodial	0	0	0
Communications/Telephone/Pagers	0	0	0
Depreciation & Amortization	49,644	49,646	49,644
Dues & Subscriptions	0	0	0
Equipment/Equipment Rental	0	0	0
Fees	1,800	1,800	0
Royalties	0	0	0
Freight/Postage/Mail Service	0	0	0
Insurance	12,300	12,141	13,416
Interest Expense	0	0	0
Taxes & Licenses	0	0	1,800
Legal & Audit Fees	0	0	0
Marketing/Advertising	5,000	3,232	5,000
Paper Goods	0	0	0
Parking & Security	0	0	0
Professional Services	0	0	0
Rent/Lease Expense	0	0	0
Utilities	0	0	0
Repairs & Maintenance	0	0	0
Supplies	0	0	0
Training/Conference Fees	0	0	0
Travel/Hospitality	0	157	0
Miscellaneous	0	0	0
	<u>100,244</u>	<u>100,668</u>	<u>104,660</u>
<b>Total Operating Expenditures</b>	<b>100,244</b>	<b>100,668</b>	<b>104,660</b>
<b>Net Surplus (Deficit) Before G&amp;A</b>	<b>\$ 1,138,556</b>	<b>\$ 1,177,102</b>	<b>\$ 1,054,640</b>

## FOOD SERVICES

The Food Services division is comprised of twenty-two operating units, including four national brands (Burger King, Subway, Panda Express and El Pollo Loco), one regional brand (Juice It Up), five convenience stores (the Edge, Arbor Grill, West Side Snacks, La Tienda, and Mercantile Exchange), five self-branded Freudian Sip coffee houses, food operations consisting of the Sierra Center Marketplace, the Orange Grove Bistro, The Pub Sports Grill (serving food and beer), Geronimo's residential dining, Vending, Matador Concessions, Valley Performing Arts Center Concessions, and Foodservices Management.

### *Fiscal Year 13/14 Projection*

The Food Services division accomplished its best ever financial performance in 13/14, projecting a \$2.1 million surplus. Projected sales results are much better than budget due to higher than expected enrollment. Primary factors impacting food service operations are Cost of Goods Sold (COGS) and labor/benefits. In these two major expense categories, systematic implementation of processes/procedures focused on expenses, helped to achieve savings. The Affordable Health Care Act impact was not as significant as budgeted due to approximately 50% of the employees who were offered the benefit opting for alternative coverage.

	13/14 Budget	13/14 Projected	Variance
Sales	\$13,040,000	\$14,030,000	\$990,000
COGS (cost of goods sold)	\$4,590,000	4,922,000	(332,000)
Payroll	3,107,000	3,263,000	(156,000)
Benefits	828,000	806,000	22,000
Other Operating Expenses	3,480,000	3,559,000	(79,000)
Operating Surplus	1,035,000	1,480,000	445,000
Other Income	579,000	604,000	25,000
Net Surplus	1,614,000	2,084,000	470,000
<u>Operating Costs (as % of Sales)</u>			
COGS	35.2%	35.1%	.1%
Payroll	23.8%	23.3%	0.5%
Benefits (as % of payroll)	26.6%	24.7%	1.9%
Total Payroll & Benefits	30.2%	29.0%	1.2%

### *Fiscal Year 14/15 Budget*

Sales are budgeted at a slight increase to Projected FY 13/14. FY 14/15 will see additional costs. This will be the first full year of extended benefits under the Affordable Health Care Act, at an additional cost of \$160,000. The California minimum wage will increase to \$9/hour on July 1, 2014, impacting labor costs by \$150,000. FY 14/15 also includes a full year of funding for the Program and Marketing Manager position, created to increase marketing capacity and to provide a liaison to Student Affairs, as well as greater support to Athletics. A commitment of \$125,000 is budgeted to support student and community



engagement initiatives. Finally, on January 1, 2015, TUC will increase its revenue share to Student Affairs from 1% to 1.5% of gross Food Services sales.

Through sustained sales and continued management of expenses, this budget shows a net surplus of \$1.85 million, or (\$236,000) less than the 13/14 projection, through commitment to:

- Ongoing operational efficiencies in payroll and COGS;
- Continued benefits from capital investments;
- Growing proficiency in marketing to target audiences, including use of social media.

	13/14 Projected	14/15 Budget	<i>Variance</i>
Sales	\$14,030,000	\$14,320,000	\$290,000
COGS	4,922,000	4,980,000	(58,000)
Payroll	3,263,000	3,496,000	(233,000)
Benefits	806,000	906,000	(100,000)
Other Operating Expenses	3,559,000	3,773,000	(214,000)
Operating Surplus	1,480,000	1,165,000	(315,000)
Other Income	604,000	683,000	79,000
Net Surplus	2,084,000	1,848,000	(236,000)
 <u>Operating Costs (as % of Sales)</u>			
COGS	35.1%	34.8%	0.3%
Payroll	23.3%	24.4%	(1.1%)
Benefits (as % of payroll)	24.7%	25.9%	(1.2%)
Total Payroll & Benefits	29.0%	30.7%	(1.7%)

**THE UNIVERSITY CORPORATION**  
**Food Services**  
**Fiscal Year 2014-2015**  
**Budget Summary**

	Budget 2013-2014	Projected 2013-2014	Proposed Budget 2014-2015
<b>Revenue:</b>			
Bookstore Commissions	0	0	0
Food Service Sales	\$ 13,040,749	\$ 14,029,891	\$ 14,319,536
Food Service Commissions	578,620	604,294	682,709
Real Estate Rentals	0	0	0
Grants & Contracts	0	0	0
Indirect Cost Recovery	0	0	0
Licensing	0	0	0
Rental Income	0	0	0
Endowment Admin. Fee	0	0	0
Other Income	0	0	0
<b>Total Revenue</b>	<b>13,619,369</b>	<b>14,634,185</b>	<b>15,002,245</b>
<b>Operating Expenses:</b>			
Grants & Contracts Direct Expenditures	0	0	0
Cost of Goods Sold	4,590,022	4,922,436	4,979,727
Salaries & Wages	3,107,200	3,262,896	3,495,750
Benefits	827,565	806,210	906,003
Temporary Help	0	0	16,000
Allowance for Doubtful Accounts	0	0	0
Bank Charges	282,295	297,073	303,223
Bldg/Operating/Health Reserves	0	0	0
Building/Sanitation/Custodial	113,313	112,138	125,622
Communications/Telephone/Pagers	25,085	19,390	24,657
Depreciation & Amortization	961,358	957,473	863,015
Dues & Subscriptions	17,339	32,126	22,530
Equipment/Equipment Rental	126,385	128,228	137,073
Fees	296,200	369,159	453,513
Royalties	0	0	0
Freight/Postage/Mail Service	0	741	3,000
Insurance	39,348	39,055	42,924
Interest Expense	189,424	189,420	178,212
Taxes & Licenses	2,772	2,472	2,772
Legal & Audit Fees	1,200	1,454	1,200
Marketing/Advertising	197,852	241,384	347,355
Paper Goods	312,933	307,015	343,146
Parking & Security	10,060	15,369	10,540
Professional Services	168,779	141,654	126,827
Rent/Lease Expense	0	0	0
Utilities	263,520	255,218	263,520
Repairs & Maintenance	274,901	242,086	267,261
Supplies	165,165	176,814	194,481
Training/Conference Fees	12,840	7,195	13,690
Travel/Hospitality	20,000	23,271	32,438
Miscellaneous	0	0	0
<b>Total Operating Expenditures</b>	<b>12,005,556</b>	<b>12,550,277</b>	<b>13,154,479</b>
<b>Net Surplus (Deficit) Before G&amp;A</b>	<b>\$ 1,613,813</b>	<b>\$ 2,083,908</b>	<b>\$ 1,847,766</b>

## REAL ESTATE

TUC's real estate program includes 32 College Court townhomes, seven single-family homes, the University House, two unimproved lots contiguous to campus and a ten-acre parcel of land in Moorpark. The objectives of the Real Estate Department are: to provide subsidized housing for faculty and staff; to positively impact the areas surrounding campus; and to acquire, manage and grow real property assets for the long-term benefit of the university. The long-term benefits derived from these activities include appreciation in market value and long-term revenues.

### *Fiscal Year 13/14 Projection*

The FY 13/14 projected surplus is unfavorable to budget by (\$148,000).

	13/14 Budget	13/14 Projected	Variance
Revenue	\$845,000	\$807,000	(\$38,000)
Expenses	927,000	1,037,000	(110,000)
Net Loss	(82,000)	(230,000)	(148,000)

#### Significant factors –

- Higher than anticipated turnover of College Court units, mostly due to tenants buying their own homes, resulted in higher repair and maintenance costs of the unexpected turnovers (\$18,000), and additional cost of modernizing the outdated units to current standards (\$53,000). The vacated units enabled TUC to support the university's recruitment effort for key positions by ensuring the availability of faculty/staff housing as needed (\$36,000).
- Costs associated with the early turnover of a single-family home on Zelzah Avenue and its transformation into the 'Matador House' for use by CSUN Athletics (\$19,000).
- Costs associated with the unbudgeted purchase of the single-family home on Kinzie Street (\$13,000).

### *Fiscal Year 14/15 Budget*

FY 14/15 budgeted net loss is \$78,000 better than FY 13/14 projection.

	13/14 Projected	14/15 Budget	Variance
Revenues	\$807,000	\$853,000	\$46,000
Expenses	1,037,000	1,005,000	32,000
Net Loss	(230,000)	(152,000)	78,000

This improvement is the net result of positive and negative factors, detailed below:

- Additional rental income \$45,000 from the new Kinzie Street single-family home and overall improved occupancy rate;
- Reduced Repairs and Maintenance expenses \$64,000 due to the return to a higher occupancy rate;
- Increase in fees and dues (\$10,000).

**THE UNIVERSITY CORPORATION**  
**Real Estate**  
**Fiscal Year 2014-2015**  
**Budget Summary**

	Budget 2013-2014	Projected 2013-2014	Proposed Budget 2014-2015
<b>Revenue:</b>			
Bookstore Commissions	0	0	0
Food Service Sales	0	0	0
Food Service Commissions	0	0	0
Real Estate Rentals	\$ 844,900	\$ 807,115	\$ 852,786
Grants & Contracts	0	0	0
Indirect Cost Recovery	0	0	0
Licensing	0	0	0
Rental Income	0	0	0
Endowment Admin. Fee	0	0	0
Other Income	0	0	0
	<u>844,900</u>	<u>807,115</u>	<u>852,786</u>
<b>Total Revenue</b>			
<b>Operating Expenses:</b>			
Grants & Contracts Direct Expenditures	0	0	0
Cost of Goods Sold	0	0	0
Salaries & Wages	67,613	65,175	67,335
Benefits	23,208	24,339	23,655
Temporary Help	0	0	0
Allowance for Doubtful Accounts	0	0	0
Bank Charges	0	0	0
Bldg/Operating/Health Reserves	0	0	0
Building/Sanitation/Custodial	1,200	1,200	6,840
Communications/Telephone/Pagers	2,700	2,499	2,160
Depreciation & Amortization	204,652	208,970	223,459
Dues & Subscriptions	2,150	2,626	7,248
Equipment/Equipment Rental	0	0	0
Fees	119,040	119,040	124,800
Royalties	0	0	0
Freight/Postage/Mail Service	840	860	960
Insurance	13,715	14,028	16,092
Interest Expense	111,396	111,542	105,132
Taxes & Licenses	110,520	117,162	118,812
Legal & Audit Fees	13,620	14,284	13,620
Marketing/Advertising	8,654	8,813	7,800
Paper Goods	0	0	0
Parking & Security	0	0	0
Professional Services	29,400	31,099	31,800
Rent/Lease Expense	0	0	0
Utilities	4,260	6,819	4,572
Repairs & Maintenance	206,604	300,906	236,492
Supplies	2,658	2,600	7,632
Training/Conference Fees	1,432	1,430	1,380
Travel/Hospitality	3,609	4,036	4,944
Miscellaneous	0	0	0
	<u>927,271</u>	<u>1,037,428</u>	<u>1,004,733</u>
<b>Total Operating Expenditures</b>			
	<u>\$ (82,371)</u>	<u>\$ (230,313)</u>	<u>\$ (151,947)</u>
<b>Net Surplus (Deficit) Before G&amp;A</b>			

**SPONSORED PROGRAMS**

Under its operating agreement with the university, TUC manages the post-award administration of sponsored programs. After deducting all direct costs of the Sponsored Programs Department, a reserve allocation, and 3.9% administration costs (accounting, human resources, IT, etc.), TUC returns to the university the remaining indirect cost recovery funds.

***Fiscal Year 13/14 Projection***

FY 13/14 grant revenue is projected to reach \$30.75 million, exceeding budget by 7.9%. As a result, the service fee income will also exceed budget and is expected to reach \$1.2 million.

Sponsored Programs operating expenses are projected slightly better than budget.

	13/14 Budget	13/14 Projected	Variance
Grant Revenue	\$28,500,000	\$30,750,000	\$2,250,000
Service Fee Income	1,112,000	1,199,000	87,000
Operating Expenses	597,000	593,000	4,000

***Fiscal Year 14/15 Budget***

While federal funding appears to remain stable, there is uncertainty regarding grant funding from state agencies. FY 14/15 grant revenues are budgeted at \$31 million, approximately the same level as the 13/14 projection, with corresponding service fees budgeted at \$1.2 million.

Sponsored Programs operating expenses are budgeted at \$665,000. The \$72,000 increase over previous year is due to a combination of:

- An increase of (\$60,000) in personnel costs, due to a new Administrative Compliance Analyst position that resulted from the fall 2013 Chancellor's Office audit;

	13/14 Projected	14/15 Budget	Variance
Grants Revenue	\$30,750,000	\$31,000,000	\$250,000
Service Fee Income	1,199,000	1,209,000	10,000
Operating Expenses	593,000	665,000	(72,000)

**THE UNIVERSITY CORPORATION**

**Sponsored Programs**

**Fiscal Year 2014-2015**

**Budget Summary**

	Budget	Projected	Proposed Budget
	2013-2014	2013-2014	2014-2015
<b>Revenue:</b>			
Bookstore Commissions	0	0	0
Food Service Sales	0	0	0
Food Service Commissions	0	0	0
Real Estate Rentals	0	0	0
Grants & Contracts	\$ 25,446,430	\$ 27,192,070	\$ 27,678,571
Indirect Cost Recovery	3,053,570	3,557,930	3,321,429
Licensing	0	0	0
Rental Income	0	0	0
Endowment Admin. Fee	0	0	0
Other Income	0	0	0
<b>Total Revenue</b>	<b>28,500,000</b>	<b>30,750,000</b>	<b>31,000,000</b>
<b>Operating Expenses:</b>			
Grants & Contracts Direct Expenditures	25,446,430	27,192,070	27,678,571
Cost of Goods Sold	0	0	0
Salaries & Wages	408,566	412,383	463,156
Benefits	156,207	152,236	161,114
Temporary Help	0	0	0
Allowance for Doubtful Accounts	0	0	0
Bank Charges & Bad Debts	0	0	0
Bldg/Operating/Health Reserves	0	0	0
Building/Sanitation/Custodial	0	0	0
Communications/Telephone/Pagers	1,560	1,560	1,560
Depreciation & Amortization	0	0	0
Dues & Subscriptions	5,538	5,790	5,590
Equipment/Equipment Rental	3,000	4,307	3,000
Fees	0	0	0
Royalties	0	0	0
Freight/Postage/Mail Service	6,200	6,199	6,200
Insurance	20,904	18,598	22,800
Interest Expense	0	0	0
Taxes & Licenses	0	0	0
Legal & Audit Fees	23,400	32,779	29,000
Marketing/Advertising	0	1,169	0
Paper Goods	0	0	0
Parking & Security	0	0	0
Professional Services	82,135	67,168	49,850
Rent/Lease Expense	0	0	0
Utilities	0	0	0
Repairs & Maintenance	500	500	500
Supplies	(6,900)	(7,462)	(5,251)
Training/Conference Fees	0	0	0
Travel/Hospitality	30,310	32,386	57,550
Miscellaneous	0	0	0
<b>Total Operating Expenditures</b>	<b>26,177,850</b>	<b>27,919,683</b>	<b>28,473,640</b>
<b>Net Surplus (Deficit) Before G&amp;A</b>	<b>2,322,150</b>	<b>2,830,317</b>	<b>2,526,360</b>
<b>Allocation of General &amp; Administrative</b>	<b>1,111,500</b>	<b>1,199,250</b>	<b>1,209,000</b>
Sponsored Projects - Available to Campus	\$ 1,210,650	\$ 1,631,067	\$ 1,317,360
<b>Net Surplus (Deficit) From Operations</b>	<b>0</b>	<b>0</b>	<b>0</b>

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# The University Corporation

## Capital Budget

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## CAPITAL BUDGET

The capital budget serves as the basis for the Corporation's fixed asset renewal program, including major and minor upgrades/replacements of facilities, systems, equipment, furniture and fixtures. The \$300,000 FY 14/15 budget will be used primarily to replace or refresh equipment and infrastructure.

<u>Sierra Marketplace:</u>	\$70,000
• <i>Bamboo</i> – Reconfigure serving counter to mirror that of Panda Express for greater visibility of food selections and faster service.	\$50,000
• <i>Pizzazz</i> – Reconfigure cooking line to incorporate a grilled-to-order burger concept.	20,000
<u>University House:</u> To reduce water consumption, install xeric garden in backyard, including additional hardscape, more suitable for official events.	45,000
<u>Freudian Sip:</u> Upgrade four espresso machines at three Freudian Sip units to provide faster service.	40,000
<u>Infogenesis System:</u> Upgrade to provide enhanced security and prepare for transition from Windows XP embedded to Windows Point of Sale Ready 7. Report functionality will also be improved.	40,000
<u>The Edge:</u>	30,000
• <i>Store Front</i> – Modify front entry with glass door and windows for improved security.	15,000
• <i>Equipment</i> – Replace three antiquated open air coolers.	15,000
<u>Web-Based Nutritional Analysis Software:</u> Implementation will provide customers online access to recipes and nutritional analysis from all dining locations.	26,000
<u>Athletics Concessions:</u> Purchase of electric cart to support increased volume of Athletics activities/events.	15,000
<u>The Pub:</u> Update and reconfigure bar counter for greater efficiency.	15,000
<u>Colleagues Room:</u> Install LED flat screen TV and audio visual system with cabinetry to facilitate meeting presentations.	10,000
<u>Subway:</u> Purchase and install halo light to meet Subway standards.	6,000
<u>Unallocated:</u> Covers unanticipated expenditures such as unforeseen upgrades and replacements, unexpected capital repairs, and possible new concepts.	3,000
<b>Total:</b>	<b><u>\$300,000</u></b>