



**North Campus
Development Corporation**

MEMORANDUM

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

From: Rick Evans, Executive Director

Date: June 3, 2014

Subject: **NORTH CAMPUS-UNIVERSITY PARK DEVELOPMENT CORPORATION -
2014/2015 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 2014/2015 fiscal year. This budget was approved by the Board of Directors on April 3, 2014.

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 2014/2015 operating budget.

 Dianne F. Harrison, President
 California State University, Northridge

 Date

/esk
att:

North Campus University Park Development Corporation
FY 14/15 Budget Summary

3/17/14

	Budget FY 13/14	Projected FY 13/14	Budget FY 14/15	Change from Proj 13/14	Actual FY 12/13
Revenue					
Medtronic Parcels 1,2,3 & 4 Ground Rental	479,544	479,419	503,520	24,101	479,604
Lease Income		112,716	112,716	-	7,515
Licensing Activities	34,500	33,696	34,817	1,121	30,095
Investment Income - Dividends	6,000	20,386	20,040	(346)	4,556
Investment Gain/(Loss)	37,500	96,832	55,020	(41,812)	4,408
Interest Income	120	18	36	18	200
Total Revenue	557,664	743,067	726,149	(16,918)	526,378
Operating Expenses					
Salaries & Wages	43,260	43,358	43,812	(454)	43,292
Benefits	18,300	19,234	19,788	(554)	18,163
Administrative Fees	3,450	3,369	3,482	(113)	3,010
Audit Fees	12,100	12,075	14,000	(1,925)	11,500
Dues & Subscriptions	400	785	800	(15)	764
Insurance	5,040	3,930	4,800	(870)	3,291
Legal Fees	1,000	6,119	5,000	1,119	5,353
Office Supplies & Marketing	400	18	300	(282)	245
Repairs & Maintenance	32,000	40,000	40,000	-	23,300
Contribution to University (See note 1)	200,000	200,000	250,000	(50,000)	200,000
Taxes	-	85	-	-	85
Total Operating Expenses	315,950	328,973	381,982	(53,094)	309,003
Operating Surplus/(Deficit)	241,714	414,094	344,167	(70,012)	217,375
Rent Adjustment - Medtronic (See note 2)	(25,164)	(25,164)	(25,164)	-	(25,164)
Net Surplus/(Deficit)	216,550	388,930	319,003	(70,012)	192,211

Net Assets roll forward:	Beginning FY 13/14	Projected FY 13/14 Net Surplus	Ending FY 13/14	Beginning FY 14/15	Budgeted FY 14/15 Net Surplus	Ending FY 14/15
Unrestricted Net Assets	1,234,017	-	1,234,017	1,622,947		1,622,947
Current Year Net Surplus/(Deficit)	-	388,930	388,930	-	319,003	319,003
Current Operations Reserve	325,000	-	325,000	325,000		325,000
Total Net Assets	1,559,017	388,930	1,947,947	1,947,947	319,003	2,266,950

Notes:

Note 1: The contribution to campus is increasing to \$250,000 for 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 14/15 Budget Assumptions**

3/17/14

	<u>Budget</u>
1. Medtronic Minimed monthly rent is \$39,962 through Dec 2014	
a) \$39,962 times 6 months (<i>Jul to Dec</i>)	\$ 239,772
b) - Rent increase on Jan 1, 2015 per lease agreement	
- Increase limited to 10% of total CPI increase over past 5 years	
- Assumption used is 10% increase to current monthly rent amount	
- New monthly rent is \$39,962 x 1.10 = \$43,958.20	
- \$43,958.20 times 6 months (<i>Jan to Jun</i>)	\$ 263,749
c) Amortization of deferred rent credit (\$2097 per month)	(25,164)
Net annual rent amount	<u>\$ 478,357</u>
2. Lease income from Rydell Chevrolet	
a) 3-year lease ending May 2016 @ \$9,393 per month	\$ 112,716
3. Licensing activities -	
a) cell site revenue is \$7,046 for one qtr, \$7,257 for three qtrs.	\$ 28,817
b) licensing activities flat to FY 13/14	<u>6,000</u>
Total licensing activities	\$ 34,817
4. Investment income -	
a) Dividends will be consistent with 13/14 results	\$ 20,000
b) We are assuming a 5.0% investment gain ($5\% \times \$1,100,000$)	\$ 55,000
5. Salaries & benefits expense -	
a) Expense level similar to last year. 20% of Rick's and Linda's salary and benefits is allocated to North Campus which covers all TUC G & A support.	P/R \$ 43,812 Benefits \$ 19,872
6. Audit fees -	
a) Fourth year with NSBN. 16% increase over last year.	\$ 14,000
7. Repairs & Maintenance -	
a) Martin Lopez	\$ 25,000
b) Tru-Green, new firm to help with weed control	<u>15,000</u>
Total repairs & maintenance	\$ 40,000
8. Surplus contribution to University	
a) New agreement with CSUN calls for \$250,000 annual payment	\$ 250,000