

**MEMORANDUM**

**DATE:** June 28, 2016

**TO:** Vice President Freer  
President Morales  
In Turn

**FROM:** Davina Lindsey  
Principal Cost & Policy Analyst

**RE:** **FY 16-17 Auxiliary and Enterprise Fund Budgets**

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Enclosed are the 16-17 Auxiliary and Enterprise Fund budgets for your review and approval.



Each Auxiliary/Enterprise area has included their year-end projections for FY 15-16 along with projected revenue, expenses and reserve amounts for the upcoming year. Reserve designations for 15-16 balances have also been included to provide information for long-term financial plans.

The final sheet in this packet provides a combined summary of each of the Auxiliary/Enterprise funds' reserve designations.

Please let me know once these budgets have been approved and I will communicate back to the appropriate departments.

Enclosures

**Approved:**    
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Dr. Douglas R. Freer  
Vice President, Administration & Finance

   
\_\_\_\_\_  
Dr. Tomás D. Morales  
President

**CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO  
AUXILIARY/ENTERPRISE BUDGET PLAN  
2016-2017**

Area Associated Students, Inc.

	2015/2016 Approved Budget	2015/2016 Projected Actuals	2016/2017 Projected Budget
<b>Operating Revenues</b>			
Student Fees	1,637,983	1,771,613	1,665,246
Interest Earnings	3,000	2,125	3,000
<b>Total</b>	<b>1,640,983</b>	<b>1,773,738</b>	<b>1,668,246</b>
<b>Operating Expenses</b>			
Management	82,404	82,404	84,052
Staff	118,124	53,124	124,102
Student Assistants	252,355	268,322	243,400
Overtime	500	0	500
Benefits	131,033	112,845	133,099
Supplies & Services( includes Utilities, etc)	69,900	67,990	60,301
Travel	121,500	112,323	35,000
Accounting/Audits/Legal Consultants	93,550	92,432	93,000
Equipment, IT Hardware & IT Software	33,000	32,547	28,000
Hospitality/Special Events	235,201	379,195	310,550
Scholarships/Campus Support	455,550	680,686	504,600
PDC activities	25,850	22,681	29,200
Insurance	22,000	18,000	22,000
<b>Total</b>	<b>1,640,967</b>	<b>1,922,549</b>	<b>1,667,804</b>

<b>Net Operating Income</b>	16	(148,811)	442
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<b>Debt Service</b>			
Annual Debt Service Payments (if applicable)			

<b>Debt Coverage Ratio</b>	N/A	N/A	N/A
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<b>Reserves</b>			
Prior-Year Retained Earnings	2,281,760	2,306,752	2,157,941
Current Year Reserve	16	(148,811)	442
<b>Total Net Reserve</b>	<b>2,281,776</b>	<b>2,157,941</b>	<b>2,158,383</b>

<b>Return of Surplus for Operations</b>		1,749,567	1,665,246
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\*\*\*NEW\*\*\*

Please designate applicable reserves below. For information purposes only.

<b>15/16 Mandatory Reserve Designation</b>	<b>Amount</b>
Capital Improvement/Construction	200,000
Equipment Acquisition	75,000
Program Development	1,582,941
Future Debt Service	
Facilities Maintenance and Repairs	
Outstanding Commitments	
Catastrophic Events	300,000
Encumbrances	
CEL Campus Partners	
Economic Uncertainty	
<b>Total Reserve Designation</b>	<b>2,157,941</b> <i>(Should equal 15/16 Actual Total Net Reserve)</i>

**CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO**  
**AUXILIARY/ENTERPRISE BUDGET PLAN**  
**2016-2017**

Area College of Extended Learning

	2015/2016 Approved Budget*	2015/2016 Projected Actuals*	2016/2017 Projected Budget*
<b>Operating Revenues</b>			
Student Fees	8,815,258	8,943,594	9,122,466
Summer Session	6,584,180	6,848,974	7,122,933
Early Start/CFS	1,400,000	1,416,068	854,966
Interest Earnings	32,000	71,901	75,497
Other	49,487	54,433	57,155
<b>Total</b>	<b>16,880,925</b>	<b>17,334,970</b>	<b>17,233,016</b>
<b>Operating Expenses</b>			
CEL Salaries and Benefits	3,200,742	3,208,236	3,074,483
CEL Instructors Salaries and Benefits	1,500,000	1,300,636	772,982
Other Operating Expenses	1,528,313	1,043,418	1,074,721
Equipment (Instructional, Furniture, IT, etc.)	53,534	37,192	38,308
Summer Session Expenses	6,261,653	6,478,061	6,872,403
Early Start/Coyote First Step Expenses			854,966
Cost Recovery-University	452,027	316,578	326,075
State Pro-Rata	245,000	173,388	258,590
Chancellor Office Charges	85,000	27,103	27,916
Maint/Repair	250,000	99,508	100,000
Capital Improvement	1,650,000	0	0
Other- Academic Affairs Reimb	125,000	125,000	75,000
<b>Total</b>	<b>15,351,269</b>	<b>12,809,122</b>	<b>13,475,444</b>
<b>Net Operating Income</b>	<b>1,529,656</b>	<b>4,525,849</b>	<b>3,757,572</b>
<b>Debt Service</b>			
Annual Debt Service Payments (if applicable)			
<b>Debt Coverage Ratio</b>	N/A	N/A	N/A
<b>Transfers In/Out</b>			
To Construction		2,500,000	2,000,000
To Maintenance & Repair		300,000	150,000
To Campus Partners	1,000,000	1,520,776	1,596,815
<b>Operating Reserves</b>			
Prior-Year Retained Earnings	2,036,121	1,519,715	1,724,788
Current Year Reserve	529,656	205,073	10,757
<b>Total Net Reserve-Operating</b>	<b>2,565,777</b>	<b>1,724,788</b>	<b>1,735,545</b>
<b>Other Fund Reserves</b>			
Construction		5,968,486	2,000,000
Maintenance & Repair		456,633	150,000
Campus Partners		2,041,876	1,819,346
<b>Total Other Fund Reserves</b>	<b>0</b>	<b>8,466,995</b>	<b>3,969,346</b>

\* Includes Early Start Program

\*\*\*NEW\*\*\*

Please complete applicable reserve entries below per ICSUAM Policy 2001.00

15/16 Mandatory Reserve Designation	Amount	
Capital Improvement/Construction		
Equipment Acquisition	125,000	
Program Development	431,197	
Future Debt Service	0	
Facilities Maintenance and Repairs		
Outstanding Commitments	0	
Catastrophic Events		
Encumbrances**	333,304	
CEL Campus Partners		
Economic Uncertainty**	835,287	<i>(May not exceed \$8,440,463)</i>
<b>Total Reserve Designation</b>	<b>1,724,788</b>	<i>(Must equal 15/16 Actual Net Reserve for Oper.)</i>

\*\*These figures will be adjusted as needed to equal actual balances at 6/30/16

**CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO**  
**AUXILIARY/ENTERPRISE BUDGET PLAN**  
**2016-2017**

**Area      Health & Counseling Center**

	2015/2016 Approved Budget	2015/2016 Projected Actuals	2016/2017 Projected Budget
<b>Operating Revenues</b>			
Academic Year	4,104,067	4,407,202	4,639,394
Summer Session	134,082	225,350	254,897
Revenue from Investments	37,000	1,578	1,594
<b>Total</b>	<b>4,275,149</b>	<b>4,634,130</b>	<b>4,895,885</b>
<b>Operating Expenses</b>			
Management	321,332	331,611	341,559
Faculty	648,582	641,876	770,807
Staff	1,263,602	1,318,479	1,413,233
Temporary Help	479,736	330,866	340,792
Student Assistants	6,053	5,137	5,240
Benefits	1,343,765	1,422,514	1,589,639
Financial Aid Fee	83,715	94,117	96,375
Palm Desert Campus Operating Expenses	207,319	294,108	299,990
Supplies, Contract Services, Chargebacks, and Accreditation	136,442	265,210	271,840
Travel	10,677	11,213	11,494
Communications	6,338	5,903	6,051
Postage & Duplicating	8,472	5,847	5,994
Equipment, IT Hardware & IT Software	67,842	34,941	35,814
Professional Development	14,686	11,555	11,844
Cost Recovery - State	274,726	285,733	386,117
<b>Total</b>	<b>4,873,287</b>	<b>5,059,110</b>	<b>5,586,789</b>
<b>Net Operating Income</b>	<b>(598,138)</b>	<b>(424,980)</b>	<b>(690,904)</b>
<b>Operating Reserves</b>			
Prior-Year Retained Earnings	(422,273)	(467,246)	(892,226)
Current Year Reserve	(598,138)	(424,980)	(690,904)
<b>Total Net Reserve (Operating)</b>	<b>(1,020,411)</b>	<b>(892,226)</b>	<b>(1,583,130)</b>
<b>Facility Fee Revenues</b>			
Facility Fees-San Bernardino Campus & Palm Desert	792,204	623,555	642,262
Fed Non-Op Grants		87,257	89,439
Interest Earnings	18,641	24,024	24,865
<b>Total</b>	<b>810,845</b>	<b>734,836</b>	<b>756,566</b>
<b>Facility Fee Expenses</b>			
Palm Desert Facility Fee Operating Expenses		96	99
San Bernardino Facility Fee Operating Expenses		11,227	11,564
Operating/State Serv Chgs/Interest Chgs	246		
Contract Services	243	270	279
Services from other agencies	293		
Equipment/Info. Tech/Maint. Expense	21,094		
Overhead-Chancellor's Office	12,717	9,648	9,986
State Pro Rata	4,605	4,038	4,179
<b>Total</b>	<b>39,198</b>	<b>25,279</b>	<b>26,107</b>
<b>Net Facility Fee Income</b>	<b>771,647</b>	<b>709,557</b>	<b>730,459</b>
<b>Debt Service</b>			
Annual Debt Service Payments (if applicable)	451,962	451,962	451,537
<b>Debt Coverage Ratio</b>	<b>1.71</b>	<b>1.57</b>	<b>1.62</b>
<b>Transfers In/Out</b>			
To Maintenance & Repair		110,000	100,000
<b>Reserves</b>			
Prior-Year Retained Earnings	3,503,661	3,298,645	3,446,241
Current Year Reserve	319,685	147,595	178,922
<b>Total Net Reserve (Facility Fee)</b>	<b>3,823,346</b>	<b>3,446,241</b>	<b>3,625,163</b>
<b>Other Fund Reserves</b>			
Construction	0	0	0
Maintenance & Repair	29,544	101,815	50,000
<b>Total Other Fund Reserves</b>	<b>29,544</b>	<b>101,815</b>	<b>50,000</b>

\*\*\*NEW\*\*\*

Please complete applicable reserve entries below per ICSUAM Policy 2001.00

**Health-Operating <sup>(1)</sup>**

15/16 Mandatory Reserve Designation	Amount
Capital Improvement/Construction	
Equipment Acquisition	
Program Development	
Future Debt Service	
Facilities Maintenance and Repairs	
Outstanding Commitments	
Catastrophic Events	
Encumbrances*	
CEL Campus Partners	
Economic Uncertainty*	
	<i>(May not exceed \$2,137,575)</i>
<b>Total Reserve Designation</b>	<b>0</b> <i>(Must equal 15/16 Actual Net Reserve for Oper.)</i>

(1) 15/16 Projected Net Operating Balance \$(892,226)

**Health-Facilities Fee**

15/16 Mandatory Reserve Designation	Amount
Capital Improvement/Construction	
Equipment Acquisition	250,000
Program Development	
Future Debt Service	910,299
Facilities Maintenance and Repairs	880,519
Outstanding Commitments	
Catastrophic Events	1,000,000
Encumbrances*	
CEL Campus Partners	
Economic Uncertainty*	405,423
	<i>(May not exceed \$405,423)</i>
<b>Total Reserve Designation</b>	<b>3,446,241</b> <i>(Must equal 15/16 Actual Net Reserve for Facil.)</i>

\*These figures will be adjusted as needed to equal actual balances at 6/30/16











**CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO  
AUXILIARY/ENTERPRISE BUDGET PLAN  
2016-2017**

Area Philanthropic Foundation

	2015/2016 Approved Budget	2015/2016 Projected Actuals	2016/2017 Projected Budget
<b>Operating Revenues</b>			
Interest Earnings	68,400	67,000	67,000
Endowment Mgmt Fee	160,000	143,000	145,000
Community Board Membership	26,000	21,200	23,000
Other	700	37,000	29,000
<b>Total</b>	255,100	268,200	264,000
<b>Operating Expenses</b>			
Contract Services	159,006	159,000	182,887
Insurance	14,300	12,560	13,000
Audit	21,377	18,585	16,800
Supplies & Services	14,660	23,222	8,000
Other	32,045	33,040	34,000
<b>Total</b>	241,388	246,407	254,687
<b>Net Operating Income</b>			
	13,712	21,793	9,313
<b>Debt Service</b>			
Annual Debt Service Payments <i>(if applicable)</i>			
<b>Debt Coverage Ratio</b>			
	N/A	N/A	N/A
<b>Reserves</b>			
Prior-Year Retained Earnings	47,253	38,183	59,976
Current Year Reserve	13,712	21,793	9,313
Other			
<b>Total Net Reserve</b>			
	60,965	59,976	69,289

\*\*\*NEW\*\*\*

Please designate applicable reserves below. For information purposes only.

15/16 Mandatory Reserve Designation	Amount
Capital Improvement/Construction	
Equipment Acquisition	
Program Development	
Future Debt Service	
Facilities Maintenance and Repairs	
Outstanding Commitments	
Catastrophic Events	
Encumbrances	
CEL Campus Partners	
Economic Uncertainty	59,976
<b>Total Reserve Designation</b>	<b>59,976</b>

*(Should equal 15/16 Actual Total Net Reserve)*

**CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO  
AUXILIARY/ENTERPRISE BUDGET PLAN  
2016-2017**

Area Student Union / Recreation & Wellness

	2015/2016 Approved Budget	2015/2016 Projected Actuals	2016/2017 Projected Budget
<b>Operating Revenues</b>			
Return of Surplus		4,770,713	4,951,900
Interest Earnings	25,000	25,368	25,000
Other	221,420	303,000	596,857
<b>Total</b>	<b>246,420</b>	<b>5,099,081</b>	<b>5,573,757</b>
<b>Operating Expenses</b>			
Management	256,054	88,740	249,547
Staff	890,769	793,273	934,716
Temporary Staff	11,580	50,635	11,580
Student Assistants	1,003,218	968,865	1,073,867
Overtime	5,100	4,000	1,200
Benefits	643,019	485,361	705,174
Supplies & Services	482,022	510,000	460,515
Travel	158,647	167,737	115,633
Equipment, IT Hardware & IT Software	8,400	4,550	6,900
Utilities	464,731	454,651	465,971
Other	1,105,173	1,100,000	1,548,654
<b>Total</b>	<b>5,028,713</b>	<b>4,627,812</b>	<b>5,573,757</b>
<b>Net Operating Income</b>	<b>(4,782,293)</b>	<b>471,269</b>	<b>0</b>
<b>Operating Reserves</b>			
Prior-Year Retained Earnings	11,990,782	1,907,667	2,378,936
Current Year Reserve	379,907	471,269	0
<b>Total Net Reserve (Operating)</b>	<b>12,370,689</b>	<b>2,378,936</b>	<b>2,378,936</b>
<b>Student Fee Revenues</b>			
Student Fees	6,887,700	7,676,341	7,174,885
Interest Earnings	35,000	69,597	70,000
<b>Total</b>	<b>6,922,700</b>	<b>7,745,938</b>	<b>7,244,885</b>
<b>Student Fee Expenses</b>			
Chancellor Charges		17,397	20,000
Capital Projects Expenditures		87,066	100,000
Contra Revenue-Allowance & Fee Waiver		193,723	185,000
Return of Surplus for Operating		4,770,713	4,951,900
<b>Total</b>	<b>0</b>	<b>5,068,899</b>	<b>5,256,900</b>
<b>Net Student Fee Income</b>	<b>6,922,700</b>	<b>2,677,039</b>	<b>1,987,985</b>
<b>Debt Service</b>			
Annual Debt Service Payments (if applicable)	1,760,500	1,899,400	1,899,400
<b>Debt Coverage Ratio</b>	<b>1.22</b>	<b>1.41</b>	<b>1.05</b>
<b>Transfers In/Out</b>			
To Maintenance & Repair		418,000	418,000
<b>Reserves</b>			
Prior-Year Retained Earnings		8,718,722	9,078,361
Current Year Reserve		359,639	(329,415)
<b>Total Net Reserve (Student Fee)</b>	<b>0</b>	<b>9,078,361</b>	<b>8,748,946</b>
<b>Other Fund Reserves</b>			
Construction Maintenance & Repair		2,589,315	2,857,315
<b>Total Other Fund Reserve</b>	<b>0</b>	<b>2,589,315</b>	<b>2,857,315</b>

\*2015/2016 Approved Budget template modified to separate Operating & Student Fee Funds.

Area Student Union / Recreation & Wellness

\*\*\*NEW\*\*\*

Please complete applicable reserve entries below per ICSUAM Policy 2001.00

**Student Union-Operating (RO001)**

15/16 Mandatory Reserve Designation	Amount	
Capital Improvement/Construction	634,647	
Equipment Acquisition	142,705	
Program Development	434,557	
Future Debt Service		
Facilities Maintenance and Repairs	96,828	
Outstanding Commitments	1,070,199	
Catastrophic Events		
Encumbrances		
CEL Campus Partners		
Economic Uncertainty	_____	<i>(May not exceed \$2,549,540)</i>
<b>Total Reserve Designation</b>	<b>2,378,936</b>	<i>(Must equal 15/16 Actual Net Reserve for Oper.)</i>

**Student Union-Student Fee (HDD01)**

15/16 Mandatory Reserve Designation	Amount	
Capital Improvement/Construction	5,000,000	
Equipment Acquisition	150,000	
Program Development		
Future Debt Service	1,899,400	
Facilities Maintenance and Repairs	960,761	
Outstanding Commitments		
Catastrophic Events	971,372	
Encumbrances*		
CEL Campus Partners		
Economic Uncertainty*	96,828	<i>(May not exceed \$3,584,560)</i>
<b>Total Reserve Designation</b>	<b>9,078,361</b>	<i>(Must equal 15/16 Actual Net Reserve for Student Fee)</i>

\*These figures will be adjusted as needed to equal actual balances at 6/30/16

**CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO**  
**AUXILIARY/ENTERPRISE BUDGET PLAN**  
**2016-2017**

Area University Enterprises Corporation

	2015/2016 Approved Budget	2015/2016 Projected Actuals	2016/2017 Projected Budget
<b>Operating Revenues</b>			
Administrative Fees	71,314	70,000	70,000
Commissions	839,450	913,000	1,074,200
Sponsored Programs Recovered Indirect	2,300,000	2,375,000	2,400,000
Interest Earnings	12,500	35,000	50,000
Other	53,000	128,000	175,000
<b>Total</b>	<b>3,276,264</b>	<b>3,521,000</b>	<b>3,769,200</b>
<b>Operating Expenses</b>			
Salaries and Benefits	606,957	458,200	655,000
Contract Services	1,796,649	1,835,000	1,833,100
Commercial Operations	211,600	267,936	298,300
Supplies & Services	20,500	39,500	30,500
Professional Development/Travel	36,372	15,800	28,000
Repairs and Maintenance	10,000	25,000	22,000
Insurance	70,376	65,000	68,000
Audit Fees	42,000	42,000	44,000
Other	112,585	141,050	141,800
<b>Total</b>	<b>2,907,039</b>	<b>2,889,486</b>	<b>3,120,700</b>
<b>Other Adjustments</b>			
Allocations to campus	53,000	53,000	53,000
CalPERS Payment/Trust Deposit		182,176	190,000
<b>Net Operating Income</b>			
	316,225	396,338	405,500
<b>Debt Service</b>			
Annual Debt Service Payments (if applicable)			
<b>Debt Coverage Ratio</b>			
	N/A	N/A	N/A
<b>Reserves</b>			
Prior-Year Retained Earnings	556,974	712,079	1,108,417
Current Year Reserve	316,225	396,338	405,500
<b>Total Net Reserve</b>			
	873,199	1,108,417	1,513,917



Area University Enterprises Corporation

\*\*\*NEW\*\*\*

Please complete applicable reserve entries below. For information purposes only.

<b>15/16 Mandatory Reserve Designation</b>	<b>Amount</b>
Capital Improvement/Construction	335,000
Equipment Acquisition	
Program Development	
Future Debt Service	
Facilities Maintenance and Repairs	181,000
Outstanding Commitments	350,000
Catastrophic Events	
Encumbrances	
CEL Campus Partners	
Economic Uncertainty	242,417
<b>Total Reserve Designation</b>	<b>1,108,417</b> <i>(Should equal 15/16 Actual Total Net Reserve)</i>

**CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO  
AUXILARY/ENTERPRISE 15-16 FUND BALANCE  
DESIGNATED RESERVES SUMMARY**

	ASI	CEL	Health Center	Health Center Facilities	Housing	Parking	Parking Fines/Forfeitures	Philanthropic	SMSU & SRWC	UEC
<b>Operating Reserves</b>										
Capital Improvement/Construction	200,000				551,952	175,700			5,634,647	335,000
Equipment Acquisition	75,000	125,000		250,000		105,000			292,705	
Program Development	1,582,941	431,197					57,500		434,557	
Future Debt Service				910,299		249,253			1,899,400	
Facilities Maintenance and Repairs				880,519	551,258				1,057,589	181,000
Outstanding Commitments									1,070,199	350,000
Catastrophic Events	300,000			1,000,000	1,573,729				971,372	
Encumbrances		333,304				101,473	6,000			
CEL Campus Partners										
Economic Uncertainty		835,287		405,423	1,292,322	336,328	138,321	59,976	96,828	242,417
<b>Total Operating Reserves</b>	<b>2,157,941</b>	<b>1,724,788</b>	<b>0</b>	<b>3,446,241</b>	<b>3,969,261</b>	<b>967,754</b>	<b>201,821</b>	<b>59,976</b>	<b>11,457,297</b>	<b>1,108,417</b>

<b>Other Fund Reserves</b>										
Construction		5,968,486			2,608,575					
Maintenance & Repair		456,633		101,815	596,255	2,383,315			2,589,315	
Campus Partners		2,041,876								
<b>Total Other Reserves</b>	<b>0</b>	<b>8,466,995</b>	<b>0</b>	<b>101,815</b>	<b>3,204,830</b>	<b>2,383,315</b>	<b>0</b>	<b>0</b>	<b>2,589,315</b>	<b>0</b>