



**North Campus
Development Corporation**

MEMORANDUM

To: Colin Donahue, Vice President
Administration & Finance
California State University, Northridge

From: Rick Evans, Executive Director

Date: June 8, 2015

Subject: **NORTH CAMPUS-UNIVERSITY PARK DEVELOPMENT CORPORATION -
2015/2016 BUDGET**

In accordance with Title V, Section 42402 of the California Administrative Code, we are submitting for President Harrison's review and approval, the budget of the North Campus-University Park Development Corporation for the 2015/2016 fiscal year. This budget was approved by the Board of Directors on April 20, 2015.

Please initial on the line next to your name, above, and forward to the President. President Harrison should indicate her approval by signing below and returning this memorandum to me. Thank you.

I hereby approve the North Campus-University Park Development Corporation 2015/2016 operating budget.

Dianne F. Harrison
 Dianne F. Harrison, President
 California State University, Northridge

6-9-15
 Date

/esk
att:

North Campus University Park Development Corporation
Y 15/16 Budget Summary

4/10/15

	Budget FY 14/15	Projected FY 14/15	Budget FY 15/16	Change from Proj 14/15	Actual FY 13/14
Revenue					
Medtronic Parcels 1,2,3 & 4 Ground Rental	503,520	503,521	527,496	23,975	479,419
Lease Income	112,716	187,464	180,444	(7,020)	118,945
Licensing Activities	34,817	31,698	33,282	1,584	32,320
Investment Income - Dividends	20,040	38,570	36,000	(2,570)	20,390
Investment Gain/(Loss)	55,020	4,160	70,200	66,040	123,289
Interest Income	36	22	24	2	21
Total Revenue	726,149	765,435	847,446	82,011	774,384
Operating Expenses					
Salaries & Wages	43,812	50,245	50,460	(215)	45,091
Benefits	19,788	22,782	23,244	(462)	19,692
Administrative Fees	3,482	3,170	3,328	(158)	3,232
Audit Fees	14,000	14,000	17,400	(3,400)	12,075
Dues & Subscriptions	800	810	800	10	785
Insurance	4,800	4,529	4,800	(271)	3,930
Legal Fees	5,000	2,179	3,000	(821)	6,119
Office Supplies & Marketing	300	170	300	(130)	18
Repairs & Maintenance	40,000	69,382	60,000	9,382	30,230
Contribution to University (See note 1)	250,000	250,000	250,000	-	200,000
Taxes	-	85	-	-	85
Total Operating Expenses	381,982	417,352	413,332	3,935	321,257
Operating Surplus/(Deficit)	344,167	348,083	434,114	85,946	453,127
Rent Adjustment - Medtronic (See note 2)	(25,164)	(25,164)	(25,164)	-	(25,164)
Net Surplus/(Deficit)	319,003	322,919	408,950	85,946	427,963

Net Assets roll forward:	Beginning FY 14/15	Projected FY 14/15 Net Surplus	Ending FY 14/15	Beginning FY 15/16	Budgeted FY 15/16 Net Surplus	Ending FY 15/16
Unrestricted Net Assets	1,561,980	-	1,561,980	1,884,899	-	1,884,899
Current Year Net Surplus/(Deficit)	-	322,919	322,919	-	408,950	408,950
Current Operations Reserve	425,000	-	425,000	425,000	-	425,000
Total Net Assets	1,986,980	322,919	2,309,899	2,309,899	408,950	2,718,848

Notes:

Note 1: The contribution to campus increased to \$250,000 beginning FY 14/15.

Note 2: FASB Tech. Bulletin 85-3 requires lease revenue and credits to be spread evenly over the entire life of the lease.

**North Campus UPDC
FY 15/16 Budget Assumptions**

4/10/15

		<u>Budget</u>
1. Medtronic Minimed monthly rent is \$43,958.20 through June 2016		
a) \$43,958.20 times 12 months	\$ 527,498	
b) Amortization of deferred rent credit (\$2097 per month)	(25,164)	
Net annual rent amount		\$ 502,334
2. Lease income from Rydell Chevrolet		
a) 3-year lease ending May 2016 @ \$9,393 per month for 12 months	\$ 112,716	
b) Additional lease @ \$5,644 per month for 12 months	67,728	\$ 180,444
3. Licensing activities -		
a) cell site revenue is \$7,257 for one qtr, \$7,475 for three qtrs.	\$ 29,682	
b) licensing activities flat to FY 14/15	3,600	
Total licensing activities		\$ 33,282
4. Investment income -		
a) Dividends will be consistent with 14/15 results		\$ 36,000
b) We are assuming a 5.0% investment gain (5% x \$1,400,000)		\$ 70,000
5. Salaries & benefits expense -	P/R	\$ 50,456
a) Expense level similar to last year. 20% of Executive Director and Assoc. Director for Real Estate salary and benefits are allocated to North Campus which covers all G & A support from TUC.	Benefits	\$ 23,244
6. Audit fees -		
a) First year with CohnReznick. Price per proposal		\$ 17,400
7. Repairs & Maintenance -		
a) Martin Lopez		\$ 60,000
8. Surplus contribution to University		
a) Agreement with CSUN calls for \$250,000 annual payment		\$ 250,000