



The University Corporation

Research, Investments and Commercial Services  
California State University, Northridge

RICK EVANS  
Executive Director

**MEMORANDUM**

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

*Handwritten signature and date: 6/19/18*

From: Rick Evans, Executive Director

*Handwritten signature of Rick Evans*

Date: June 11, 2018

Subject: **NORTH CAMPUS-UNIVERSITY PARK DEVELOPMENT CORPORATION - 2018/2019 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 2018/2019 fiscal year. This budget was approved by the Board of Directors on April 19, 2018.

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.

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I hereby approve the North Campus-University Park Development Corporation 2018/2019 operating budget.

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

*6/20/18*  
\_\_\_\_\_  
Date

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/kww  
att:

**North Campus University Park Development Corporation**  
**FY 18-19 Budget**

	Budget FY 17/18	Projected FY 17/18	Budget FY 18/19	Change from Proj 17/18	Actual FY 16/17
<b>Revenue</b>					
1406 - Lease Income	253,558	254,304	266,268	11,964	248,100
1401 - Investment Income - Div	38,200	46,169	41,000	(5,169)	35,064
1402 - Investment gain(loss)	40,000	140,306	40,000	(100,306)	155,268
1403 - Interest Income	800	7,687	7,200	(487)	2,836
1405 - Ground Rental	502,332	502,334	502,334	0	502,334
2405 - Licensing Activities	3,600	0	0	0	23,611
<b>Total Revenue</b>	<b>838,490</b>	<b>950,801</b>	<b>856,802</b>	<b>(93,998)</b>	<b>967,213</b>
<b>Expense</b>					
1601 - Salaries & Wages	66,299	66,476	68,471	1,994	63,611
1609 - Benefits	26,819	25,258	26,015	758	25,246
1611 - Dues and Subscriptions	1,500	1,460	1,500	40	1,410
1612 - Insurance	4,800	1,731	1,783	52	3,760
1615 - Repairs & Maintenance	60,000	41,892	42,272	380	42,412
1620 - Legal Fees	3,000	3,000	3,090	90	2,127
1624 - Taxes	0	0	0	0	85
1625 - Audit Fees	19,600	19,823	20,418	595	16,774
1629 - Licensing Mgmt Fees	0	0	0	0	2,361
2614 - Office Supplies ( Fed Exp)	750	203	209	6	0
2618 - North Campus Development	80,000	173,032	250,000	76,968	0
2629 - Supplies Office & Mrkt	2,400	36	37	1	36
<b>Total Expense</b>	<b>265,167</b>	<b>332,911</b>	<b>413,794</b>	<b>80,883</b>	<b>157,821</b>
<b>Operating Surplus/(Deficit)</b>	<b>573,323</b>	<b>617,890</b>	<b>443,008</b>	<b>(174,881)</b>	<b>809,392</b>
2635 - Return to University	(350,000)	(250,000)	(250,000)	0	(250,000)
<b>Net Income</b>	<b>223,323</b>	<b>367,890</b>	<b>193,008</b>	<b>(174,881)</b>	<b>559,392</b>
Contribution to Campus ( % to net surplus without investment gain(loss))	65.6%	52.3%	62.0%		38.2%

**Net Assets roll forward:**

	Beginning FY 17/18	Projected FY 17/18 Net Surplus	Ending FY 17/18	Beginning FY 18/19	Budgeted FY 18/19 Net Surplus	Ending FY 18/19
Unrestricted Net Assets	2,694,464	-	2,694,464	3,062,354		3,062,354
Current Year Net Surplus/(Deficit)	-	367,890	367,890	-	193,008	193,008
Current Operations Reserve	400,000	-	400,000	400,000		400,000
<b>Total Net Assets</b>	<b>2,535,072</b>	<b>367,890</b>	<b>3,462,354</b>	<b>3,462,354</b>	<b>193,008</b>	<b>3,655,362</b>

Note 1: FASB Tech. Bulletin 85-3 requires lease revenue and credits to be spread evenly over the entire life of the lease.

Note 2: The contribution to campus increased to \$250,000 beginning FY 14/15

North Campus Development Corporation  
 FY 18/19 Budget Assumptions

1. Medtronic Minimed monthly rent is \$43,958.20 through December 2020
  - a) Monthly rent @ \$43,958
  - b) Amortization of deferred rent credit (\$2,097 per month)
  - Net annual rent amount
2. Lease income from Rydell Chevrolet
 

FY 17-18 Monthly	\$9,917	\$10,373
a) G12 - @ with 4.6% CIP adj	\$5,958	\$6,233
b) G10- with 4.6% CPI adjustment	\$5,317	\$5,583
c) Athletic field - with 5.0% CIP adjustment	\$21,192	\$22,189
3. Licensing activities -
  - a) Cell site revenue (No more)
  - b) Licensing activities (none for FY 17-18)
  - Total licensing activities
4. Investment income -
  - a) Dividends (net of expenses)
  - b) Conservatively assumed a 2.0% investment gain of \$2MM
  - c) Interest Income
5. Salaries & benefits expense -
  - a) 20% of the Executive Director of TUC, 10% of CFO and 20% of the Assoc. Director of Real Estate salary and benefits is allocated to support NCD.C.
  - These allocations will cover all the G&A support from TUC
6. Audit fees -
  - a) Audit & Tax filing Services with CohnReznick, 3% increase from FY 2017-18
7. Professional Services
 

Investigate and evaluate the best use of North Campus land including demand Studies
8. due and Subscription
 

Land institute (\$600); Residential Cost Handbook (350); AOA (\$550)
9. Repairs & Maintenance -
 

Weekly cleaning, 2-3 times of cleaning and weed abatement
10. Surplus contribution to University
  - a) Annual contribution to CSUN as per agreement
  - Up \$100K to compensate for TUC's contribution

	\$		
527,498		(25,164)	
502,334			
\$			
124,476			
74,796			
66,996			
\$			
266,268			
\$			
-			
\$			
41,000			
40,000			
7,200			
\$			
68,471			
\$			
26,015			
\$			
19,600			
\$			
250,000			
\$			
42,272			
\$			
250,000			

Budget