THE UNIVERSITY CORPORATION
Board of Directors
June 7, 2017

A meeting of The University Corporation Board of Directors was called to order by First Vice President, Ben Yaspelkis at 3:05 p.m. on Wednesday, June 7, 2017 in the Sierra Center Colleagues Room, California State University, Northridge. A quorum was present.

Members Present:	Cristina Cadavid, Nicholas Jackson, Dave Moon, Michael Phillips, Bob Rawitch, Jorge Reyes, Louis Rubino, Isaac Simon, Michael Spagna, Benedict Yaspelkis
Members Absent:	Sevag Alexanian, Toren Arusi, Harvey Bookstein, Ronald Friedman, Dianne F. Harrison, Hamid Johari, Kenia Lopez
Staff Present:	Genelyn Arante, Shiva Bahrami, Heather Cairns, Elizabeth Corrigan, Rick Evans, Georg Jahn, Tim Killops, Elizabeth Kioussis, Michael Lennon, Linda Turner, Lih Wu
Others Present:	Ken Rosenthal, Scottie Schorn

ITEM I APPROVAL OF FEBRUARY 28, 2017 MINUTES

MSP (Rubino/Rawitch; Phillips-Abstain): **That the minutes of the February 28, 2017 Board of Directors meeting be approved as circulated.**

ITEM II SPONSORED PROGRAMS PRESENTATION

Executive Director, Rick Evans introduced Director of Sponsored Programs, Georg Jahn, who reported on the state of the university's sponsored programs. Supporting better learning outcomes through hands-on learning opportunities, grants also provided $1.2 million in salaries for 349 student assistants and $2.1 million in stipends for 347 students. Awards also support $3.1 million in additional pay for faculty members and $6.3 million in salaries for 573 staff members. Mr. Jahn advised that there are 230 active projects, representing $31 million in extramural support, 86% of which is from federal sources, primarily the Department of Education, Department of Health and Human Services/National Institutes of Health, and the National Science Foundation. Mr. Jahn continued that the federal budget proposed by the administration includes significant cuts for these agencies. If any cuts are instituted, the impact will likely be felt in FY 2018/19.

Last year, $4 million in indirect costs (IDC) was collected; the Corporation retained 49% to cover related administrative costs, and the university received the balance. Acknowledging that each office is organized differently, Mr. Jahn shared results of a Corporation survey of CSU sponsored programs offices, which showed average administrative costs of 61%. Michael Spagna commented that the survey would be more illuminating with dollar amounts included, and if done annually, could provide a trend analysis.

ITEM III APPOINTMENTS TO THE BOARD

Administration: Michael Spagna will leave the university on July 1, 2017; two years remain on his term. The University President has made the following appointment:

Colin Donahue *Vice President for Administration & Finance*	Two-year term (2017-2019) *(to complete the term of Michael Spagna)*

Faculty: The terms of Hamid Johari and Dave Moon will expire on June 30, 2017. The University President has made the following appointments:

Hamid Johari *(reappointed)*	Three-year term (2017-2020)
Dave Moon *(reappointed)*	Three-year term (2017-2020)

Students: The terms of Kenia Lopez, Jorge Reyes and Isaac Simon will expire on June 30, 2017. The University President will appoint three students to serve two-year terms.

Community: The term of Bob Rawitch will expire on June 30, 2017. The University President will appoint a community member to serve a three-year term.

ITEM IV NOMINATING COMMITTEE REPORT AND ELECTION OF OFFICERS

Dr. Yaspelkis asked Michael Spagna to present the report of the nominating committee. Dr. Spagna presented the following recommendations for officers: *Chair* – Dianne F. Harrison; *First Vice President* – Ben Yaspelkis; *Second Vice President* – Sevag Alexanian; *Treasurer* – Michael Phillips; and *Recording Secretary* – Colin Donahue.

There were no nominations from the floor.

MSP (Simon/Jackson): **That the recommendations of the nominating committee for officers of The University Corporation be approved as presented, one-year terms to begin July 1, 2017.**

ITEM V RESOLUTION – CALIFORNIA DEPARTMENT OF REHABILITATION

Mr. Jahn advised that due to the departure of the Director of the Office of Research and Sponsored Projects, the resolution is needed to update authorized signatures for a California Department of Rehabilitation grant.

MSP (Jackson/Cadavid): **That The University Corporation Board of Directors approve the updated resolution for the California Department of Rehabilitation grant.** (Appendix A)

ITEM VI BANK RESOLUTIONS

Mr. Evans introduced the Corporation's new Controller, Shiva Bahrami.

The resolutions are required to add Ms. Bahrami as an authorized signature on the Corporation's Wells Fargo and Northern Trust accounts.

MSP (Phillips/Reyes): **That The University Corporation Board of Directors approve the resolutions required by Wells Fargo** (Appendix B) **and Northern Trust** (Appendix C) **Banks to provide signature authority to The University Corporation Controller.**

ITEM VII RECEIPT OF MAY 1, 2017 EXECUTIVE COMMITTEE MINUTES AND CONSIDERATION OF ACTION ITEM

A. 2017/18 Operating Budget (Executive Committee Agenda Item 6)

Mr. Evans stated that the Corporation's financial condition is sound. While the current year 20% reduction in first-time freshman enrollment has impacted food services and campus store sales, enrollment is expected to stabilize in 2017/18. The Executive Director noted the budget impact of the two minimum wage increases in 2016, to be followed by a third increase on July 1, 2017. The 2017/18 budget includes a surplus contribution to the University of $501,000 (40% of Net Cash Generated), the Corporation will retain $751,000 to replenish reserves.

On July 1, 2017, control of the Matador Bookstore Complex annex will return to the university. The Corporation assumed responsibility, including costs, of this university space fifteen years ago at the university's request and received the associated rent for the space. For 2016/17, that rent totaled $220,000.

The budget includes a 2% salary increase. As in the prior two fiscal years, there will be no new professional, staff or management-level positions added to the payroll.

CSUN Campus Store sales are expected to continue to decline in FY 17/18. The Corporation's contract with Follett Higher Education Group for operation of the store includes a minimum guarantee and the FY 17/18 budget includes commission at that contractual minimum, generating net surplus of $1,320,000. Food services prices will increase, but increases will be contained as much as possible. The Corporation employs 351 students in food services.

FY 17/18 Sponsored Programs revenues are budgeted at $32 million, a slight increase over current year.

The Corporation anticipates finalizing the purchase of an additional single-family home before the end of the current fiscal year. Most of the Net Cash Generated to Replenish Reserves will be split between the Real Estate Reserve and the Matador Bookstore Complex Building Reserve.

MSP (Phillips/Cadavid): **That The University Corporation Board of Directors approve the 2017/18 operating budget as proposed.** (Appendix D)

ITEM VIII HOTEL PROJECT

Mr. Evans reported that the Letter of Intent had been signed the Access Option Agreement was being negotiated to provide the developer access to the site for due diligence. On May 10, 2017, three public information meetings with the development team were held on campus for the university community, members of the Northridge Vision business/community group, and area residents and neighborhood councils. Mr. Evans thanked Linda Turner, Associate Director of Real Estate, for overseeing coordination of the sessions, which were well attended. The hotel project received overall support. Most community concerns were focused on campus-related traffic and parking; the university will organize a forum on those subjects.

Mr. Evans introduced Ken Rosenthal, Associate Vice President, Facilities Development & Operations. Mr. Rosenthal presented updated hotel and restaurant renderings. He noted the parking lot immediately north of the restaurant that is part of the development, and added that the university will extend and reconfigure Lot G1 to include more parking stalls. The university will retain control of Lot G1, will provide overflow parking to the hotel and restaurant as needed, and will retain that revenue.

Mr. Rosenthal continued that the California Environmental Quality Act (CEQA) process will take five to eight months and will includes review of 19 environmental issues. The design schedule depends on how far the developer is willing to go prior to receiving CSU Board of Trustees project approval. Construction will take 18 to 20 months.

Jorge Reyes commented that the tuition increase has affected how students view the hotel because they do not understand public/private partnerships and how the project will be funded. Isaac Simon added that students need to be educated and assured that the project will not take resources from them. Mr. Evans responded that a presentation will be scheduled for an Associated Students meeting. Dr. Spagna suggested that a larger, ongoing information campaign might be order; Dave Moon added that VISCOM/RADIUS students could help in developing such a campaign.

ITEM IX CAMPUS CATERING UPDATE

Mr. Evans reminded the Board that the campus catering program will continue after the Orange Grove Bistro has been demolished. The Corporation originally considered installing a catering kitchen at the rear of the Matador Bookstore Complex. However, the University Student Union (USU) has a decommissioned kitchen in the Northridge Center. Tim Killops, Associate Director of Operations, shared photos of the space and advised that a feasibility study done by an engineering firm confirmed that the kitchen can be used for catering. An architectural firm has been engaged to bring the space to current codes and to maintain a separation from USU activities. An agreement with the USU will be developed.

Northridge is one of the few campuses in the system without a catering exclusivity policy. Director of CSUN Dining, Elizabeth Corrigan reported that the Corporation is pursuing such a policy in order to sustain and grow the business, with the goal of a 2018/19 roll-out. The hotel kitchen will serve only the hotel and will not cater on campus.

Jorge Reyes remarked that this would be an opportunity to educate students on keeping the money on campus. Dave Moon suggested a marketing campaign to involve VISCOM/RADIUS students. Michael Spagna suggested focus groups and annual review of prices and variety to remain competitive.

ITEM X LICENSING UPDATE

Mr. Evans reminded the Board that the Corporation manages the University Licensing program. He introduced Administrative Services Manager, Genelyn Arante, who updated the Board on recent filming activity on campus, including television shows, *So You Think You Can Dance* and *Lucifer*. Recent marketing efforts included a 'familiarization' tour and reception for location scouts, as well as a presentation at one of their union meetings.

ITEM XI THANK YOU TO OUTGOING DIRECTORS

Mr. Evans extended thanks to outgoing directors Jorge Reyes, Isaac Simon, Michael Spagna and Bob Rawitch. The Executive Director noted that Mr. Rawitch had served on the Board for seventeen years. He congratulated Dr. Spagna on his appointment as Provost of California State University, Dominguez Hills.

ITEM XII ANNOUNCEMENTS

There were no announcements.

There being no further business, the meeting ended at 4:38 p.m.

Respectfully submitted,

Michael E. Spagna

Michael Spagna, Recording Secretary

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

BOARD RESOLUTION

WHEREAS The University Corporation shall continue to operate and provide services to the State of California;

WHEREAS authority to contract with funding sources shall be needed in order for The University Corporation to continue its operation;

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of The University Corporation hereby authorizes

Crist Khachikian Associate Vice President, Research and Graduate Studies;
Megha Patel, Assistant Vice President of Research and Economic Development; and
Shirley Lang, Senior Grants Specialist, Research and Sponsored Projects

to act on behalf of The University Corporation in entering into any agreement with the California Department of Rehabilitation; and to sign for and perform any and all responsibilities in relation to such agreement.

Approved on June 7, 2017

SECRETARY'S CERTIFICATE

I, Lih Wu, Secretary of The University Corporation (the "Corporation"), hereby certify that the foregoing is a full, true and correct copy of the resolution duly adopted at a meeting of the Board of Directors of the Corporation duly and legally held at Northridge, California, on June 7, 2017.

IN WITNESS WHEREOF, I have executed and delivered this certificate on the date set forth below.

June 7, 2017

Lih Wu, Secretary

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APPENDIX B

Wells Fargo Securities, LLC
Corporate Resolution

WELLS FARGO SECURITIES

I, Lih Wu, being the duly authorized Secretary or Assistant Secretary of The University Corporation, a corporation organized and existing under and by virtue of the laws of the State of California (hereinafter the "Corporation"), do hereby certify that the resolutions set forth below were duly adopted by the Board of Directors of the Corporation on June 7, 2017; that said resolutions are now in full force and effect; and that said resolutions are in conformity with the By-laws or Charter of the Corporation:

RESOLVED that each of the Authorized Individuals listed below is hereby fully authorized and empowered to: (1) establish and maintain one or more accounts ("the Accounts") with Wells Fargo Securities, LLC ("WFS" or "you") on behalf of the Corporation for the purpose of purchasing, investing in, selling, transferring, exchanging or otherwise disposing of, and generally dealing in and with any and all forms of securities and other financial instruments; (2) transfer, convert, endorse, buy, sell, assign, set over and deliver any and all shares of stock, bonds, debentures, notes, subscription warrants, stock purchase warrants, evidences of indebtedness or other securities now or hereafter standing in the name of or owned by the Corporation; (3) make, execute and deliver, under the corporate seal of the Corporation, if any, any and all written instruments of assignment and transfer necessary or proper to effectuate such assignment and transfer; (4) deposit, withdraw and transfer funds; (5) vote proxies or take any other action with respect to securities; and (6) take any other action on the Corporation's behalf with respect to the Accounts or other dealings with you. You shall be entitled to act in reliance upon the instructions of the Authorized Individuals with respect to the foregoing matters without further inquiry, investigation or obligation to verify the instructions.

Authorized Individuals

I hereby certify that the Corporation has duly authorized and empowered each of the following individuals to individually act on its behalf with respect to the Accounts, and that the following are their true signatures:

Signature	Print Name	Title/Position
1. X [signature]	Lih Wu	CFO
2. X [signature]	Rick Evans	Executive Director
3. X [signature]	Shiva Bahrami	Controller

FURTHER RESOLVED that the Corporation hereby agrees to indemnify and hold you harmless from any and all claims, liabilities and disputes resulting from you acting upon the instructions of the Authorized Individuals and it further agrees to promptly pay you upon demand any and all losses, debit balances or amounts due as the result of those instructions.

FURTHER RESOLVED that the Secretary or an Assistant Secretary of the Corporation then in office is hereby authorized to: (1) execute a certificate from time to time setting forth these resolutions and stating that they are in full force and effect and certifying that the persons named therein are then officers of the Corporation and duly authorized and empowered to act on its behalf; and (2) annex or cause such certificate to be annexed to an instrument of assignment and transfer executed pursuant to and in accordance with the foregoing resolution.

FURTHER RESOLVED that the authority and indemnity set forth herein are continuing in nature and shall remain in full force and effect until you receive a written notice of revocation.

Authorized Signature

Signature	Print Name	Title	Date
X [signature]	Lih Wu	CFO	June 7, 2017

If no Corporate Seal, indicate "No Corporate Seal": ____________

Corporate Seal

Wells Fargo Securities is the trade name for the capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including but not limited to Wells Fargo Securities, LLC, a member of NYSE, FINRA, NFA and SIPC, Wells Fargo Prime Services, LLC, a member of FINRA, NFA and SIPC, and Wells Fargo Bank, N.A. Wells Fargo Securities, LLC and Wells Fargo Prime Services, LLC are distinct entities from affiliated banks and thrifts.

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

RESOLUTION *of the* BOARD OF DIRECTORS

WHEREAS, it is deemed for the best interests of the Corporation that the care and custody of securities belonging to the Corporation be lodged with The Northern Trust Company ("Northern Trust"), a state bank existing under the laws of the State of Illinois, and that the agreement hereinafter described be entered into by the Corporation with said Northern Trust,

BE IT RESOLVED that,

1. Rick Evans - President, Lih Wu - Chief Financial Officer, and Shiva Bahrami - Controller be and they are hereby authorized and directed to enter into, execute and deliver, in the name of the Corporation, the investment management or custody agreement with Northern Trust effective May 1, 2013 (the "Agreement"). The Corporation agrees to the terms and conditions of the Agreement.

2. The officers listed below are hereby authorized and directed to deposit in an account, or accounts, with Northern Trust under the provisions of said Agreement (the "Account"), such of the securities and property belonging to the Corporation as they in their sole and absolute discretion may deem advisable from time to time, and to take from time to time all such action under such Agreement on behalf of the Corporation as may be necessary to carry out the intent and meaning of said Agreement.

3. The officers, and delegates, listed below, are authorized to give written instructions to Northern Trust regarding the securities and property held in the Account, including instructions to disburse or wire funds from the Account, regardless of by whom or by what means the facsimile signature/s may have been affixed so long as they resemble the facsimile signature specimens listed below. The number of authorized signatures required for this purpose is two. Northern Trust may rely on written instructions received via facsimile transmission that it reasonably believes to be authorized.

4. All transactions, if any, with respect to any deposits or withdrawals by or on behalf of the Corporation with Northern Trust prior to the adoption of this resolution are hereby ratified, approved and confirmed.

5. Northern Trust shall be entitled as against the Corporation to conclusively presume that the persons listed herein continue to have the authority stated herein until otherwise notified in writing.

Name and Title	**Signature Specimen**
Rick Evans President	[signature]
Lih Wu, Chief Financial Officer	[signature]
Shiva Bahrami, Controller	[signature]

BE IT RESOLVED, FURTHER, that this resolution shall be in full force and effect and binding upon the Corporation until it shall have been repealed and until written notice of such repeal shall have been delivered to Northern Trust.

June 7, 2017

[signature]

Lih Wu, Secretary

OPERATING BUDGET

Proposed for Fiscal Year 17/18

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

CONTENTS

The University Corporation
FY 17/18 Budgeted Net Cash Generated

		Budget FY 16/17	Projected FY 16/17	Budget FY 17/18	Actual FY 15/16	FY 17-18 Budget variance from FY 16-17 projection
Surplus/(deficit) by operating unit:	Note (A)					
CSUN Campus Store		$ 1,398,569	$ 1,347,333	$ **1,320,286**	$ 1,553,351	(27,047)
Food Services		1,274,994	1,117,164	$ **924,815**	1,611,480	(192,349)
Real Estate		(278,754)	(263,347)	$ **(303,180)**	(125,103)	(39,833)
General & Administrative		(3,241,965)	(3,100,654)	$ **(3,589,809)**	(2,894,478)	(489,155)
Sponsored Programs service fee @ 3.9%		1,248,000	1,209,000	$ **1,248,000**	1,250,733	39,000
Total surplus from operations		400,844	309,496	**(399,888)**	1,395,983	(709,384)
Add backs (non cash expense)						
Depreciation expense		2,443,640	2,295,219	$ **2,465,818**	2,080,851	170,599
Post-Retirement		500,000	500,000	$ **530,000**	450,587	30,000
Campus Store - Follett		(200,000)	(200,000)	**(200,000)**	(200,000)	0
Cash generated from operations		3,144,484	2,904,715	2,395,930	3,727,421	(508,785)
Cash reductions						
Capital expenditures		(300,000)	(300,000)	$ **(250,000)**	(216,849)	50,000
Principal payments on debt service		(853,000)	(852,951)	$ **(894,172)**	(771,778)	(41,221)
Cash Reductions before campus contribution		(1,153,000)	(1,152,951)	(1,144,172)	(988,627)	8,779
Net Cash generated before campus contribution		1,991,484	1,751,764	1,251,758	2,738,794	(500,006)
Contribution to campus @ 40%	Note (B)	(1,250,000)	(1,250,000)	**(500,703)**	(1,250,000)	749,297
Total cash reductions		(2,403,000)	(2,402,951)	(1,644,875)	(2,238,627)	758,076
Net Net cash generated to replenish reserves		$ 741,484	$ 501,764	$ **751,055**	$ 1,488,794	249,291
Addt'l contribution from North Campus				100,000		
Total Contribution fto CSUN				$ 600,703		

(A) Projected 16/17 and the budget for 17/18 include $200,000 each resulting from the amortization of $1,000,000 rec'd from Follett in July 2015.

(B) Beginning with FY 17/18 campus contribution will be 40% of net available

The University Corporation

Balance Sheet
Estimated as of June 30, 2017

BALANCE SHEET
Estimated for June 30, 2017 & June 30, 2018

The balance sheet is a statement that summarizes a company's assets, liabilities and equity (or net assets) at a specific point in time. These three balance sheet segments provides a snapshot of the financial condition of a corporation as to 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 projected balance sheet at 6/30/17 reflects the impact of FY 16/17 operations compared to the 6/30/16 balance sheet. The balance sheet for 6/30/18 estimates the impact of the proposed FY 17/18 budget compared to the 6/30/17 balance sheet. Significant changes are described below:

Significant Changes for Estimated Year Ending 6/30/17

FY 16/17 operations resulted in an increase of $549,000 in total assets from the 6/30/16 actual balance sheet, primarily due to robust investments that generated more than $1,000,000 in gains (dividends, interest, realized and unrealized gain).

Footnotes for Significant Changes

1. Cash and cash equivalents are lower by $676,000, primarily due to the installation of the new HVAC unit at the Matador Bookstore Complex ($1,454,000), offset by the cash receipt of $372,000 on the sale of the Moorpark land.

2. Investments are higher by $1,141,000. The upturn in economic outlook across the globe in recent months has led to a robust financial market for FY 16/17. Of this increase, it is important to note that the unrealized gains on the equity, securities and bond funds within the investment portfolio accounted for close to a $1 million gain, while the Public Safety Building (alternative investment) decreased by $393,000 via CSUN repayment of construction costs.

3. Accounts Receivable are $147,000 lower. Continued draw-down of the Systemwide Revenue Bond (SRB) financing related to renovation of the Reseda Annex as well as the timing of payment on Grants & Contracts receivables are the reasons.

4. Net Fixed Assets reflects an increase of $192,000:
   a. $2.5 million increase in gross fixed assets:
      - $500,000 for Reseda Annex renovations, including elevator installation
      - $610,000 for the anticipated purchase of a home on Zelzah Avenue
      - $1,454,000 for the Matador Bookstore Complex HVAC units

   b. Reduced by the $2.3 million projected depreciation expense for the year, resulting in an increase to accumulated depreciation, which means a net increase to fixed assets.

5. A $509,000 increase in accrued liabilities: the FY 16/17 accrual/adjustment to the post-retirement medical benefits plan was estimated by an actuarial firm at $500,000.

6. A net decrease of $281,000 in deferred revenue due to amortization of Follett's $1 million payment in FY 15/16, which is to be amortized over a five year period.

7. Combined annual debt service payments of $853,000, i.e. Systemwide Revenue Bonds, Capital Lease and Mortgages, loan.

Footnotes for Significant Changes from 6/30/17 to 6/30/18

The balance sheet for 6/30/18 reflects the impact of the FY 17/18 budget on TUC's 6/30/17 financial position. Those categories with significant changes are detailed below.

8. Cash & investments increased by $964,000. Despite the uncertainties surrounding the new U.S. administration and its commitment to free trade, an optimistic view of the economy is likely to continue and rising consumer confidence can lead to increased corporate spending. Nonetheless, only moderate investment gains are included for FY 17/18.

9. Net fixed assets reflect a $1.21 million reduction, the details of which are as follows:
    a. $1.2 million increase in gross fixed assets:
        - $200,000 for remodeling of anticipated new house on Zelzah Avenue
        - $750,000 for campus catering kitchen to replace Orange Grove Bistro
        - $250,000 for FY 17/18 capital budget
    b. Offset by FY 17/18 depreciation expense of $2.41 million, which results in an increase to accumulated depreciation and a reduction to fixed assets.

10. Accrued liabilities increase by $541,000 due to the additional accrual of $530,000 for the post-retirement medical plans.

11. A decrease of $274,000 in deferred revenue is due to the amortization of Follett's one-time payment over five years ($200,000 per year).

12. Decrease of $950,000 in long-term debt/lease liability is caused by moving the scheduled FY 17/18 debt service payments to short-term liabilities, which are included in the total year-end Accounts Payable balance.

The University Corporation
Balance Sheet
Periods ending June 30, 2016 & 2017 & 2018

	Actual Balance @ 6/30/2016	Estimated Balance @ 6/30/2017	Estimated Balance @ 6/30/2018	Inc/dec from prior yr FY 2016-17 Est.	Inc/dec from prior yr FY 2017-18 Budget
Assets					
Cash and Cash Equivalents	$ 5,689,009	$ 5,012,619 (1)	$ 5,309,650 (8)	$ (676,390)	$ 297,031
Short-Term Investments	5,758,123	5,813,743 (2)	5,887,984 (8)	$ 55,620	$ 74,241
Accounts Receivable	1,693,467	1,642,583 (3)	1,622,583	$ (50,884)	$ (20,000)
A/R Grants & Contracts	3,721,057	3,625,333 (3)	3,625,333	$ (95,724)	$ -
Prepaid Expenses	92,354	92,529	94,825	$ 174	$ 2,297
Inventories	320,367	358,764	367,733	$ 38,397	$ 8,968
Long-Term Investments	17,279,755	18,365,387 (2)	18,958,548 (8)	$ 1,085,632	$ 593,161
Fixed Assets, net	24,885,740	25,077,530 (4)	23,867,759 (9)	$ 191,790	$ (1,209,771)
Total Assets	$ 59,439,874	$ 59,988,490	$ 59,734,417	$ 548,616	$ (254,073)
Liabilities					
Accounts Payable	$ 1,946,151	$ 1,962,641	$ 2,012,922	$ 16,490	$ 50,281
Accrued Liabilities	6,370,595	6,879,715 (5)	7,420,734 (10)	$ 509,120	$ 541,019
Deposits Held in Custody for Others	1,905,461	1,772,082	1,775,108	$ (133,379)	$ 3,026
Deferred Revenue	3,221,788	2,940,425 (6)	2,666,907 (11)	$ (281,363)	$ (273,518)
Long-Term Debt Mortgages	67,618	44,667 (7)	19,208 (12)	$ (22,951)	$ (25,459)
Long-Term Debt Bonds	5,614,680	6,202,166 (7)	5,702,166 (12)	$ 587,486	$ (500,000)
Long-Term Capital Lease	8,172,486	6,755,000 (7)	6,330,000 (12)	$ (1,417,486)	$ (425,000)
Total Liabilities	27,298,779	26,556,696	25,927,045	$ (742,084)	$ (629,651)
Net Assets					
Beginning Balance (unrestricted)	26,693,368	28,277,301	29,568,000	$ 1,583,933	$ 1,290,699
Permanently restricted	3,863,793	3,863,793	3,863,793	$ -	$ -
Current year surplus/(loss)	1,583,933	1,290,699	375,579	$ (293,234)	$ (915,120)
Total Net Assets	32,141,094	33,431,794	33,807,373	$ 1,290,699	$ 375,579
Total Liabilities & Net Assets	$ 59,439,874	$ 59,988,489	$ 59,734,418	$ 548,616	$ (254,072)
Cash & Cash Equivalen	5,689,009	5,012,619	5,309,650	$ (676,390)	$ 297,031
Investments	23,037,878	24,179,131	24,846,533	$ 1,141,252	$ 667,402
AR& grant & contracts	5,414,525	5,267,917	5,247,917	$ (146,608)	$ (20,000)
net fixed assets	24,885,740	25,077,530	23,867,759	$ 191,790	$ (1,209,771)
others	412,721	451,293	462,558	$ 38,572	$ 11,266
Total assets	59,439,874	59,988,490	59,734,417	$ 548,616	$ (254,073)
Debt Services -LT	13,854,784	13,001,833	12,051,374	(852,951)	(950,459)

The University Corporation

Statement of Reserves
Estimated as of June 30, 2017

STATEMENT OF RESERVES

Estimated for June 30, 2017 and July 1, 2017

In financial accounting, a reserve is part of a shareholder's equity or a "Net Asset" for TUC. A reserve is often set up for a particular purpose. TUC categorizes its reserves first by funding source (either Sponsored Programs or TUC operating funds), and then sets up various reserves for specific purposes – such as purchasing real estate, paying for major repairs and maintenance, and so forth.

The Statement of Net Asset Reserves lists various reserve accounts set up over time to ensure business continuity, for major upkeep and improvement of facilities, for unexpected major costs that may arise, and for strategic purchases of real estate. Every budget year, TUC carefully reviews and monitors the needs of the company related to these funds and invests the money in long-term or short-term securities as part of the investment portfolio, following TUC's investment policy. The majority of the Net Cash Generated from operations is used to replenish the reserves.

Reserves Funded by Indirect Cost Recovery Fund:

1. *Sponsored Programs Reserve for Disallowances*. Used to cover disallowed costs, as well as extraordinary, irregular or unbudgeted sponsored programs administration costs. According to the customary reserve calculation based on current level of sponsored programs activity, the recommended reserve balance is $750,000.

2. *Sponsored Programs Reserve for System Improvements*. Established in 2010 for Sponsored Programs-related information technology improvements, the amount of this reserve is $50,000.

Reserves Funded by TUC Operations:

Required by Education Code

1. *Current Operations Reserve*. Provides contingency funding for unforeseen events. The Board approved $600,000 for this reserve, approximately three months' General & Administrative expenditures.

2. *Working Capital Reserve*. Provides emergency funds for operational commitments as needed, including receivables financing for grants and contracts billed in arrears. The Board approved a reserve balance of $2 million, based on an average grants and contracts volume of $28-$30 million.

3. *Unplanned Capital Replacement Reserve*. Covers the largest system failure that might occur outside the normal, annual capital budget. The Board approved $400,000 for this reserve.

Real Estate-Related Reserves

1. *Real Estate Reserve.* Established to purchase real property for the university's strategic needs, the Board approved a $1.5 million starting balance for this reserve. It is replenished when funds are available and approved by the Board. In FY 16/17, $372,000 was added to the reserve from the sale of the Conejo Valley property. To acquire an additional single-family home adjacent to campus ($650,000 toward acquisition and $200,000 for renovations), $200,000 is requested at this time from Net Cash Generated.

2. *University House Reserve.* Established for future renovation of University House. This reserve is funded at $100,000.

3. *Real Estate Repairs & Maintenance Reserve.* Established for unforeseen major repairs and maintenance related to TUC's housing programs. This reserve is funded at $50,000.

Facilities Reserves

1. *Sierra Center Building Reserve*. Established for major repairs and renovations to the Sierra Center building, with a target balance of $500,000. The projected reserve balance as of July 1, 2017 will be $376,000. An additional $50,000 is requested at this time from Net Cash Generated.

2 *Arbor Court Building Reserve.* Established for major repairs and renovations to the Arbor Court building, the yearly allocation is $25,000 with a target balance of $100,000. This reserve is fully funded.

3 *Catering Kitchen*: Established to fund a catering kitchen when the Orange Grove Bistro makes way for an on-campus hotel. The estimated total cost of a catering kitchen is $1.5 million; TUC and the university will each contribute $750,000 to this project.

4 *Matador Bookstore Complex (MBC) Building Reserve*. Established for major MBC repairs and renovations. The balance of $1,565,200 will be mostly depleted as of July 1, 2017 for the board-approved HVAC replacement. An additional $250,000 is requested at this time, in anticipation of a future roof replacement at significant cost.

Undesignated Reserves

1. *General Reserve*. Depository for all the funds generated from regular operations as well as income earned from being part of the investment pool. This reserve also serves as the source of transfers to other reserve accounts.

Net Cash Generated to Replenish Reserves:

This summary reflects the projected FY 17/18 reserves requirements and associated activity.

Net cash generated in FY 16/17 to replenish reserves		$ 501,764
Less:	Transfer to Real Estate Reserve	(200,000)
	Transfer to Sierra Center Building Reserve	(50,000)
	Transfer to MBC Building Reserve	(250,000)
	Estimated ending balance	$ 1,764

The University Corporation
Schedule of Reserves
FY 16-17 Projection & FY 2017-18 Budget

Description	Beginning Balance @7/1/2016	FY 16-17 (Full Year) Addition/Transfer	FY 16-17 (Full Year) Activities	Projected Ending Balance 6/30/2017	Requst for transfer for FY 2017-18 Addition/Transfer	FY 2017-18 Budget @7/1/2017	Per Budget FY 2017-18 Projected Activities
Reserves funded by IDC Recovery Fund							
Sponsored Projects Reserve for Disallowances	$ 750,000			750,000		750,000	
Sponsored Projects Reserve for IT Improvements	50,000			50,000		50,000	
Total Sponsored Program Reserve	$ 800,000			$ 800,000		$ 800,000	
Reserves funded by TUC's operation							
Required by Education Code:							
Operations reserve (Board established level)	600,000			600,000		600,000	
Working Capital reserve(Board established level)	2,000,000			2,000,000		2,000,000	
Unplanned Capital Replacement reserve (Board established level)	400,000			400,000		400,000	
Total EO/BOD designated Reserves	$ 3,000,000			$ 3,000,000		$ 3,000,000	
Real Estates Reserve							
Real Estate Investment Fund Reserve	$ 1,500,000	372,000	(650,000)	1,222,000	$ 200,000	1,422,000	$ (200,000)
Special Project Reserve for University House	100,000			100,000		100,000	
Repairs & Maintenance Reserve for CC/SFH	50,000			50,000		50,000	
Total Real Estates Reserve	$ 1,650,000	372,000	(650,000)	$ 1,372,000	$ 200,000	$ 1,572,000	$ (200,000)
Facilties Reserve							
Reserve for Sierra Center Building	376,000			376,000	50,000	426,000	(50,000)
Reserve for Arbor Court Building	100,000			100,000		100,000	
Reserve for a new Catering Kitchen	750,000			750,000		750,000	(750,000)
Reserve for MBC Building - Hvac & Roof	1,565,200		(1,486,412)	78,788	250,000	328,788	
Total Faciltiies Related Reserve	$ 2,791,200		$ (1,486,412)	$ 1,304,788	$ 300,000	$ 1,604,788	$ (800,000)
Undesignated general Reserve *	$ 1,566,280	$ 200,000		1,766,280	$ 1,764	1,768,044	$ -
Net cash generated to replenish reserves :							
- from prior year opeation	-				501,764		751,055
- allocated to designated & undesignated general reserve					(501,764)		
Net cash generated to replenish reserves	$ -			$ -	$ -	$ -	$ 751,055
Total Reserves	$ 9,807,480	$ 572,000	$ (2,136,412)	$ 8,243,068	$ 501,764	$ 8,744,832	$ (248,945)
Year-To-Year Inc/(Dec)				$ (1,564,412)		$ 501,764	

* Funded by investment income

The University Corporation

Division Budgets

CONSOLIDATED BUDGET REPORT OF ALL DIVISIONS

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

- General and Administrative
- CSUN Campus Store
- Food Services
- Real Estate
- Sponsored Programs

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

THE UNIVERSITY CORPORATION

	GENERAL & ADMINISTRATIVE			CSUN CAMPUS STORE			FOOD SERVICES			REAL ESTATE			SPONSORED PROGRAMS			OPERATIONAL SUMMARY		
	Budget 2016-2017	Projected 2016-2017	Proposed Budget 2017-2018	Budget 2016-2017	Projected 2016-2017	Proposed Budget 2017-2018	Budget 2016-2017	Projected 2016-2017	Proposed Budget 2017-2018	Budget 2016-2017	Projected 2016-2017	Proposed Budget 2017-2018	Budget 2016-2017	Projected 2016-2017	Proposed Budget 2017-2018	Budget 2016-2017	Projected 2016-2017	Proposed Budget 2017-2018
Revenue:																		
Bookstore Commissions	0	0	0	1,499,253	1,446,346	1,424,000	0	0	0	0	0	0	0	0	0	1,499,253	1,446,346	1,424,000
Food Service Sales	0	0	0	0	0	0	15,770,100	15,296,696	15,442,793	0	0	0	0	0	0	15,770,100	15,296,696	15,442,793
Food Service Commissions/Other Income	0	0	0	0	0	0	736,470	769,258	711,442	0	0	0	0	0	0	736,470	769,258	711,442
Real Estate Rentals	0	0	0	0	0	0	0	0	0	1,239,974	1,215,497	1,270,802	0	0	0	1,239,974	1,215,497	1,270,802
Grants & Contracts	0	0	0	0	0	0	0	0	0	0	0	0	28,318,584	27,310,209	28,193,833	28,318,584	27,310,209	28,193,833
Indirect Cost Recovery	0	0	0	0	0	0	0	0	0	0	0	0	3,681,416	3,689,791	3,806,167	3,681,415	3,689,791	3,806,167
Licensing	$ 85,000	$ 85,000	$ 110,000	0	0	0	0	0	0	0	0	0	0	0	0	85,000	85,000	110,000
Rental Income	660,590	692,054	492,519	0	0	0	0	0	0	0	0	0	0	0	0	660,590	692,054	492,519
Endowment Admin. Fee	140,000	130,000	141,000	0	0	.0	0	0	0	0	0	0	0	0	0	140,000	130,000	141,000
Other Income	481,216	449,083	483,576	0	0	0	0	0	0	0	0	0	0	0	0	481,216	449,083	483,576
Total Revenue	1,366,806	1,356,137	1,227,095	1,499,253	1,446,346	1,424,000	16,506,570	16,065,954	16,154,235	1,239,974	1,215,497	1,270,802	32,000,000	31,000,000	32,000,000	52,612,603	51,083,934	52,076,132
Operating Expenses:																		
Grants & Contracts Direct Expenditures	0	0	0	0	0	0	0	0	0	0	0	0	28,318,584	27,310,209	28,193,833	28,318,584	27,310,209	28,193,833
Cost of Goods Sold	0	0	0	0	0	0	5,830,049	5,623,022	5,669,170	0	0	0	0	0	0	5,830,049	5,623,022	5,669,170
Salaries & Wages	1,424,108	1,529,834	1,557,117	21,300	21,309	21,732	4,165,696	4,204,874	4,584,256	98,360	93,755	106,316	505,306	532,781	477,248	6,214,770	6,382,553	6,746,669
Benefits	1,032,509	946,421	1,058,587	9,048	9,795	10,248	1,022,987	1,027,597	1,111,562	33,347	30,723	34,934	175,021	186,229	168,134	2,272,912	2,200,765	2,383,465
Temporary Help	9,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,000	0	0
Allowance for Doubtful Accounts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bank Charges	18,996	24,356	24,000	0	0	0	297,165	298,433	302,289	0	0	0	0	0	0	316,161	322,789	326,289
Bldg/Operating/Health Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building/Sanitation/Custodial	192,086	165,052	178,485	0	0	0	217,385	196,228	183,577	29,836	19,253	32,160	0	0	0	439,307	380,533	394,222
Communications/Telephone/Pagers	35,269	24,194	27,948	0	0	0	28,283	31,921	32,979	2,760	2,588	2,580	2,500	2,500	2,550	68,812	61,203	66,057
Depreciation & Amortization	602,362	499,177	584,089	49,648	49,646	49,648	1,343,577	1,346,228	1,322,543	448,053	416,000	509,546	0	0	0	2,443,640	2,311,051	2,465,826
Dues & Subscriptions	17,734	10,495	16,308	0	0	0	27,728	29,101	25,560	6,324	6,272	8,316	7,850	7,850	17,500	59,636	53,718	67,684
Equipment/Equipment Rental	29,128	15,665	16,828	0	0	0	123,233	91,249	76,555	0	0	0	10,550	10,964	10,000	162,911	117,878	103,383
Fees	0	0	0	0	0	0	495,253	490,005	495,211	148,500	154,275	167,310	0	0	0	643,753	644,280	662,521
Royalties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Freight/Postage/Mail Service	15,900	11,505	17,504	0	0	0	0	853	0	888	805	888	2,960	2,960	2,960	19,748	16,123	21,352
Insurance	131,448	129,389	122,136	14,088	15,251	15,636	40,860	42,823	45,336	21,132	22,150	23,448	23,952	23,952	26,580	231,480	233,565	233,136
Interest Expense	166,800	166,797	153,720	0	0	0	146,664	146,661	128,304	220,416	219,054	211,548	0	0	0	533,880	532,512	493,572
Taxes & Licenses	10,260	9,959	11,710	1,600	1,546	1,600	5,372	4,478	1,801	136,728	136,315	129,804	0	0	0	153,960	152,298	144,915
Legal & Audit Fees	55,004	74,068	79,996	500	0	1,650	960	1,086	1,320	8,880	7,336	7,440	25,768	25,768	26,004	91,112	108,258	116,410
Marketing/Advertising	3,000	0	18,900	4,500	1,466	3,200	484,724	395,531	344,990	11,484	11,598	11,712	0	0	0	503,708	408,595	378,802
Paper Goods	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parking & Security	903	153	903	0	0	0	12,070	10,479	12,118	0	0	0	0	0	0	12,973	10,632	13,021
Professional Services	413,384	425,088	499,472	0	0	0	161,451	173,960	138,332	36,636	31,261	30,060	126,232	111,390	200,296	737,703	741,699	868,160
Rent/Lease Expense	0	0	0	0	0	0	0	169	0	0	0	0	0	0	0	0	169	0
Utilities	247,848	252,686	263,220	0	0	0	257,076	255,614	242,994	8,064	13,108	12,840	0	0	0	512,988	521,408	519,054
Repairs & Maintenance	110,661	90,683	97,783	0	0	0	246,419	254,191	240,910	292,740	298,955	270,720	0	0	0	649,820	643,829	609,413
Supplies	41,133	33,452	35,979	0	0	0	298,009	297,131	247,828	6,300	6,302	6,300	(7,500)	18,545	45,200	337,942	355,430	335,307
Training/Conference Fees	6,800	7,406	7,075	0	0	0	15,415	6,600	8,335	2,100	2,100	2,100	0	0	0	24,315	16,106	17,510
Travel/Hospitality	44,438	40,411	45,144	0	0	0	11,200	20,556	13,450	6,180	6,993	5,960	59,450	59,450	59,070	121,268	127,410	123,624
Total Operating Expenditures	4,608,771	4,456,791	4,816,904	100,684	99,013	103,714	15,231,576	14,948,790	15,229,420	1,518,728	1,478,843	1,573,982	29,250,673	28,292,598	29,229,375	50,710,432	49,276,035	50,953,395
Net Surplus (Deficit) Before G&A	(3,241,965)	(3,100,654)	(3,589,809)	1,398,569	1,347,333	1,320,286	1,274,994	1,117,164	924,815	(278,754)	(263,347)	(303,180)	2,749,327	2,707,402	2,770,625	1,902,171	1,807,899	1,122,737
G&A Related Overhead													1,248,000	1,209,000	1,248,000	0	0	0
Allocation of General & Administrative	(3,241,965)	(3,100,654)	(3,589,809)	817,526	775,578	960,142	877,345	832,328	1,030,396	299,095	283,748	351,271	1,501,327	1,498,402	1,522,625	1,501,327	1,498,402	1,522,625
Spons Proj/Lic Surplus - Avail to Campus **Net Cash (Deficit) From Operations**	0	0	0	581,043	571,755	360,144	397,649	284,836	(105,581)	(577,849)	(547,095)	(654,451)	0	0	0	400,844	309,497	(399,888)

Add:	Back Depreciation (non cash flow)	2,443,640	2,295,219	2,465,818
	Post retirement medical	500,000	500,000	530,000
Less:	Campus Store - Follett	(200,000)	(200,000)	(250,000)
	budgeted capital expenditures	(300,000)	(300,000)	(250,000)
	principal pymts/debt service	(853,000)	(852,951)	(894,172)
	contribution to campus	(1,250,000)	(1,250,000)	(500,703)
	Net cash generated to replenish reserves	741,484	501,765	751,055

Note: The G&A allocations to sponsored programs is per the contractual agreements of 3.9% on the level of revenue for FY 17/18
The difference between the G&A summary page allocations and the consolidated budget report for sponsored programs is prorated to the commercial divisions.

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General and Administrative (G&A)

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

Fiscal Year 16/17 Projection

	16/17 Budget	16/17 Projected	*Variance*
Operating expense: *(w/o post-retirement medical)*	$4,109,000	$3,957,000	*$152,000*
Income:	1,367,000	1,356,000	*(11,000)*
Net G&A surplus:	2,742,000	2,601,000	*141,000*

After accounting for the non-cash depreciation expense, which due to timing is under budget by $148,000, G&A is projected to be essentially on budget.

Fiscal Year 17/18 Budget

The proposed FY 17/18 G&A budget is $459,000 or 18% higher than projected FY 16/17 results.

	16/17 Projected	17/18 Budget	*Variance*
Operating expense: *(w/o post-retirement medical)*	$3,957,000	$4,287,000	*($330,000)*
Income:	1,356,000	1,227,000	*(129,000)*
Net G&A surplus:	2,601,000	3,060,000	*(459,000)*

Although G&A is $459,000 over prior year, it is important to point out that FY 17/18 G&A is effectively only $103,000 over FY 16/17. Of the variance, $356,000 is explained as follows:

Net reduction in Other Income – Termination of rent collected for MBC Annex	$190,000
Increase in depreciation expense (non-cash expense)	85,000
FY 16/17 payroll & benefits savings due to vacancies–Returning to original FY 16/17 budget baseline	81,000
	356,000

The remaining $103,000 is explained as follows:

Additional increase in payroll & benefits – 2% salary increase effective 7/01/17	$29,000
Increase in ADP payroll system costs	24,000
Business continuity enhancements and increase in CSUN-provided administrative services	50,000
	103,000

The University Corporation
FY 17/18 Budget Summary
Dept Name = G&A

	Budget FY 16/17	Projected FY 16/17	Change fr 16/17 Budget	Budget FY 17/18	Change fr 16/17 Projected	Actual FY 15/16
Net Sales						
Cost of Goods Sold						
Cost of goods sold %	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Gross Margin	0	0		0	0	0
Operating Expenses						
Payroll Costs	1,424,108	1,529,834	(105,726)	1,557,117	(27,283)	1,354,152
Benefits	532,509	446,421	86,088	528,587	(82,166)	925,524
Total Payroll & Benefits	1,956,617	1,976,255	(19,638)	2,085,704	(109,449)	2,279,676
Total Payroll & Benefits %	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Temporary Help	9,000	-	9,000	-	-	925
Grants & Contracts Exp	-	-	-	-	-	-
Bank charges	18,996	24,356	(5,360)	24,000	356	19,126
Communications/Computer	35,269	24,194	11,075	27,948	(3,754)	22,024
Depreciation & Amort	602,362	499,177	103,185	584,089	(84,912)	456,499
Dues/Subscriptions	17,734	10,495	7,239	16,308	(5,813)	16,916
Equipment/Equip Rental	29,128	15,665	13,463	16,828	(1,163)	24,746
Bldg/Sanitation/Custodial	192,086	165,052	27,034	178,485	(13,433)	175,772
Fees	-	-	-	-	-	31
Freight/Postage/Mail Serv	15,900	11,505	4,395	17,504	(5,999)	13,878
Insurance	131,448	129,389	2,059	122,136	7,253	129,715
Interest Expense	166,800	166,797	3	153,720	13,077	178,225
Taxes & Licenses	10,260	9,959	301	11,710	(1,751)	11,196
Legal & Audit Fees	55,004	74,068	(19,064)	79,996	(5,928)	51,190
Marketing/Advertising	3,000	-	3,000	18,900	(18,900)	4,261
Paper Goods	-	-	-	-	-	-
Paper Goods %		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Parking & Security	903	153	750	903	(750)	712
Professional Services	413,384	425,088	(11,704)	499,472	(74,384)	400,838
Rent/Lease Expense	-	-	-	-	-	-
Utilities	247,848	252,686	(4,838)	263,220	(10,534)	228,034
Repairs and Maintenance	110,661	90,683	19,978	97,783	(7,100)	124,156
Supplies	41,133	33,452	7,681	35,979	(2,527)	36,606
Training/Conference Fees	6,800	7,406	(606)	7,075	331	6,690
Travel/Hospitality	44,438	40,411	4,027	45,144	(4,733)	29,122
Total Operating Expenses	4,108,771	3,956,791	151,980	4,286,904	(330,113)	4,210,338
Operating Surplus	(4,108,771)	(3,956,791)	151,980	(4,286,904)	(330,113)	(4,210,338)
Other Income	1,366,806	1,356,137	(10,669)	1,227,095	(129,042)	1,315,860
Surplus before Allocations	(2,741,965)	(2,600,654)	141,311	(3,059,809)	(459,155)	(2,894,478)

CSUN CAMPUS STORE

A ten-year extension of the operating agreement with Follett Higher Education Group (Follett) was executed in July, 2015, increasing the commission rate to TUC from 12.2% to 15.3% for revenue up to $10,000,000, and 16.1% for revenue above $10,000,000. The agreement also includes a minimum annual guarantee to TUC of $1,224,000.

The reasons for continued sales decreases are twofold; continued impact of FY 16/17 enrollment impaction, and ongoing challenges of university bookstores, with mounting pressure from online sellers/renters, peer-to-peer book sales, and off-campus bookstores. In FY 17/18, Follett hopes to pilot its new Direct Digital Access (DDA) program at CSUN. In an arrangement with publishers, on or before the first day of class, students in DDA classes are provided free access to e-texts for a limited time; if a student wishes to retain access, the cost of the e-text is billed to the student's account.

Fiscal Year 16/17 Projection

FY 16/17 results will be $27,000 lower than budget. Follett's $1,000,000 payment received in July, 2015 is amortized over five years, i.e. $200,000/year from FY 15/16 to FY 20/21.

	16/17 Budget	16/17 Projected	*Variance*
Commission	$1,499,000	$1,446,000	*($53,000)*
Operating expenses	101,000	99,000	*2,000*
Surplus	1,398,000	1,347,000	*(51,000)*

Fiscal Year 17/18 Budget

A 10% drop in sales is estimated, compared to projected FY 16/17, but includes $200,000 for the amortization of the $1,000,000 Follett payment. The 10% reduction reflects a conservative stance toward the ongoing trend of decreasing sales per student. Consequently, the commission on sales for the year totals $1,128,638, which is below the minimum commission guarantee of $1,224,000 per year as provided by Follett's agreement with TUC. Accordingly, the FY 17/18 revenue projection includes an additional $95,362 to reach the $1,224,000.

Surplus before G&A allocation is projected at $1,320,000.

	16/17 Projected	17/18 Budget	*Variance*
Commission	$1,446,000	$1,424,000	*($22,000)*
Operating expenses	99,000	104,000	*(5,000)*
Surplus	1,347,000	1,320,000	*(27,000)*

The University Corporation
FY 17/18 Budget Summary
Dept Name = CSUN Campus Store

	Budget FY 16/17	Projected FY 16/17	Change fr 16/17 Budget	BUDGET FY 17/18	Change fr 16/17 Projected	Actual FY 15/16
Net Sales	-	-	-	-	-	-
Cost of Goods Sold	-	-	-	-	-	-
Cost of goods sold %						
Gross Margin	0	0		0	0	0
Operating Expenses						
Salaries & Wages	21,300	21,309	(9)	21,732	(423)	26,112
Benefits	9,048	9,795	(747)	10,248	(453)	11,469
Total Payroll & Benefits	30,348	31,104	(756)	31,980	(876)	37,581
Total Payroll & Benefits %						
Temporary Help	-	-	-	-	-	-
Grants & Contracts Exp			-		-	
Bank charges/Bad Debt	-	-	-	-	-	-
Telephone & Pagers	-	-	-	-	-	-
Depreciation & Amort	49,648	49,646	2	49,648	(2)	49,648
Dues & Subscriptions	-	-	-	-	-	-
Equipment/Equip Rental	-	-	-	-	-	-
Bldg/Sanitation/Custodial	-	-	-	-	-	-
Fees	-	-	-	-	-	-
Freight/Postage/Mail	-	-	-	-	-	-
Insurance	14,088	15,251	(1,163)	15,636	(385)	14,730
Interest Expense	-	-	-	-	-	-
Taxes & Licenses	1,600	1,546	54	1,600	(54)	1,546
Legal & Audit Fees	500	-	500	1,650	(1,650)	330
Marketing & Advertising	4,500	1,466	3,034	3,200	(1,734)	1,390
Paper Goods	-	-	-	-	-	-
Paper Goods %						
Parking & Security	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-
Rent/Lease Expense	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Training & Conference Fees	-	-	-	-	-	-
Travel & Hospitality	-	-	-	-	-	151
Total Operating Expenses	100,684	99,013	1,671	103,714	(4,701)	105,376
Operating Surplus	(100,684)	(99,013)	1,671	(103,714)	(4,701)	(105,376)
Other Income	1,499,253	1,446,346	(52,907)	1,424,000	(22,346)	1,658,727
Surplus before Allocations	1,398,569	1,347,333	(51,236)	1,320,286		1,553,351

FOOD SERVICES

The Food Services division is comprised of twenty-three operating units, including: four national brands (Burger King, Subway, Panda Express, El Pollo Loco); two regional brands (Juice It Up, Shake Smart); five self-branded Freudian Sip coffee houses (the 6th Freudian Sip, in the CSUN Campus Store, is operated by Follett Higher Education Group); food operations consisting of the Sierra Center Marketplace, Orange Grove Bistro, Arbor Grill, The Pub Sports Grill (serving food and beer), Geronimo's/Bamboo Terrace residential dining, Vending, Matador Concessions, Valley Performing Arts Center Concessions, Program and Marketing, and Food Services Management.

Fiscal Year 16/17 Projection

Foodservices FY 16/17 financial performance was negatively impacted by the significant drop in freshman enrollment. First-time freshman enrollment dropped 20% (1100 students) from prior year. Freshmen account for 70% of residential meal plans. As a result, projected net cash generated of $1,117,000, falls $158,000 short of budget and $537,000 below FY 15/16.

Revenue: Projected sales for FY 16/17 are $473,000 less than the FY16/17 budget, mostly due to reduced meal plan revenue.

Meal Plan: FY 16/17 projected meal plan sales are $320,000 below budget. The FY 16/17 budget assumed a 6% reduction in voluntary meal plan participation; the actual reduction was 13%. This is tied to two factors – lower freshman enrollment and Student Housing vacancies.

Labor: The California minimum wage increased to $10.50/hour on July 1, 2016, and sick pay for hourly staff doubled from 24 to 48 hours, resulting in payroll costs of 1.3% ($44,000) over budget.

Cost of Goods Sold (COGS): On a positive note, COGS are projected at .2% lower than budget.

All factors result in projected FY 16/17 Food Services surplus of $158,000 below budget, while still earning a total Net Cash Generated of $1,117,000. When depreciation is added back, net surplus is $2,463,000.

	16/17 Budget	16/17 Projected	*Variance*
Revenue	$15,770,000	$15,297,000	*($473,000)*
COGS	5,830,000	5,623,000	*207,000*
Payroll	4,166,000	4,205,000	*(39,000)*
Benefits	1,023,000	1,028,000	*(5,000)*
Depreciation	1,343,000	1,346,000	*(3,000)*
Other operating expenses	2,869,000	2,747,000	*122,000*
Operating surplus	539,000	348,000	*(191,000)*
Other income	736,000	769,000	*33,000*
Net Cash Generated	1,275,000	1,117,000	*(158,000)*

	16/17 Budget	16/17 Projected	*Variance*
Operating Costs *(as % of Sales)*			
COGS	37.0%	36.8%	*0.2%*
Payroll	26.4%	27.5%	*(1.1%)*
Benefits *(as % of Payroll)*	24.6%	24.4%	*0.2%*
Total Payroll & Benefits	32.9%	34.2%	*(1.3%)*

Fiscal Year 17/18 Budget

For FY 17/18, enrollment and associated sales stabilize, and thus the budget assumes little change in voluntary meal plan participation from FY 16/17. Payroll/benefits costs rise due to the Los Angeles minimum wage increasing from $10.50/hour to $12.00/hour on July 1, 2017 adding $430,000 to payroll/benefits and associated costs. Mitigating measures result in Food Services budgeted Net Cash Generated of $925,000 for FY 17/18, $192,000 lower than FY 16/17 projected Net Cash Generated.

Revenue: Due to rising labor costs, local stores and restaurants are expected to raise prices. TUC will closely monitor the market in an ongoing effort to maintain lower pricing. Although reasonable price increases are necessary, they will not keep pace with the anticipated effect of the minimum wage increase.

Cost of Goods Sold: COGS are estimated to remain very close to prior year as a result of the combined effect of moderate price increases and increased foot traffic in our dining locations.

Meal Plan: The Meal Plan represents approximately one-third of Food Services sales. The FY 17/18 budget assumes little change in voluntary meal plan participation from FY 16/17. Meal plan prices increased 4% in FY 16/17; there is no further increase for FY 17/18. Efforts will continue to market flexible, low-cost meal plans to non-traditional and off-campus students, as well as Student Housing residents not required to have a meal plan. Geronimo's/Bamboo Terrace walk-in business will continue to be promoted to the campus community, and new programs will be developed in conjunction with Student Housing.

Other Factors: As the Orange Grove Bistro (OGB) makes way for the proposed hotel, it will be a transitional year for catering. The focus will be to reshape the business model while minimizing losses as TUC attempts to move existing clients to new locations on campus. The FY 17/18 net negative impact to the OGB may be $100,000 from this transitional year. Until the business stabilizes, associated room rental income will also contribute to the net loss.

The Marketplace professional services expense for FY 17/18 is $34,000 less than FY 16/17 projections due to the hiring in FY 16/17 of a redevelopment planning consultant to develop key research findings, recommendations for concept brand mix, and pro forma projections for any recommended remodel project. If TUC proceeds with a remodel, those expenses would occur in FY 18/19.

Interest expense will be $18,000 less in FY 17/18 than in FY 16/17, a result of a decrease in overall debt service, with this amount attributed to the Food Services division. Food Services marketing expenses reduce by $50,000 in FY 17/18, part of an effort to consolidate the division's marketing programs.

Food Services budgeted surplus for FY 17/18 is $925,000, a decrease of $192,000 from FY 16/17 projections. When depreciation is added back, Food Services Net Cash Generated is budgeted at $2,247,000 for FY 17/18, or $216,000 less than FY 16/17 projections.

	16/17 Projected	17/18 Budget	*Variance*
Revenue	$15,297,000	$15,443,000	*$146,000*
COGS	5,623,000	5,669,000	*(46,000)*
Payroll	4,205,000	4,584,000	*(379,000)*
Benefits	1,028,000	1,112,000	*(84,000)*
Depreciation	1,346,000	1,322,000	*24,000*
Other operating expenses	2,747,000	2,542,000	*205,000*
Operating surplus	348,000	213,000	*(135,000)*
Other income	769,000	712,000	*(57,000)*
Net Cash Generated	1,117,000	925,000	*(192,000)*

Operating Costs *(as % of sales)*			
COGS	36.8%	36.7%	*0.1%*
Payroll	27.5%	29.7%	*(2.2%)*
Benefits *(as % of payroll)*	24.4%	24.3%	*0.1%*
Total Payroll & Benefits	34.2%	36.9%	*(2.7%)*

The University Corporation
FY 17/18 Budget Summary
Dept Name = Food Services

	Budget FY 16/17	Projected FY 16/17	Change fr 16/17 Budget	Budget FY 17/18	Change fr 16/17 Projected	Actual FY 15/16
Net Sales	15,770,100	15,296,696	(473,404)	15,442,793	146,097	16,830,841
Cost of Goods Sold	5,830,049	5,623,022	207,027	5,669,170	(46,148)	6,149,148
Cost of goods sold %	*37.0%*	*36.8%*	*0.2%*	*36.7%*	*0.0%*	*36.5%*
Gross Margin	9,940,051	9,673,675	(266,376)	9,773,623	99,948	10,681,693
Operating Expenses						
Payroll Costs	4,165,696	4,204,874	(39,178)	4,584,256	(379,382)	4,349,181
Benefits	1,022,987	1,027,597	(4,610)	1,111,562	(83,965)	1,058,158
Total Payroll & Benefits	5,188,683	5,232,471	(43,788)	5,695,818	(463,347)	5,407,339
Total Payroll & Benefits %	*32.9%*	*34.2%*	*-1.3%*	*36.9%*	*-2.7%*	*32.1%*
Temporary Help		-	-	-	-	
Grants & Contracts Exp		-	-	-	-	
Bank charges/Bad Debts	297,165	298,433	(1,268)	302,289	(3,856)	326,237
Communications/Computer	28,283	31,921	(3,638)	32,979	(1,058)	22,430
Depreciation & Amort	1,343,577	1,346,228	(2,651)	1,322,543	23,685	1,248,059
Dues/Subscriptions	27,728	29,101	(1,373)	25,560	3,541	32,274
Equipment/Equip Rental	123,233	91,249	31,984	76,555	14,694	129,092
Bldg/Sanitation/Custodial	217,385	196,228	21,157	183,577	12,651	191,028
Fees /Royalties	495,253	490,005	5,248	495,211	(5,206)	518,865
Freight/Postage/Mail Serv		853	(853)	-	853	827
Insurance	40,860	42,823	(1,963)	45,336	(2,513)	42,717
Interest Expense	146,664	146,661	3	128,304	18,357	160,738
Taxes & Licenses	5,372	4,478	894	1,801	2,677	2,271
Legal & Audit Fees	960	1,086	(126)	1,320	(234)	334
Marketing/Advertising	484,724	395,531	89,193	344,990	50,541	570,285
Paper Goods		-	-	-	-	
Paper Goods %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Parking & Security	12,070	10,479	1,591	12,118	(1,639)	13,742
Professional Services	161,451	173,960	(12,509)	138,332	35,628	193,162
Rental/Lease		169	(169)	-	169	314
Utilities	257,076	255,614	1,462	242,994	12,620	238,494
Repairs and Maintenance	246,419	254,191	(7,772)	240,910	13,281	287,249
Supplies	298,009	297,131	878	247,828	49,303	376,853
Training/Conference Fees	15,415	6,600	8,815	8,335	(1,735)	8,095
Travel/Hospitality	11,200	20,556	(9,356)	13,450	7,106	17,920
Total Operating Expenses	9,401,527	9,325,768	75,759	9,560,250	(234,482)	9,788,325
Operating Surplus	538,524	347,906	(190,618)	213,373	(134,533)	893,368
Other Income	736,470	769,258	32,788	711,442	(57,816)	760,995
Surplus before Allocations	1,274,994	1,117,164	(157,830)	924,815	(192,349)	1,654,363

Real Estate

TUC's real estate program includes 33 College Court townhomes, seven single-family homes, University House, and two unimproved lots contiguous to campus. The objectives of the Real Estate Department are: to provide below-market 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.

Since the inception of the Faculty/Staff Housing program, rental rates have generally ranged from 20% to 25% below market. During the last several years, Faculty/Staff Housing rents have not kept pace with surrounding Northridge rental rates, resulting in a gap of 26%. As tenants turn over rents will be brought closer to 15% below market.

In FY 17/18, to accommodate operating cost increases and to further reduce the gap between Faculty/Staff Housing and market rents, the budget includes a 3% increase in rent for all housing locations.

TUC is a key University partner on the development of a privately-operated, on-campus hotel. TUC staffs the North Campus Development Corporation; again partnering with the University, FY 17/18 will be significant in planning for the long-term, highest and best use of the North Campus in support of the University's mission.

Fiscal Year 16/17 Projection

The FY 16/17 projected surplus is favorable to budget by $16,000.

	16/17 Budget	16/17 Projected	*Variance*
Revenue	$1,240,000	$1,215,000	*($25,000)*
Expenses	1,519,000	1,479,000	*40,000*
Net Surplus	(279,000)	(263,000)	*16,000*

Significant factors:

- $16,000 lower rent revenue due to higher turnover at the College Court Townhomes;
- $32,000 lower depreciation due to a delay in Reseda Annex renovations;
- $5,000 decrease in professional services.

Fiscal Year 17/18 Budget

The FY 17/18 budgeted net loss of $303,000 is unfavorable to the FY 16/17 projection by $40,000.

	16/17 Projected	17/18 Budget	*Variance*
Revenues	$1,215,000	$1,271,000	*$55,000*
Expenses	1,479,000	1,574,000	*(95,000)*
Net Surplus	(263,000)	(303,000)	*(40,000)*

Significant factors:

- Revenue is $55,000 higher, reflecting a 2.5% Consumer Price Index adjustment for the Reseda Annex and a 3% rent increase for all faculty/staff housing locations.
- Expenses are higher by ($95,000) due to greater depreciation expense of ($94,000), a 2% salary increase in salary & benefits of $16,000, offset by lower College Court repair and maintenance of $20,000, as almost all units have been renovated.

Real Estate is cash flow positive when depreciation is added back: $510,000 compared to $416,000 in FY 16/17.

The University Corporation
FY 17/18 Budget Summary
Dept Name = Real Estate

	Budget FY 16/17	Projected FY 16/17	Change fr 16/17 Budget	Budget FY 17/18	Change fr 16/17 Projected	Actual FY 15/16
Net Sales						
Cost of Goods Sold						
Cost of goods sold %	#DIV/0!	#DIV/0!		#DIV/0!	#DIV/0!	#DIV/0!
Gross Margin	0	0		0	0	0
Operating Expenses						
Payroll Costs	98,360	93,755	4,605	106,316	(12,561)	78,372
Benefits	33,347	30,723	2,624	34,934	(4,211)	25,722
Total Payroll & Benefits	131,707	124,478	7,229	141,250	(16,772)	104,094
Total Payroll & Benefits %	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Temporary Help	-	-	-	-	-	-
Grants & Contracts Exp	-	-	-	-	-	-
Bank charges/Bad Debt	-	-	-	-	-	-
Communications/Computer	2,760	2,588	172	2,580	8	2,308
Depreciation & Amort	448,053	416,000	32,053	509,546	(93,546)	326,647
Dues & Subscriptions	6,324	6,272	52	8,316	(2,044)	5,930
Equipment/Equip Rental	-	-	-	-	-	-
Bldg/Sanitation/Custodial	29,836	19,253	10,583	32,160	(12,907)	7,106
Fees & Royalties	148,500	154,275	(5,775)	167,310	(13,035)	138,600
Freight/Postage/Mail Serv	888	805	83	888	(83)	227
Insurance	21,132	22,150	(1,018)	23,448	(1,298)	22,095
Interest Expense	220,416	219,054	1,362	211,548	7,506	215,669
Taxes & Licenses	136,728	136,315	413	129,804	6,511	122,877
Legal & Audit Fees	8,880	7,336	1,544	7,440	(104)	7,192
Marketing/Advertising	11,484	11,598	(114)	11,712	(114)	3,225
Paper Goods	-	-	-	-	-	-
Paper Goods %	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Parking & Security	-	-	-	-	-	4
Professional Services	36,636	31,261	5,375	30,060	1,201	21,707
Rental/Lease	-	-	-	-	-	-
Utilities	8,064	13,108	(5,044)	12,840	268	12,137
Repairs and Maintenance	292,740	298,955	(6,215)	270,720	28,235	271,279
Supplies	6,300	6,302	(2)	6,300	2	3,043
Training/Conference Fees	2,100	2,100	-	2,100	-	1,042
Travel/Hospitality	6,180	6,993	(813)	5,960	1,033	6,051
Total Operating Expenses	1,518,728	1,478,843	39,885	1,573,982	(95,139)	1,271,233
Operating Surplus	(1,518,728)	(1,478,843)	39,885	(1,573,982)	(95,139)	(1,271,233)
Other Income	1,239,974	1,215,497	(24,478)	1,270,802	55,306	1,146,130
Surplus before Allocations	(278,754)	(263,347)	15,408	(303,180)	(39,834)	(125,103)

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 a 3.9% service fee to recover administrative costs (Financial Services, Human Resources, IT, etc.), TUC returns to the university the remaining indirect cost recovery funds. The operating expenses are reimbursed from the recovered indirect costs and therefore have no impact on TUC's net result.

Fiscal Year 16/17 Projection

FY 16/17 grants revenue is projected to come in at $31 million, $1 million below budget. The unexpected non-renewal of a $4 million/year grant to the National Center on Deafness would have had a further negative impact, had it not been made up with several new, smaller grants.

As a result, the projected service fee income of $1,209,000 will be $39,000 below budget. Sponsored Programs operating expenses are projected $50,000 higher than budget, due to staff turnover and the conversion of handling fee income to income from recovered indirect costs.

	16/17 Budget	16/17 Projected	*Variance*
Grants revenue	$32,000,000	$31,000,000	*($1,000,000)*
Service fee income	1,248,000	1,209,000	*($39,000)*
Operating expenses	784,000	834,000	*(50,000)*

Fiscal Year 17/18 Budget

The federal budget proposal includes significant reductions for almost all federal granting agencies. The final legislative outcome and its ultimate impact on federal grant funding are difficult to assess at this time. Nonetheless, FY 17/18 revenues are budgeted at $32 million, an increase of $1 million. Due to the lag time between the approval of grants and the expenditure of funds, the full impact of any budget cuts will most likely be felt in FY 18/19 and beyond. The corresponding service fees are budgeted at $1.248 million.

	16/17 Projected	17/18 Budget	*Variance*
Grants revenue	$31,000,000	$32,000,000	*($500,000)*
Service fee income	1,209,000	1,248,000	*39,000*
Operating expenses	834,000	876,000	*(42,000)*

The increase in operating expenses consists of the following:

Salaries & benefits:	$17,000
Reduction in handling fee income:	24,000

The University Corporation
FY 17/18 Budget Summary
Dept Name = Sponsored Projects

	Budget FY 16/17	Projected FY 16/17	Change fr 16/17 Budget	Budget FY 17/18	Change fr 16/17 Projected	Actual FY 15/16
Net Sales						
Cost of Goods Sold						
Cost of goods sold %	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Gross Margin	0	0		0	0	0
Operating Expenses						
Payroll Costs	505,306	532,781	(27,475)	477,248	55,533	12,801,623
Benefits	175,021	186,229	(11,208)	168,134	18,095	2,262,512
Total Payroll & Benefits	680,327	719,010	(38,683)	645,382	73,628	15,064,135
Total Payroll & Benefits %	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Temporary Help	-	-	-	-	-	-
Grants & Contracts Exp	28,318,584	27,310,209	1,008,375	28,193,833	(883,624)	26,684,188
Bank charges/Bad Debt	-	-	-	-	-	-
Communications/Computer	2,500	2,500	-	2,550	(50)	111,106
Depreciation & Amort	-	-	-	-	-	-
Dues/Subscriptions	7,850	7,850	-	17,500	(9,650)	16,975
Equipment/Equip Rental	10,550	10,964	(414)	10,000	964	1,525,624
Bldg/Sanitation/Custodial	-	-	-	-	-	-
Fees & Royalties	-	-	-	-	-	-
Freight/Postage/Mail Serv	2,960	2,960	-	2,960	-	13,849
Insurance	23,952	23,952	-	26,580	(2,628)	25,541
Interest Expense	-	-	-	-	-	-
Taxes & Licenses	-	-	-	-	-	-
Legal & Audit Fees	25,768	25,768	-	26,004	(236)	24,125
Marketing/Advertising	-	-	-	-	-	-
Paper Goods	-	-	-	-	-	-
Paper Goods %	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Parking & Security	-	-	-	-	-	2,724,651
Professional Services	126,232	111,390	14,842	200,296	(88,906)	2,682,965
Rental/Lease	-	-	-	-	-	88,031
Utilities	-	-	-	-	-	7,154
Repairs and Maintenance	-	-	-	-	-	90,205
Supplies	(7,500)	18,545	(26,045)	45,200	(26,655)	5,283,002
Training/Conference Fees	-	-	-	-	-	7,731
Travel/Hospitality	59,450	59,450	-	59,070	380	1,190,132
Total Operating Expenses	29,250,673	28,292,598	958,075	29,229,375	(936,777)	55,539,414
Operating Surplus	(29,250,673)	(28,292,598)	958,075	(29,229,375)	(936,777)	(55,539,414)
Other Income	32,000,002	31,000,000	(1,000,002)	32,000,000	1,000,000	32,069,743
Surplus before Allocations	2,749,329	2,707,402	(41,927)	2,770,625	63,223	(23,469,671)

The University Corporation

Capital Budget

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 FY 17/18 capital budget will be used primarily to replace or refresh equipment and infrastructure. This budget is reduced to $250,000 for FY 17/18.

1.	*Geronimo's – Walk In Cooler:* Replace three antiquated walk-in coolers. (Interior shells and motors are over 40 years old.)	$85,000
2.	*Burger King – Grease Interceptor Replacement:* Replace deteriorated interceptor to remain compliant with Los Angeles County health code. (Operational failure is imminent.)	40,000
3.	*Juice it Up Refresh:* Complete minor refresh, including front counter replacement, new paint and other operational enhancements, as required for contract renewal.	38,500
4.	*Infogenesis SaaS Upgrade:* Software as a Service (SaaS) is the CSUN Information Technology Division's preferred method of software application delivery. A SaaS Point of Sale solution enhances business continuity and includes mandatory upgrades at no additional cost. The vendor is responsible for system maintenance and ensures compliance with industry standards.	17,500
5.	*Umbrella Replacement:* Replace weathered umbrellas at the Sierra Center and Matador Bookstore Complex.	17,000
6.	*Electric Cart:* Replace maintenance department electric cart.	15,000
7.	*Burger King – Product Holding Unit:* Replace existing unit with updated model mandated by Burger King Corporation.	14,000
8.	*Arbor Court – Sound System:* Replace exterior speaker and music equipment; re-wire system.	7,000
9.	*Sierra Center Marketplace – Fire Suppression System Upgrade:* Replace fire suppression system within exhaust hoods to remain compliant with Los Angeles City Fire Code.	6,000
10.	*Unallocated:*	10,000
	TOTAL	**$250,000**